

AT 6736

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 732-5700

May 25, 1971

Guidelines for Banks in Complying With Fair Credit Reporting Act

To All State Member Banks in the
Second Federal Reserve District:

Following is the text of a statement issued by the Board of Governors
of the Federal Reserve System and released today:

The Board of Governors of the Federal Reserve System today issued a series of questions and answers to assist financial institutions in complying with the Fair Credit Reporting Act (a portion of Public Law 91-508). The general purpose of the Act, which became effective on April 25, is to assure fair and accurate reporting of information regarding consumers.

The questions and answers were prepared jointly by the staffs of the Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, each of which will issue them to institutions under their supervision. The information is not a regulation of the Board, and is merely designed to provide guidance to financial institutions. Institutions that act in accordance with the information, however, will be regarded by the Board's examiners as acting in compliance with the Act.

Enclosed is a copy of the questions and answers, together with the text of the Fair Credit Reporting Act. If you have any questions concerning the guidelines, you may contact our Consumer Information and Securities Regulations Department (Telephone Extension 8209).

Additional copies of the enclosure will be furnished upon request.

ALFRED HAYES,
President.

FINANCIAL INSTITUTIONS
AND THE
FAIR CREDIT REPORTING ACT

MAY 1971

On April 25, 1971, the Fair Credit Reporting Act became effective (Public Law 91-508, Title VI of the Consumer Credit Protection Act). It is designed to insure fair and accurate reporting of information regarding consumers. It restricts the use of reports on consumers, and in certain situations requires the deletion of obsolete information. It requires notice to consumers when the use of a credit report contributes to the denial or increase in the cost of credit or insurance, or denial of employment. Disclosures must also be made when credit is denied or the cost is increased on the basis of other information from third parties, and when investigative consumer reports are used. Under the Act consumers are entitled to disclosure of the information maintained in their files by consumer reporting agencies, and procedures are provided for the correction of erroneous information. The collection, use, and referral of information on consumers for credit, insurance, employment and other purposes by financial institutions is directly affected by this Act.

Financial institutions are likely to be subject to the Act as credit grantors, purchasers of dealer paper, issuers of credit cards, and employers. In some instances, a financial institution may even be a consumer reporting agency under the Act as a result of the type of information about consumers that it provides to others. In general, the Act does not apply to commercial transactions.

This pamphlet contains the text of the Act and questions and answers explaining the Act's applicability to the operations of a financial institution. It has been prepared to inform financial institution examiners of the principal statutory requirements of the Act, and to serve as a guide for its enforcement. The pamphlet is not designed to answer all questions that might arise under the Act; rather, it is to assist financial institutions in developing a working knowledge of the Act and its requirements. The questions and answers are being distributed jointly by the Federal Reserve Board, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation and Federal Home Loan Bank Board, and are applicable to the operations of financial institutions subject to the enforcement authority of these agencies.

The statute is unclear in some instances as to its application to financial institutions. Court decisions may ultimately construe provision of the statute in ways contrary to the information in this pamphlet. Although copies of the pamphlet are being made available to financial institutions, the information in the pamphlet should not be relied upon without advice of counsel. Nevertheless, institutions that act in accordance with them will be regarded by examiners as acting in compliance with the Act.

The questions and answers are grouped into the following categories:

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QUESTIONS AND ANSWERS*

I. The Financial Institution As A User Of Consumer Reports

1. May a financial institution obtain a consumer report from a consumer reporting agency in connection with a consumer's application for an extension of credit?

Yes. Reports may be obtained for this purpose, as well as certain other legitimate business purposes. Reports (known as "consumer reports" under the statute) may also be obtained in connection with the review or collection of an account, in connection with employment, or the underwriting of insurance. § 604 (See question 25 for a list of permissible purposes.)

2. Are new procedures required to obtain a consumer report?

Yes. The financial institution must identify itself and certify to the reporting agency (called a "consumer reporting agency" under the statute) the purposes for which the information is sought. It must also certify that the information will be used for no other purpose. § 607

3. Must certification be given each time a consumer report is requested?

No. A written blanket certification by the financial institution could cover all inquiries to a particular consumer reporting agency.

4. Does a financial institution which uses a consumer report have any new responsibilities to the consumer?

Yes. If a financial institution denies employment or if it denies credit or insurance for personal, family, or household purposes, or if it increases the cost, even partially because of information in a consumer report from a consumer reporting agency, it must make disclosures to the consumer. It must advise him orally or in writing that information in the report caused or contributed to the denial or increase in cost, and inform him of the name and address of the consumer reporting agency issuing the report. The financial institution is not required to disclose the nature of the information in the report. § 615(a) (See question 56 which deals with the denial of employment based on a consumer report.)

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Answers should be read in the context of the surrounding questions and answers, which, in many cases, are structured to relate to each other.

5. What would constitute a "denial" of credit?

If any condition is imposed, without which credit would not be extended, and it is imposed because of information in the consumer report, there is a "denial" which would require disclosures. This would include cases where a larger downpayment, a shorter maturity, a co-signer, guarantor, or additional collateral is required as a condition of extending credit. If a consumer applies, for example, for a credit card limit of \$1,500, and only \$1,000 is approved because of information in a consumer report, a "denial" has occurred.

6. Does a financial institution have any responsibility to the consumer when it obtains information from someone other than a consumer reporting agency?

Yes. Disclosures must be made when credit for personal, family, or household purposes is denied or the charge is increased even partially because of information obtained from someone other than a consumer reporting agency bearing upon the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living. Disclosure would not be required if the denial is based on the financial institution's own experience with the consumer, on his credit application, or on the institution's own credit policies. Where disclosures are required they must be made regardless of whether the information is obtained currently, or is already in the files. At the time credit is denied or the charge increased, the financial institution must inform the consumer orally or in writing of his right to make a written request for disclosure of the "nature" of the information. If the consumer requests this information within 60 days, the financial institution must tell him the nature of the information orally or in writing. Note that these requirements apply only in the case of credit, and not in the case of insurance or employment where disclosures are required when a report from a consumer reporting agency is involved. § 615(b) (See question 4.)

