



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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REGULATORY & INDUSTRY
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May 22, 2006

Office of the Comptroller of the Currency
250 E Street, SW
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[Transmitted by E-Mail to regs.comments@occ.treas.gov]

RE: OCC Docket Number 06-04, RIN 1557-AC89, Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies under Section 312 of the FACT Act

Ladies and Gentlemen:

On behalf of more than 1.2 million members of the National Association of REALTORS® (NAR), I am pleased to offer comments to each of the agencies that published the Interagency Advance Notice of Proposed Rulemaking on Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies.

The National Association of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, including NAR’s five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,500 local associations or boards, and 54 state and territory associations of REALTORS®.

Advance Notice of Proposed Rulemaking

The Fair Credit Reporting Act (FCRA) includes criteria for developing guidelines on the accuracy and integrity of information that furnishers provide to consumer reporting agencies. The agencies must:

- Identify patterns, practices, and specific forms of activity that can compromise the accuracy and integrity of information furnished to consumer reporting agencies;
- Review the methods used to furnish consumer information to consumer reporting agencies;
- Determine whether furnishers maintain and enforce policies to assure the accuracy and integrity of information furnished to consumer reporting agencies; and

- Examine the policies and processes employed by furnishers to conduct reinvestigations and correct inaccurate consumer information that has been furnished to consumer reporting agencies.

In developing regulations, the agencies must weigh:

- The regulations' benefits to consumers with the costs on furnishers and the credit reporting system;
- The impact on the overall accuracy and integrity of consumer reports of any such requirements;
- Whether direct contact by the consumer with the furnisher would likely result in the most expeditious resolution of any dispute; and
- The potential impact on the credit reporting process if credit repair organizations are able to circumvent the provisions in the law that state that the direct dispute rules do not apply when credit repair organizations provide notices of dispute on behalf of consumers.

The agencies are inviting comments on issues relating to:

- The criteria for developing the guidelines;
- What constitutes reasonable policies and procedures for implementing the guidelines; and
- The considerations the agencies must weigh in issuing regulations.

REALTOR[®] Concerns

REALTORS[®] support ongoing efforts to improve the credit reporting system. It is important that the requirements designed to assure the accuracy and integrity of consumer information are strong and effective. The availability of mortgage credit is central to the home purchase transaction that, in turn, is central to the businesses of REALTORS[®]. Our members have a vital stake in accurate credit reports so consumers have accurate credit histories, receive accurate credit scores, and qualify for the full amount of credit they have earned.

REALTORS[®] are also affected when they rely on credit reports in connection with managing, selling, buying, and leasing residential rental property and other commercial property, act as mortgage brokers, or are affiliated with a mortgage lender. When a consumer seeking to become a homeowner or tenant has credit problems, the REALTOR[®] is often called upon to help resolve the problem. REALTORS[®] see first-hand the negative impacts on consumers when flawed credit information makes it hard or impossible for consumers to purchase homes or lease apartments.

Relatively few of our members furnish information to the consumer reporting agencies and, therefore, we anticipate that few will be affected by the upcoming rulemaking. Accordingly, we are not commenting on the specific questions raised in the Advance Notice. However, we will review the proposed rule carefully to determine whether it has a greater impact than we now anticipate.

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We do, however, have one specific concern that we would like to offer now. Some homeowners find it difficult to refinance their high-cost or, in some cases, even predatory mortgage loans because some lenders do not report the payment history of these homeowners to the consumer reporting agencies. The result is that these families are unable to refinance their high-cost mortgages with lower cost mortgages. With comprehensive reporting, many families would qualify for a higher FICO or other credit score and be able to refinance. NAR supports legislative and regulatory efforts to achieve comprehensive credit reporting by all institutional mortgage lenders.

Accordingly, NAR expects to strongly support the upcoming rulemaking to improve the accuracy and integrity of the credit reporting system.

Thank you for the opportunity to comment on this important rulemaking. If we may be of further assistance or if you have any questions, please contact Jeff Lischer, Manager, Financial Services, 202.383.1117.

Sincerely,

A handwritten signature in blue ink that reads "Joseph M. Ventrone". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joseph M. Ventrone
Managing Director, Regulatory and Industry Relations Department