Omissions in the FCRA

by Jim Malmberg

Several articles that have been featured on our website have noted that the Fair and Accurate Credit Transactions Act (FACTA) of 2003, which amended the Fair Credit Reporting Act (FCRA) and imposed a national standard for the sharing of private information by credit grantors. This is something that we continue to oppose as it clearly subjugates the various states to an inferior position, making it difficult for them to protect their citizens from privacy abuses by the credit grantors.

As tempting as it would be to say that this was the only issue within this sweeping piece of legislation warranting a complaint, it was not. In fact, we think that the items that were left out of FACTA are as interesting as those that were included in it.

There were a number of proposed amendments to FACTA that never made it out of committee for a vote on the floor of Congress. All of these were defeated by either the "Subcommittee on Financial Institutions and Consumer Credit" or the "Committee on Financial Services." A number of other proposals were withdrawn prior to a vote on FACT. These defeated or withdrawn portions of FACTA are as follows:

An amendment that would have removed the uniform national standard for sharing of private and financial information by credit grantors â€“ defeated by a vote of 56 to 6.

An amendment that would have outlawed the use of â€œbait and switchâ€• tactics used by credit grantors with applicants for credit â€“ defeated by a vote of 44 to 22.

An amendment that would have prohibited credit reporting agencies (CRAs) from treating the number of inquiries on a credit report as a negative when calculating the credit point score â€“ defeated by a vote of 48 to 14.

An amendment requiring furnishers of credit information to conduct reinvestigations within a reasonable time in cases of alleged ID theft was defeated by a voice vote.

An amendment restricting the display and dissemination of a social security numbers (SSNs) was withdrawn.

An amendment that would have allowed employees who have been subjected to adverse actions based on disputed information contained in a credit report, to request a re-investigation was defeated in a voice vote.

An amendment that would have required credit grantors to provide a phone number in any unrequested credit solicitation to consumers was withdrawn.

Based upon these omissions in FACTA, one can only surmise that Congress has come to the following conclusions:

The use of â€œbait and switchâ€• tactics is ethical.

Washington bureaucrats are somehow more capable of determining what is in your best interests than your local representatives or, heaven forbid, you, a citizen!

Researching various loans, to find the right price, somehow makes you a credit risk.

Credit grantors have no obligation to insure that the information they are reporting is accurate, even if they know you are a victim of ID theft.

Wide distribution of Social Security Numbers (SSNs) is nothing to worry about.

While credit grantors are more than happy to solicit you, Congress could care less about the junk mail you receive from them. They donâ€™t want you calling some of their largest campaign contributors and complaining to them.

All of these FACTA's should make your day! Now, arenâ€™t you glad that we live in a country with â€œrepresentative governmentâ€•! You just have to wonder, who exactly these elected officials are really trying to represent. Do they represent you as a citizen, or do they represent the credit industry and their large campaign contributions? Donâ€™t think about that for too long.

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