7. What would the "nature" of the information include?

It would include information that the consumer's credit history with another financial institution is poor, his income is not what he represented it to be, he has not been employed or has not lived at the address indicated on the application for the period specified, that his debts are greater than represented, that a statement that his debts are current is inaccurate, and so on. The nature of the information should be

given with enough detail to enable the consumer to question the accuracy of the information if he believes it is erroneous.

8. In disclosing the "nature" of the information, must the source be disclosed?

Although the statute does not require that the source be disclosed, it may be impossible to identify the "nature" of certain information without also revealing the source.

9. Do the requirements of disclosure by a user of information discussed in question 4 through 8 apply in the case of information about a co-maker, guarantor, or surety?

Yes. In these instances disclosures, as indicated above, should be made to the co-maker, guarantor or surety to whom the information relates.

10. Are these rules applicable when a financial institution decides not to honor an overdraft on a checking account on the basis of information from a third party?

Yes. If an overdraft is denied on the basis of information from any outside source, disclosures must be made. This is so whether or not the account ordinarily includes overdraft credit privileges (for example, "check credit"). No disclosures need to be made if the denial is based on the financial institution's general policy not to honor overdrafts.

11. Must disclosures be made when a financial institution which issues credit cards refuses to authorize a merchant to honor a credit card, or, itself, refuses to honor a credit card, because of information received from any outside source?

Yes. The issuer would have to disclose the name and address of the consumer reporting agency, or the consumer's right to know the nature of the information when it was received from someone other than a consumer reporting agency. In the latter instance, where a merchant is involved, it would appear that he would need to make disclosures on the issuer's behalf, since the consumer must receive notice of his right "at the time such adverse action is communicated to the consumer." However, if the information does not bear upon the customer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living (for example, if the information is simply that the card is lost, stolen or being used in an unauthorized manner), or if the information is not obtained from an outside source, disclosures would not be required.

12. Do these requirements for disclosure by users of information apply to business or commercial transactions?

No. The "user" requirements of disclosure apply only in the case of credit or insurance for personal, family, or household purposes, or in connection with employment. In other words, in the case of credit, they are applicable to the general type of consumer credit transactions covered by Regulation Z, but do not include agricultural credit.

13. Must a financial institution make any disclosure to the consumer when it denies credit or increases the charges solely on the basis of its prior transactions or experiences with the consumer, or on the basis of unverified information furnished by the consumer on his application?

No. There is no responsibility of disclosure in these circumstances. However, if credit is denied or the cost increased because of information obtained from third parties in the process of verifying information on the application, then disclosures must be made. § 603(d)(3)(A).

14. If one department or branch of a financial institution obtains information on the consumer from some other department or branch of the same financial institution as to its prior transactions or experiences, and denies credit or increases the charge based on this information, must disclosures be made?

No. Disclosures are required only when information is obtained from an outside source. However, disclosures must be made if the department or branch transmitting the information relays information obtained from third parties outside the financial institution, and the institution either denies or increases the cost of credit based upon the information.

15. What are some actions that a financial institution should consider taking to insure that it can comply with the requirements imposed on a user of consumer reports?

First, file the appropriate certification mentioned in question 2 with each consumer reporting agency whose services are expected to be used. Retain a file copy. Instruct employees that consumer reports may be obtained only for the purposes specified in the Act and certification. Develop procedures for making required disclosures to consumers when credit, insurance, or employment is denied, or when the cost of credit or insurance is increased, based on information obtained from outside sources. Record all inquiries to reporting agencies or others, as well as the information obtained through those inquiries, so that accurate disclosure can be made to consumers.

Forms may be useful to advise the consumer of the name and address of the consumer reporting agency (when a consumer report is involved), or to advise him of his rights to request the nature of the information when other outside sources are involved.

II. The Financial Institution As A Consumer Reporting Agency

16. Is it possible that a financial institution could be a consumer reporting agency?

Yes. If the financial institution regularly passes on information in its files about a consumer, other than information solely as to its transactions or experiences with the consumer, it may be considered a consumer reporting agency. A consumer reporting agency is any entity which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports. § 603(d), (f)

17. Does this apply to the regular exchange of information between correspondent financial institutions, or between a holding company and its subsidiaries, or between subsidiaries of the holding company?

Yes. However, a branch or department of a financial institution may furnish information to another branch or department of that financial institution without becoming a consumer reporting agency.

18. What information may a financial institution give to third parties in response to inquiries about a consumer, without becoming a consumer reporting agency?

The financial institution may relate information solely as to its transactions or experiences with the consumer. For example, the financial institution may disclose that the consumer had a history of delinquency, or was current, and could give other information as to the status of any loans or deposits with it. To assure that it does not become a consumer reporting agency, it should not regularly give out information contained in credit applications bearing on the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living. In addition it should not regularly give out information obtained in reports from consumer reporting agencies, or any other information obtained from third parties. For example, a financial institution which obtained information as a "user" may become a consumer reporting agency if it subsequently conveys the information to another financial institution.

19. Does a financial institution become a consumer reporting agency by transmitting information obtained from outside sources to another party involved in the same transaction?

No. The financial institution would not become a consumer reporting agency since it is a joint user of the same information with the other party involved in the same transaction. For example, a financial institution does not become a consumer reporting agency by transmitting such information to an insurer or guarantor (as in the case of FHA, VA, private insurers or insured student loan programs), or to a participating financial institution in connection with the same transaction, or to a collection agency in connection with its efforts to collect on the transaction. Furthermore, the procurement and transmission of a consumer report to FHA, VA, or other similar insuring or guaranteeing entity is for determining whether the entity will issue its insurance or guaranty to the holder of an obligation and not whether it will issue insurance to the consumer involved.

20. If a financial institution regularly obtains information for its customers about the sufficiency of funds to cover checks on drawee banks and gives the information to such customers does it become a consumer reporting agency?

