

# Fair And Accurate Credit Transactions Act

**M**any subscribers have asked for guidance on when different provisions of the FACT Act are scheduled to take effect. As compliance history shows, the dates in the statute are not always the final indicator because the regulatory process may change things a little – or a lot. Notwithstanding, we have laid out all the provisions affecting banks and other credit or deposit institutions by title in the act.

The chart then shows a summary of the statutory provision and the target dates. This chart does not include studies to be performed by government regulatory agencies or other activities that will not affect financial institutions directly. For example, the financial education title is omitted because it does not require any action by financial institutions. You may benefit significantly from having customers who are better prepared, but there is no requirement for your action.

This is a guide only because things may change. You may want to use this as a “living document” and enter changes or final dates as they come down. The next six to eight months will be intense for rules and dates. Good luck!

Section	Requirement/Impact	Law/Regulation	Agency/Status/Effective date
§111	amendments to definitions: Active duty military consumer, Fraud alert, Identity theft, Reseller, Nationwide specialty consumer reporting agency	FCRA §603	effective 3/11/04
§112	Fraud alerts: consumer may assert identity theft. 90-day alert may be extended to 7 years. Include alert in all credit reports. Active duty alerts for military while on active duty. Customer must prove identity to increase or activate account.	Creates new FCRA §605A	FTC to issue rules on proof of identity for FCRA 605A, 605B, and 609(a)(1); effective 12/1/04
§113	Truncation of credit and debit card account numbers	FCRA §605	1 yr for machines in use after 1/1/05; 3 yrs for machines in use before 1/1/05
§114	Guidelines for policies and procedures to identify risks to account holders and customers; procedures for issuing replacement cards; identify patterns and practices and activities that indicate identity theft.	FCRA §615	FFIEC members and FTC; effective 12/1/04 - statutory deadline
§115	Consumer may request that credit bureau truncate first five digits of SSN	FCRA §609	FTC, effective 12/1/04
§151	Identity Theft Rights Summary, providing information to victim related to alleged fraud in response to victim's request	FCRA §609	FTC with banking agencies; takes effect 180 days after enactment; final 12/1/04
§152	Blocking information resulting from identity theft upon proper notification from consumer	Creates new §605B	FTC; 12/1/04
§153	Coordination of identity theft complaint investigations: FTC to develop model form for reporting identity theft to credit bureaus and creditors. Credit bureaus must submit annual reports to FTC.		FTC in consultation with banking agencies; 12/1/04
§154	Steps to maintain accuracy in consumer reports including notices that an identity theft alert has been filed and limits on reporting information that a consumer has alleged to be fraudulent. Creditors must have procedures to respond to notifications from credit bureaus.	FCRA §623(a)	FTC; effective 12/1/04
§155	Notice by debt collectors with respect to fraudulent information	FCRA §615	12/1/04

*(continued on next page)*

<b>Section</b>	<b>Requirement/Impact</b>	<b>Law/ Regulation</b>	<b>Agency/Status/ Effective date</b>
§211	Free annual disclosure of credit report to consumer, reinvestigations upon consumer request, Consumer's right to obtain credit score	FCRA §612, 609(c)	FTC regulations now final; effective 12/1/04.
§212	Disclosure by credit bureau of credit scores to consumers, including explanation of how score was developed and key factors that adversely affected the score. Disclosure of credit score by mortgage lenders using credit score in making closed end or open end consumer-purpose mortgages secured by 1-4 family dwellings.	§609(a)	12/1/04
§213	Consumer may opt out of prescreened list solicitations for a 5-year period. FTC to conduct public awareness campaign.	§615(d)(1)	FTC to issue final rules within one year; 12/1/04
§214	Affiliate Sharing of credit reports for purpose of solicitations prohibited unless clear opt-out disclosure and opportunity is provided. Opt outs to be effective for 5 years. Authorizes study of information sharing practices.	New §624	FTC, banking agencies in final 9 months after act. Proposed, effective 12/1/04
§216	Disposal of consumer report information and records	new FCRA §628	FTC has proposed rules
§217	Disclosure to consumer that negative information has been reported to a credit bureau.	§623(a)	rules and model disclosure proposed; statutory effective date 12/1/04
§311	Risk based pricing notice that terms offered are materially less favorable than most favorable terms.	FCRA §615	FTC AND FRB to issue joint rules; effective 12/1/04
§312	Increase accuracy and integrity of information furnished to credit reporting agencies, including accurate reporting procedures, dispute procedures, and policies and procedures for investigation of information challenged by the consumer	FCRA §623	Banking agencies, liability exceptions, enforcement and rules of construction effective 3/31/04; other rules effective 12/1/04
§313	Consumer reporting agency action in response to consumer complaints, FTC action in response to complaints	FCRA §611	FTC, effective 3/31/04
§314	Improved disclosure of results of reinvestigation, prompt deletion of incorrect information from file	FCRA §611(a)(5)(A)	12/1/04
§315	Reconciling addresses on credit reports and requests for credit reports to reduce identity theft	FCRA §605	FTC and Banking agencies; 12/1/04
§316	Notice of dispute through reseller of credit information.	FCRA §611(a)	12/1/04
§317	Reasonable reinvestigation required to determine whether disputed information is inaccurate.	FCRA §611(a)(1)(A)	12/1/04
§411	Protection of medical information in the financial system, limitations on the use of medical information by creditors	FCRA §604(g)	FTC, banking agencies
§412	Confidentiality of medical contact information in consumer reports.	FCRA §623(a)	Effective 15 months after enactment
§611	Excludes certain employee investigation communications from consumer reports.	FCRA § 603	