

July 7, 2003

The Honorable

Washington, DC

Dear Representative:

Over 900,000 members of the National Association of REALTORS[®] (NAR) applaud introduction of H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003. We appreciate the hard work that Members of the Financial Services Committee have undertaken to ensure a full hearing record on the nation's consumer reporting system and for producing a bill that moves in the right direction to balance the rights of consumers with business needs.

As you may know, NAR supports free annual reports; greater consumer disclosures of credit and insurance scores; shortened time frames for consumer reporting agencies to investigate and correct consumer credit reports; stronger penalties for entities that repeatedly provide incorrect information to consumer reporting agencies; and fairer treatment of consumers' multiple shopping inquiries for the best mortgage or insurance rate. NAR endorses the inclusion of free annual reports to promote consumer oversight of their personal information. We also believe the package of reforms we seek will produce more accurate consumer reports.

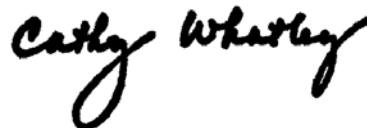
Due to widespread use of technology, users have the ability to quickly obtain and review consumer reports to grant credit, insurance, and other services in a matter of days, if not minutes. The FCRA must be amended to require investigation and correction periods to reflect that faster timeline. The current thirty-day time period is too long for the vast majority of investigations. It forces consumers to pay higher rates and premiums due to incorrect credit information. We urge the Committee to adopt a shorter time period for corrections.

NAR supports amendment of the FCRA furnisher liability provisions to promote accuracy of consumer information. There is currently no incentive, nor is there an adequate disincentive, for furnishers to correct inaccurate consumer information. We urge the Committee to work with industry to develop a set of standards and safe harbors, while strengthening the ability of regulators to police and penalize the worst offenders. We believe such a "carrot and stick" approach would promote more accurate reporting information.

Finally, NAR supports fairer treatment of shopping inquiries in the determination of credit and insurance scores. Public policy should encourage consumers to take charge of their financial affairs by shopping for the best rates and premiums. The public should not be penalized because of their efforts to obtain the best possible terms. Consumer reports today are filled with information on existing account limits and balances that can be used to identify those individuals with significant financial problems. No longer is information on inquiries a necessary proxy for a measure of financial distress or need. NAR urges the Committee to adopt a prohibition on the use of shopping inquiries for scoring purposes.

Again, members of NAR applaud your efforts and we look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Cathy Whatley". The signature is written in a cursive, flowing style.

Cathy Whatley