No.

21. If a financial institution becomes a consumer reporting agency are there any restrictions on the type of information which may be furnished?

Yes. Certain obsolete information may not be furnished by a consumer reporting agency. The Act defines obsolete information to include information about the following:

- Bankruptcies which antedate the report by more than 14 years;
- Suits and judgments, paid tax liens, and accounts placed for collection or charged to profit and loss which antedate the report by more than 7 years;
- Arrests, indictments, or convictions of crime which antedate the report by more than 7 years; and
- Any adverse information which antedates the report by more than 7 years.

Refer to § 605 of the Act for information as to when the time periods begin to run.

22. Are there any situations in which these restrictions on obsolete information do not apply?

Yes. They do not apply in connection with a credit transaction expected to involve \$50,000 or more in principal, or the underwriting of insurance which is expected to involve a face amount of \$50,000 or more. They also do not apply to information for employment at an annual salary of \$20,000 or more. § 605(b)

23. Must a financial institution which is a consumer reporting agency remove this obsolete information from its own files after the 7 and 14 year periods, although it wishes to use the information solely for its own use?

No. It need not remove the information from its files. However, by not removing it, the financial institution may be exposed to civil liability in the event that prohibited information is negligently released.
§ 617

24. What are the responsibilities of a financial institution which regularly furnishes information other than as to its own transactions and experiences with a consumer and thus becomes a consumer reporting agency?

It must maintain procedures to assure that the obsolete information specified in the Act is not released, except where permitted as indicated in question 22. Procedures should be maintained to assure that the information is given only for the permissible purposes listed in § 604 of the Act. Reasonable procedures are necessary to assure maximum possible accuracy of the information in any consumer report. Certifications must be obtained from all users of the information that it will be used only for authorized purposes. The identity of new users must be verified. A consumer reporting agency may not furnish a consumer report to any person if it has reasonable grounds for believing that the report will not be used for an authorized purpose. § 604, § 605, § 607

In addition, a consumer reporting agency has other responsibilities to consumers as discussed in Section III of these questions and answers.

25. What are the authorized purposes for which consumer reports can be furnished?

Reports may be furnished only in the following circumstances:

--In response to a court order;

--In accordance with the written instructions of the consumer to whom it relates;

- In connection with an extension of credit involving the consumer (or review or collection of his account);
- For employment purposes;
- In connection with the underwriting of insurance;
- In connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality in which the determination of an applicant's financial responsibility or status is required by law, or
- For any other legitimate business need in connection with a business transaction involving the consumer (for example, on a consumer who wishes to establish a checking account in the financial institution, or a builder checking the financial condition of a prospective buyer). § 604

26. Are there any other situations in which a consumer reporting agency may furnish information?

Yes. It may also furnish identifying information to a governmental agency for other purposes, limited to the consumer's name, address, employment, and former addresses and places of employment. § 608

III. Responsibilities Of A Financial Institution To Consumers When It Is A Consumer Reporting Agency

27. Does a financial institution that is a consumer reporting agency have responsibilities to consumers with respect to the information it has on file?

Yes. Upon the request and proper identification of any consumer, the financial institution must disclose to him the "nature and substance" of all information, except medical, that it has in its files. In addition, it must disclose the sources of the information, except in the case of investigative consumer reports as noted in question 49. The financial institution must also disclose the recipients of any consumer report within six months preceeding the request (two years in the case of reports furnished for employment purposes). Accordingly, a financial institution which is a consumer reporting agency should keep a dated record of each recipient of information about a consumer, even when the inquiry is oral. § 609

28. Must the consumer make a specific request for disclosure of sources and recipients of reports?

No. A consumer's general request about information in his file requires disclosure of the nature and substance of the information and sources and recipients.

29. Are there any limitations on when disclosures must be made to consumers?

Yes. Disclosure need be made only during normal business hours and only on reasonable notice by the consumer. § 610(a)

30. Can the consumer require that disclosure be made either in person or by telephone?

Yes. Disclosures must be made to him if he appears in person and furnishes proper identification. Disclosures must also be made by telephone if the consumer makes a written request for telephone disclosure and properly identifies himself. In making disclosures by telephone, the financial institution can require that any toll charge must be borne by the consumer. § 610(b)

31. If the consumer asks for disclosure in person, can he be accompanied by another party?

Yes. He can be accompanied by one other person of his choosing, who must furnish reasonable identification. The consumer may be required to furnish a written statement granting permission to the financial institution to discuss the customer's file in that person's presence. § 610(d)

32. How must disclosures be made to the consumer?

Disclosures may be made either in writing or orally. If given orally, the consumer or his representative should be given reasonable opportunity to make notations of the information being disclosed.

33. Does the financial institution have to explain the information in the consumer's file?

Yes. It must provide trained personnel to explain any information furnished to the consumer. § 610(c)

34. What is the meaning of the consumer's "file"?

It means all of the information on that consumer (bearing on his credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living) recorded and retained by the financial institution, regardless of how the information is stored. Any financial institution which is a consumer reporting agency under the Act should maintain a central file of information on the consumer, or be capable of collecting all the information it might have on the consumer in its various departments or branches for disclosure to the consumer. § 603(g)

35. Can the financial institution charge the consumer for making disclosures to him in connection with his file?

Yes, depending on the time when the consumer requests information about his file. If he makes the request either within 30 days after receiving notice that a user of a consumer report has denied or increased the charge for credit or insurance (or denied employment) on the basis of the report, or within 30 days of notification from a debt collection agency affiliated with the financial institution that the consumer's credit rating may be, or has been, adversely affected, the information must be furnished free of charge. However, the financial institution may impose a reasonable charge for making disclosures to the consumer if the request is not made within the 30 day time limit, and the charge is indicated to the consumer prior to making disclosures. § 612

IV. Disputes About Material in a Consumer Reporting Agency's File

36. What must a financial institution which is a consumer reporting agency do when a consumer questions the completeness or accuracy of an item of information in his file?

