FACT, E-OSCAR and Inaccurate Credit Reports

by ACCESS Staff Writer

With the 2003 amendments to the FCRA, and the introduction of the FACT Act, millions of consumers will see the quality of their credit reports degrade even further.

FACT stands for Fair and Accurate Credit Transaction Act, but in reality it is just our government trying to appease millions of consumer who complain about the current credit reporting industry.

But they are only appeasing us in "name" only, because the Act itself will be causing all of us big problems.

Medical Information

Have you ever looked at you credit report and wondered who the heck is that business? It may be a tradeline or it may be an inquiry that occurred. With all the mergers, sell-offs (like JC Penneys sold their entire card services to MBNA) and corporate affiliations, you can no longer tell who these businesses are. You maybe able to guess by the dollar amount or by the dates, but you have to play Sherlock Holmes to figure it out.

Well one would think that in developing the FACT Act that our federal government would address this problem. Well we're wrong. Instead of making it easier, their about to make it harder for us all.

Now when it comes to medical accounts the national CRA's aren't even going to provide us the names of the creditors. Even if the name of the credit grantor implies something medical, the CRA are going to place the word "MEDICAL" in lue of the credit grantor's name.

Therefore, if you have a good account with Tom's Medical Supplies, there is a chance that the word "MEDICAL" will replace the name.

So much for the word ACCURATE.

What is even worse, if you try to seek help from a re-seller to determine who this is on your credit report - they won't be able to tell you. (We haven't really figured out who will be able to tell you yet). Because the software the national CRA's use provide to disclose this information will no longer provide ANYONE with the name or address or telephone number of medical accounts.

So, when you go to try to get something resolved because of inaccurate information, good luck. Now on medical accounts you will be forced to deal directly with the national CRA's. And as everyone know, "the lights maybe on but you never find anyone home."

So much for the word FAIR.

E-OSCAR

E-OSCAR is an automated consumer dispute verification (ACDV) process. The national CRA's are demanding that everyone who provides information to them be on this system. If you don't get on the system, you CAN NOT provide information to a national CRA.

Now no one is against getting disputes resolved in a timely manner, but it has been our experience that E-OSCAR doesn't do that.

For years the major credit grantors have been doing automated dispute verification. Yes it's quick but it is also extremely inaccurate.

Have you ever seen your credit report merged with anothers? Have you ever seen wrong information on your credit report that you can prove is wrong? Have you sent information regarding a dispute to the CRA's only to have the incorrect information remain on your credit report? Well, you have E-OSCAR to thank for that.

With E-OSCAR the national CRA's NEVER send to the original creditor the information you provide them. It has a very limited summary of the problem. You are at the mercy of some lowly clerk who is scanning your letter, along with hunderds of others, trying to determine what to say in 30 words of less. And the documentation you sent which proves your point, what happens to that? It gets filed away, incase you should sue them. Or maybe it gets shredded in case you sue them. Either which way, it isn't used.

So much for the word FAIR.

To make matters even worse, the CRA's have taken it upon themselves to start charging creditors for this worthless piece of work. And to top it off, smaller creditors who use to supply information to your credit report manually, well, they are now shut off all together. These creditors will no longer be able to provide Universal Data Forms.

Not only that, but smaller creditor who are unable to link to E-OSCAR or those unwilling to pay will most likely just stop reporting any information.

Statistically, over 93% of all information supplied by creditors is positive information. Information that shows you are a good credit risk. Information that helps your point scores. Now all this information is being tossed out - not accepted. Thanks to the FACT Act.

So much for the word ACCURATE.

The FACT Act is the greatest destruction of the FCRA that we have seen in a long time. Our federal government should be ashamed.

I wish we had an automated system that would allow you to complain to your U.S. Representatives about this, but the best that we can do is provide a link to them.

To write to your Representatives click here.

To write to your Senators click here.

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