

## ACCESS Questions Reliability of Fed's Report

WASHINGTON - Wednesday, Oct 6, 2004 - A team of Federal Reserve Board economists, in a report recently published in the Federal Reserve Bulletin, stated that "their analysis did not show that credit report errors were hampering consumers' access to credit or causing them to pay significantly more." This comes on the heels of a requirement of FACTA for the FTC and the Federal Reserve Board to evaluate the fairness and accuracy of credit scores by the end of 2005.

"The Fed's findings run contrary to numerous independent studies of fact." stated L. E. Tighe, ACCESS founder and board member. "One has to seriously question their methodology."

Last year Congress passed sweeping reforms to the Fair Credit Reporting Act (FCRA). These reforms addressed identity theft, disputes and consumer's rights. For the first time in the history of the FCRA, Congress addressed "credit scores", commonly referred to as "point scores."

"We believe that the Federal Reserve Board is attempting to sway opinion with regards the the problems surrounding the credit reporting industry," Tighe went on to say. "The Federal Reserve isn't exactly an independent group. The banking industry has profited greatly by the current point scoring system."

"When reviewing the report, on Page 12, it appears that a lot of critical information, like days past due, amount owed on charge accounts and total number of delinquencies was not available. These items are an important factors in determining credit scores. For these analysts to make any determinations regarding interest rates paid, with so little information, is a travesty."

"Regretfully, the FTC just recently closed their request for public comments regarding credit scores. One only has to see the number of consumers that responded, to the FTC's request, to see that there is a problem. Normally it is only businesses, that have something to gain or loss, that file a public comment with the FTC."

"Today's problem is not the availability of credit but the overextension of credit," Tighe stated. "The average American household is carrying over \$7,000 in credit card debt and the interest on that debt is growing daily. Students, with no visible means of support, are saddled with thousands of dollars of credit card debt before they ever leave college. In fact, the number one reason for leaving college is credit card debt."

"We trust that the FTC will provide the balance needed in this most critical study of credit scores."

###

About ACCESS:

ACCESS is a non-profit 501(c) (3) organization dedicated to the privacy of individual consumers's™ financial information, and to assisting victims of incorrect credit reporting, identity theft and financial fraud. ACCESS website is designed to serve as a source of news, information and community for both victims and those who would like to avoid becoming a victim of current practices within the credit industry. The access website can be found at <http://www.GuardMyCreditFile.org> , and currently has offices in Washington, DC, Nebraska and California.

For further information, contact:

Jim Malmberg  
(818) 728-1100 phone  
(818) 986-6156 facsimile

To review the Fed's report, [click here](#).

To review FTC public comment regarding point scores, [click here](#).

To review ALL FTC public comments regarding FACTA, [click here](#).