The financial institution must, within a reasonable period of time, reinvestigate and record the current status of the questioned information, unless it has reasonable grounds to believe that the dispute is frivolous or irrelevant. The Act provides that the presence of information in the consumer's file contradicting his contention does not, in and of itself, constitute reasonable grounds for believing the dispute is frivolous or irrelevant. § 611(a)

37. What must the financial institution do if reinvestigation indicates that the information was inaccurate, or if it can no longer be verified?

The information must be promptly deleted from the file. § 611(a)

38. What if reinvestigation appears to confirm the information?

If reinvestigation does not resolve the dispute with the consumer, he is entitled to file a brief statement setting forth the nature of the dispute. This statement may be limited to 100 words, if the financial institution provides the consumer with assistance in writing a clear summary of the dispute. Unless there are reasonable grounds to believe that the dispute is frivolous or irrelevant, all subsequent consumer reports containing the information in question must clearly note that it is disputed by the consumer, and provide either the consumer's statement or a clear and accurate codification of summary of it. § 611(b), (c)

39. Is there any requirement that the financial institution notify past recipients of reports on the consumer in the event disputed information is deleted or a statement or notification of the dispute is filed by the consumer?

Yes. The consumer may request that a financial institution which is a consumer reporting agency provide prior recipients with notification that the information has been deleted, or a copy of the statement, codification or summary of the dispute. It must be given to any person specifically designated by the consumer who has received a consumer report containing the disputed information within the preceeding two years for employment purposes, or within the preceeding six months for any other purpose. § 611(d)

40. Must the financial institution disclose the consumer's right to request this notification to prior recipients?

Yes. The financial institution must orally or in writing clearly and conspicuously disclose to the consumer his right to make the request. The disclosure must be made at, or prior to, the time the information is deleted or the consumer's statement regarding the disputed information is received. § 611(d)

41. May a financial institution charge the consumer for furnishing notification of deleted or disputed material to prior recipients of his report?

Yes, depending on the time when the consumer makes the request, whether the financial institution normally charges users of reports for furnishing them, and whether the material is found to be inaccurate or can no longer be verified. If the consumer makes the request either within 30 days after he receives notice that a user of a report has denied or increased the charge for credit or insurance (or denied employment) on the basis of the report, or within 30 days of notification from a debt collection agency affiliated with the financial institution that the consumer's credit

rating may be, or has been, adversely affected, the information must be furnished free of charge. If the request is received after 30 days, a charge may be made for furnishing notification to prior recipients. The amount must be indicated to the consumer prior to furnishing the information and it may not exceed the charge that the financial institution would impose on each designated recipient for a consumer report. If the financial institution makes no such charge, then it may not charge the consumer for furnishing information about the dispute to prior recipients. In any event, the statute prohibits the imposition of any charge for notifying prior recipients of the deletion of information which is found to be inaccurate or which can no longer be verified. § 612

V. The Financial Institution As A Purchaser Of Dealer Paper

42. Does a financial institution which regularly purchases dealer paper have specific responsibilities with regard to those transactions?

Yes, if the financial institution wishes to avoid becoming a consumer reporting agency. When a dealer calls the financial institution before credit is extended to inquire whether the institution will either extend credit directly to his customer or purchase the retail contract, and the financial institution denies the credit or increases the cost, even partially because of information from outside sources, the dealer and the financial institution must each make certain disclosures to the consumer to keep the financial institution from being considered a consumer reporting agency.

Whenever such a request is made, the dealer must advise the consumer of the name and address of the financial institution. If the financial institution denies credit or increases its cost, it must follow the normal procedures of a user of information from outside sources. If the financial institution's decision was based on a report from a consumer reporting agency, it must give the consumer the name and address of the agency. If its decision was based on information from a third party, which is not a consumer reporting agency, the financial institution must disclose to the consumer his right to make a written request to the financial institution within 60 days for disclosure of the nature of the information.

If the decision to deny credit or increase its cost is based on the financial institution's prior experience with the consumer or its general credit policy (for example, size of downpayment or maturity required) it would not need to make any disclosure to the consumer. However, a denial requiring disclosures occurs when any condition is imposed on the dealer

contract on the basis of information from any outside source. This may include increasing the discount or dealer reserve or taking the paper with recourse. It may also include requiring a larger downpayment, shorter maturity, a co-signer or guarantor. § 603(d)(3)(C), § 615

43. If, subsequent to an extension of credit to a consumer, a financial institution sells the consumer's obligation to a third party (including a collection agency), and furnishes information on the consumer which was obtained from outside sources to the third party in connection with that sale, does the financial institution become a consumer reporting agency?

No. Such a transaction is a business transaction which is generally beyond the scope of the Act.

VI. Investigative Consumer Reports

44. What is an "investigative consumer report"?

This would be a consumer report compiled from personal interviews with neighbors, friends, associates or others as to the consumer's character, general reputation, personal characteristics, or mode of living. § 603(e)

45. What are the responsibilities of a financial institution as a user of an investigative consumer report?

When such a report is requested from a consumer reporting agency, the financial institution must mail or deliver written notice to the consumer within three days that an investigative report including information as to his character, general reputation, personal characteristics, and mode of living may be made. He must also be informed that he may make a written request for the "nature and scope" of the investigation. If the consumer makes a written request within a reasonable period of time, the financial institution must make a complete and accurate disclosure of the "nature and scope" of the investigation. One way to do this (although not required by the law) would be to furnish the consumer a copy of any questionnaires to be used in the investigation. Within 5 days after the consumer's request (or 5 days after the time the report was first requested by the financial institution, whichever is later) these disclosures must be made in writing by mailing them or otherwise delivering them to the consumer. § 603(e), § 606, § 609(a)(2)

46. Are disclosures required in all instances when investigative consumer reports are used?

No. They are not applicable when the report is to be used for employment purposes and the consumer has not specifically applied for the position. § 606(a)(2) In addition, they are not required if the financial institution conducts an investigation for its own purposes, using its own employees.

47. What if a financial institution denies credit, insurance or employment or increases the charge for credit or insurance based upon information in an investigative consumer report?

The financial institution must make the "user" disclosures described in Section I.

48. Are special requirements imposed on a financial institution that is a consumer reporting agency if it prepares an investigative consumer report for a third party?

Yes. Adverse information (other than public record information) in such a report cannot be included in a subsequent consumer report unless verified in the process of making the subsequent report, or unless received within the three months preceeding the date the subsequent report is furnished. § 614

49. If a consumer requests disclosure of information in his file, must the financial institution disclose the nature and substance of the information contained in the investigative consumer report?

Yes. However, the source of information acquired solely for use in preparing an investigative consumer report and actually used for no other purpose, need not be disclosed. § 609(a)(2)

VII. Responsibilities Of A Financial Institution When It Furnishes Or Uses Consumer Reports For Employment Purposes

50. Can a financial institution give out information on a consumer in response to an inquiry about the consumer for employment purposes?

Yes. However, if it regularly furnishes information other than as to its own transactions or experiences with the individual, it may become a consumer reporting agency. § 603(d), § 604

51. What is the definition of a report used for "employment purposes"?

It means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment or retention as an employee. § 603(h)

52. Do the restrictions on furnishing obsolete information apply to information furnished by a financial institution for employment purposes if it is a consumer reporting agency?

Yes, except where the information is to be used in connection with the employment of an individual at an annual salary which equals, or which may reasonably be expected to equal, \$20,000 or more. In that case, the restrictions on obsolete information do not apply. § 605(b)

53. Are there special requirements if a financial institution, which is a consumer reporting agency, furnishes a report for employment purposes which contains matters of public record (such as liens, judgments, pending law suits, arrests, convictions, etc.) which are likely to have an adverse effect on the consumer's ability to obtain employment?

Yes. At the time the information is reported to the user, the financial institution must notify the consumer of the fact that public record information is being reported, together with the name and address of the person to whom such information is being reported.

As an alternative, the financial institution need not make these disclosures if it maintains strict procedures designed to insure that, whenever public record information which is likely to have an adverse effect on a consumer's ability to obtain employment is reported, it is complete and up-to-date. The statute provides that items of public record relating to arrests, indictments, convictions, suits, tax liens, and outstanding judgments shall be considered up-to-date if the institution reports the current public record status of the item at the time the report is reported. § 613

54. In evaluating a potential employee, may a financial institution obtain a consumer report from a consumer reporting agency or other information from present or former employers?

Yes. However, financial institutions insured by the Federal Deposit Insurance Corporation should not rely entirely upon a consumer report to obtain information as to whether an individual has been convicted of a crime involving dishonesty or breach of trust to meet Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829). Information relating to such crimes is relevant to meeting the requirements of Section 19 regardless of when the conviction occurred, whereas such information, if older than 7 years, will probably not be contained in a report from a consumer reporting agency, unless the report is to be used in connection with employment at an annual salary of \$20,000 or more.

55. Must the consumer be notified if the report takes the form of an investigative consumer report?

Generally yes, if the financial institution requests the report from a consumer reporting agency. However, notification would not be required if the report is obtained in connection with employment, promotion, or reassignment for which the consumer has not specifically applied. Otherwise, he must be notified of the request for an investigative report within 3 days of the request, and the financial institution must otherwise comply with § 606, as outlined in questions 45, 46 and 47.

56. Does the financial institution have any responsibilities to the prospective employee if employment is denied on the basis of a consumer report?

Yes. If employment is denied, even partially on the basis of information in a consumer report from a consumer reporting agency, the individual must be given the name and address of the consumer reporting agency making the report. However, if employment is denied because of information from a source other than a consumer reporting agency, no disclosures are necessary. § 615

VIII. Penalties, Liabilities And The Act's Effect On State Law

57. What are the civil liabilities for failing to comply with the Act?

The Act provides civil liabilities for either willfully or negligently failing to comply with the requirements of the Act. The liabilities apply to financial institutions as users of consumer reports and as consumer reporting agencies where they are acting in that capacity. In the case of negligent noncompliance, a financial institution may be liable to the consumer for any actual damages sustained by the consumer, court costs and reasonable attorney's fees. If the failure to comply is willful, a financial institution may also be liable to the consumer for punitive damages. § 616, § 617

58. Is there any protection where a financial institution which is a "user" has made a good faith attempt to comply?

Yes. A user of information will not be held liable if he shows by a preponderance of evidence that at the time of an alleged violation he maintained reasonable procedures to assure compliance. § 606(c), § 615(c)

59. What is the statute of limitations on civil liability?

Any action must be brought within two years from the date on which the liability arises, except in certain situations where there has been a material and willful misrepresentation, in which case the action may be brought within two years after discovery by the consumer of the misrepresentation. § 618

60. Are there any criminal penalties?

Yes. The Act provides for a fine of not more than \$5,000 or imprisonment of not more than one year, or both, in the case of any person who willfully and knowingly obtains information from a consumer reporting agency under false pretenses. The same criminal penalty can be imposed upon any officer or employee of a financial institution which is a consumer reporting agency who willfully and knowingly provides information from a financial institution's files about a consumer to a person not authorized to receive it. § 619, § 620

61. What effect does the Act have upon State law?

This Act does not annul, alter, affect, or exempt any person subject to the provisions of this Act from complying with the laws of any State with respect to the collection, distribution, or use of any information on consumers, except to the extent that those laws are inconsistent with any provisions of this Act, and then only to the extent of the inconsistency. § 622

TITLE VI—PROVISIONS RELATING TO CREDIT REPORTING AGENCIES

AMENDMENT OF CONSUMER CREDIT PROTECTION ACT

SEC. 601. The Consumer Credit Protection Act is amended by adding at the end thereof the following new title:

82 Stat. 146,
15 USC 1601
note.

"TITLE VI—CONSUMER CREDIT REPORTING

- "Sec.
- "601. Short title.
- "602. Findings and purpose.
- "603. Definitions and rules of construction.
- "604. Permissible purposes of reports.
- "605. Obsolete information.
- "606. Disclosure of investigative consumer reports.
- "607. Compliance procedures.
- "608. Disclosures to governmental agencies.
- "609. Disclosure to consumers.
- "610. Conditions of disclosure to consumers.
- "611. Procedure in case of disputed accuracy.
- "612. Charges for certain disclosures.
- "613. Public record information for employment purposes.
- "614. Restrictions on investigative consumer reports.
- "615. Requirements on users of consumer reports.
- "616. Civil liability for willful noncompliance.
- "617. Civil liability for negligent noncompliance.
- "618. Jurisdiction of courts; limitation of actions.
- "619. Obtaining information under false pretenses.
- "620. Unauthorized disclosures by officers or employees.
- "621. Administrative enforcement.
- "622. Relation to State laws.

Citation of
title.

“§ 601. Short title

“This title may be cited as the Fair Credit Reporting Act.

“§ 602. Findings and purpose

“(a) The Congress makes the following findings:

“(1) The banking system is dependent upon fair and accurate credit reporting. Inaccurate credit reports directly impair the efficiency of the banking system, and unfair credit reporting methods undermine the public confidence which is essential to the continued functioning of the banking system.

“(2) An elaborate mechanism has been developed for investigating and evaluating the credit worthiness, credit standing, credit capacity, character, and general reputation of consumers.

“(3) Consumer reporting agencies have assumed a vital role in assembling and evaluating consumer credit and other information on consumers.

“(4) There is a need to insure that consumer reporting agencies exercise their grave responsibilities with fairness, impartiality, and a respect for the consumer's right to privacy.

“(b) It is the purpose of this title to require that consumer reporting agencies adopt reasonable procedures for meeting the needs of commerce for consumer credit, personnel, insurance, and other information in a manner which is fair and equitable to the consumer, with regard to the confidentiality, accuracy, relevancy, and proper utilization of such information in accordance with the requirements of this title.

“§ 603. Definitions and rules of construction

“(a) Definitions and rules of construction set forth in this section are applicable for the purposes of this title.

“(b) The term ‘person’ means any individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity.

“(c) The term ‘consumer’ means an individual.

“(d) The term ‘consumer report’ means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for (1) credit or insurance to be used primarily for personal, family, or household purposes, or (2) employment purposes, or (3) other purposes authorized under section 604. The term does not include (A) any report containing information solely as to transactions or experiences between the consumer and the person making the report; (B) any authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device; or (C) any report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys his decision with respect to such request, if the third party advises the consumer of the name and address of the person to whom the request was made and such person makes the disclosures to the consumer required under section 615.

“(e) The term ‘investigative consumer report’ means a consumer report or portion thereof in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom he is acquainted or who may have knowledge concerning any such

Post, p. 1133.

items of information. However, such information shall not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when such information was obtained directly from a creditor of the consumer or from the consumer.

"(f) The term 'consumer reporting agency' means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

"(g) The term 'file', when used in connection with information on any consumer, means all of the information on that consumer recorded and retained by a consumer reporting agency regardless of how the information is stored.

"(h) The term 'employment purposes' when used in connection with a consumer report means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment or retention as an employee.

"(i) The term 'medical information' means information or records obtained, with the consent of the individual to whom it relates, from licensed physicians or medical practitioners, hospitals, clinics, or other medical or medically related facilities.

"§ 604. Permissible purposes of reports

"A consumer reporting agency may furnish a consumer report under the following circumstances and no other:

"(1) In response to the order of a court having jurisdiction to issue such an order.

"(2) In accordance with the written instructions of the consumer to whom it relates.

"(3) To a person which it has reason to believe—

"(A) intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; or

"(B) intends to use the information for employment purposes; or

"(C) intends to use the information in connection with the underwriting of insurance involving the consumer; or

"(D) intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or

"(E) otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer.

"§ 605. Obsolete information

"(a) Except as authorized under subsection (b), no consumer reporting agency may make any consumer report containing any of the following items of information:

"(1) Bankruptcies which, from date of adjudication of the most recent bankruptcy, antedate the report by more than fourteen years.

"(2) Suits and judgments which, from date of entry, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period.

"(3) Paid tax liens which, from date of payment, antedate the report by more than seven years.

"(4) Accounts placed for collection or charged to profit and loss which antedate the report by more than seven years.

"(5) Records of arrest, indictment, or conviction of crime which, from date of disposition, release, or parole, antedate the report by more than seven years.

"(6) Any other adverse item of information which antedates the report by more than seven years.

"(b) The provisions of subsection (a) are not applicable in the case of any consumer credit report to be used in connection with—

"(1) a credit transaction involving, or which may reasonably be expected to involve, a principal amount of \$50,000 or more;

"(2) the underwriting of life insurance involving, or which may reasonably be expected to involve, a face amount of \$50,000 or more; or

"(3) the employment of any individual at an annual salary which equals, or which may reasonably be expected to equal \$20,000, or more.

"§ 606. Disclosure of investigative consumer reports

"(a) A person may not procure or cause to be prepared an investigative consumer report on any consumer unless—

"(1) it is clearly and accurately disclosed to the consumer that an investigative consumer report including information as to his character, general reputation, personal characteristics, and mode of living, whichever are applicable, may be made, and such disclosure (A) is made in a writing mailed, or otherwise delivered, to the consumer, not later than three days after the date on which the report was first requested, and (B) includes a statement informing the consumer of his right to request the additional disclosures provided for under subsection (b) of this section; or

"(2) the report is to be used for employment purposes for which the consumer has not specifically applied.

"(b) Any person who procures or causes to be prepared an investigative consumer report on any consumer shall, upon written request made by the consumer within a reasonable period of time after the receipt by him of the disclosure required by subsection (a) (1), shall make a complete and accurate disclosure of the nature and scope of the investigation requested. This disclosure shall be made in a writing mailed, or otherwise delivered, to the consumer not later than five days after the date on which the request for such disclosure was received from the consumer or such report was first requested, whichever is the later.

"(c) No person may be held liable for any violation of subsection (a) or (b) of this section if he shows by a preponderance of the evidence that at the time of the violation he maintained reasonable procedures to assure compliance with subsection (a) or (b).

"§ 607. Compliance procedures

"(a) Every consumer reporting agency shall maintain reasonable procedures designed to avoid violations of section 605 and to limit the furnishing of consumer reports to the purposes listed under section 604. These procedures shall require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose. Every consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by such prospective user prior to furnishing such user a consumer report. No consumer reporting agency may furnish a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 604.

"(b) Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

"§ 608. Disclosures to governmental agencies

"Notwithstanding the provisions of section 604, a consumer reporting agency may furnish identifying information respecting any consumer, limited to his name, address, former addresses, places of employment, or former places of employment, to a governmental agency.

"§ 609. Disclosures to consumers

"(a) Every consumer reporting agency shall, upon request and proper identification of any consumer, clearly and accurately disclose to the consumer:

"(1) The nature and substance of all information (except medical information) in its files on the consumer at the time of the request.

"(2) The sources of the information; except that the sources of information acquired solely for use in preparing an investigative consumer report and actually used for no other purpose need not be disclosed: *Provided*, That in the event an action is brought under this title, such sources shall be available to the plaintiff under appropriate discovery procedures in the court in which the action is brought.

"(3) The recipients of any consumer report on the consumer which it has furnished—

"(A) for employment purposes within the two-year period preceding the request, and

"(B) for any other purpose within the six-month period preceding the request.

"(b) The requirements of subsection (a) respecting the disclosure of sources of information and the recipients of consumer reports do not apply to information received or consumer reports furnished prior to the effective date of this title except to the extent that the matter involved is contained in the files of the consumer reporting agency on that date.

"§ 610. Conditions of disclosure to consumers

"(a) A consumer reporting agency shall make the disclosures required under section 609 during normal business hours and on reasonable notice.

"(b) The disclosures required under section 609 shall be made to the consumer—

"(1) in person if he appears in person and furnishes proper identification; or

"(2) by telephone if he has made a written request, with proper identification, for telephone disclosure and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer.

"(c) Any consumer reporting agency shall provide trained personnel to explain to the consumer any information furnished to him pursuant to section 609.

"(d) The consumer shall be permitted to be accompanied by one other person of his choosing, who shall furnish reasonable identification. A consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in such person's presence.

"(e) Except as provided in sections 616 and 617, no consumer may bring any action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information

against any consumer reporting agency, any user of information, or any person who furnishes information to a consumer reporting agency, based on information disclosed pursuant to section 609, 610, or 615, except as to false information furnished with malice or willful intent to injure such consumer.

“§ 611. Procedure in case of disputed accuracy

“(a) If the completeness or accuracy of any item of information contained in his file is disputed by a consumer, and such dispute is directly conveyed to the consumer reporting agency by the consumer, the consumer reporting agency shall within a reasonable period of time reinvestigate and record the current status of that information unless it has reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant. If after such reinvestigation such information is found to be inaccurate or can no longer be verified, the consumer reporting agency shall promptly delete such information. The presence of contradictory information in the consumer's file does not in and of itself constitute reasonable grounds for believing the dispute is frivolous or irrelevant.

“(b) If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit such statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

“(c) Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.

“(d) Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the consumer reporting agency shall, at the request of the consumer, furnish notification that the item has been deleted or the statement, codification or summary pursuant to subsection (b) or (c) to any person specifically designated by the consumer who has within two years prior thereto received a consumer report for employment purposes, or within six months prior thereto received a consumer report for any other purpose, which contained the deleted or disputed information. The consumer reporting agency shall clearly and conspicuously disclose to the consumer his rights to make such a request. Such disclosure shall be made at or prior to the time the information is deleted or the consumer's statement regarding the disputed information is received.

“§ 612. Charges for certain disclosures

“A consumer reporting agency shall make all disclosures pursuant to section 609 and furnish all consumer reports pursuant to section 611(d) without charge to the consumer if, within thirty days after receipt by such consumer of a notification pursuant to section 615 or notification from a debt collection agency affiliated with such consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected, the consumer makes a request under section 609 or 611(d). Otherwise, the consumer reporting agency may impose a reasonable charge on the consumer for making disclosure to such consumer pursuant to section 609, the charge for which shall be indicated to the consumer prior to making disclosure; and for furnishing notifications, statements, summaries, or codifications to person designated by the consumer pursuant to section 611(d), the charge for which shall be indicated to the consumer prior to furnish-

ing such information and shall not exceed the charge that the consumer reporting agency would impose on each designated recipient for a consumer report except that no charge may be made for notifying such persons of the deletion of information which is found to be inaccurate or which can no longer be verified.

“§ 613. Public record information for employment purposes

“A consumer reporting agency which furnishes a consumer report for employment purposes and which for that purpose compiles and reports items of information on consumers which are matters of public record and are likely to have an adverse effect upon a consumer's ability to obtain employment shall—

“(1) at the time such public record information is reported to the user of such consumer report, notify the consumer of the fact that public record information is being reported by the consumer reporting agency, together with the name and address of the person to whom such information is being reported; or

“(2) maintain strict procedures designed to insure that whenever public record information which is likely to have an adverse effect on a consumer's ability to obtain employment is reported it is complete and up to date. For purposes of this paragraph, items of public record relating to arrests, indictments, convictions, suits, tax liens, and outstanding judgments shall be considered up to date if the current public record status of the item at the time of the report is reported.

“§ 614. Restrictions on investigative consumer reports

“Whenever a consumer reporting agency prepares an investigative consumer report, no adverse information in the consumer report (other than information which is a matter of public record) may be included in a subsequent consumer report unless such adverse information has been verified in the process of making such subsequent consumer report, or the adverse information was received within the three-month period preceding the date the subsequent report is furnished.

“§ 615. Requirements on users of consumer reports

“(a) Whenever credit or insurance for personal, family, or household purposes, or employment involving a consumer is denied or the charge for such credit or insurance is increased either wholly or partly because of information contained in a consumer report from a consumer reporting agency, the user of the consumer report shall so advise the consumer against whom such adverse action has been taken and supply the name and address of the consumer reporting agency making the report.

“(b) Whenever credit for personal, family, or household purposes involving a consumer is denied or the charge for such credit is increased either wholly or partly because of information obtained from a person other than a consumer reporting agency bearing upon the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, the user of such information shall, within a reasonable period of time, upon the consumer's written request for the reasons for such adverse action received within sixty days after learning of such adverse action, disclose the nature of the information to the consumer. The user of such information shall clearly and accurately disclose to the consumer his right to make such written request at the time such adverse action is communicated to the consumer.

“(c) No person shall be held liable for any violation of this section if he shows by a preponderance of the evidence that at the time of the alleged violation he maintained reasonable procedures to assure compliance with the provisions of subsections (a) and (b).

“§ 616. Civil liability for willful noncompliance

“Any consumer reporting agency or user of information which willfully fails to comply with any requirement imposed under this title with respect to any consumer is liable to that consumer in an amount equal to the sum of—

“(1) any actual damages sustained by the consumer as a result of the failure;

“(2) such amount of punitive damages as the court may allow; and

“(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney’s fees as determined by the court.

“§ 617. Civil liability for negligent noncompliance

“Any consumer reporting agency or user of information which is negligent in failing to comply with any requirement imposed under this title with respect to any consumer is liable to that consumer in an amount equal to the sum of—

“(1) any actual damages sustained by the consumer as a result of the failure;

“(2) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney’s fees as determined by the court.

“§ 618. Jurisdiction of courts; limitation of actions

“An action to enforce any liability created under this title may be brought in any appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within two years from the date on which the liability arises, except that where a defendant has materially and willfully misrepresented any information required under this title to be disclosed to an individual and the information so misrepresented is material to the establishment of the defendant’s liability to that individual under this title, the action may be brought at any time within two years after discovery by the individual of the misrepresentation.

“§ 619. Obtaining information under false pretenses

“Any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

“§ 620. Unauthorized disclosures by officers or employees

“Any officer or employee of a consumer reporting agency who knowingly and willfully provides information concerning an individual from the agency’s files to a person not authorized to receive that information shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

“§ 621. Administrative enforcement

“(a) Compliance with the requirements imposed under this title shall be enforced under the Federal Trade Commission Act by the Federal Trade Commission with respect to consumer reporting agencies and all other persons subject thereto, except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other government agency under subsection (b) hereof. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement or prohibition imposed

38 Stat. 717;
52 Stat. 114.
15 USC 58.

under this title shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act and shall be subject to enforcement by the Federal Trade Commission under section 5(b) thereof with respect to any consumer reporting agency or person subject to enforcement by the Federal Trade Commission pursuant to this subsection, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act. The Federal Trade Commission shall have such procedural, investigative, and enforcement powers, including the power to issue procedural rules in enforcing compliance with the requirements imposed under this title and to require the filing of reports, the production of documents, and the appearance of witnesses as though the applicable terms and conditions of the Federal Trade Commission Act were part of this title. Any person violating any of the provisions of this title shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act as though the applicable terms and provisions thereof were part of this title.

“(b) Compliance with the requirements imposed under this title with respect to consumer reporting agencies and persons who use consumer reports from such agencies shall be enforced under—

“(1) section 8 of the Federal Deposit Insurance Act, in the case of:

“(A) national banks, by the Comptroller of the Currency;

“(B) member banks of the Federal Reserve System (other than national banks), by the Federal Reserve Board; and

“(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation.

“(2) section 5(d) of the Home Owners Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions;

“(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union;

“(4) the Acts to regulate commerce, by the Interstate Commerce Commission with respect to any common carrier subject to those Acts;

“(5) the Federal Aviation Act of 1958, by the Civil Aeronautics Board with respect to any air carrier or foreign air carrier subject to that Act; and

“(6) the Packers and Stockyards Act, 1921 (except as provided in section 406 of that Act), by the Secretary of Agriculture with respect to any activities subject to that Act.

“(c) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title any other authority conferred on it by law.

66 Stat. 632.

15 USC 45.

52 Stat. 112.

64 Stat. 879;

80 Stat. 1046,

1054.

12 USC 1818.

80 Stat. 1028.

12 USC 1464.

80 Stat. 1036.

12 USC 1730.

47 Stat. 727;

69 Stat. 640.

12 USC 1426,

1437.

73 Stat. 628;

Ante, pp. 49,

994.

12 USC 1751.

49 USC 1

et seq.

72 Stat. 731.

49 USC 1301

note.

42 Stat. 159.

7 USC 181,

226, 227.

"§ 622. Relation to State laws

"This title does not annul, alter, affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to the collection, distribution, or use of any information on consumers, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency."

EFFECTIVE DATE

82 Stat. 167.

SEC. 602. Section 504 of the Consumer Credit Protection Act is amended by adding at the end thereof the following new subsection:

"(d) Title VI takes effect upon the expiration of one hundred and eighty days following the date of its enactment."

Approved October 26, 1970.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 91-975 (Comm. on Banking and Currency) and No. 91-1587 (Comm. of Conference).

SENATE REPORT No. 91-1139 accompanying S. 3678 (Comm. on Banking and Currency).

CONGRESSIONAL RECORD, Vol. 116 (1970):

May 25, considered and passed House.

Sept. 18, considered and passed Senate, amended.

Oct. 9, Senate agreed to conference report.

Oct. 13, House agreed to conference report.