



NATIONAL ASSOCIATION
OF REALTORS®

The Voice for Real Estate®
500 New Jersey Avenue, NW
Washington, DC 20001-2020

REGULATORY & INDUSTRY
RELATIONS

Joseph M. Ventrone
Vice President
202.383.1095
Fax 202.383.1204

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Federal Trade Commission
Office of the Secretary
Room 159-H (Annex C)
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

Transmitted by E-Mail to <https://secure.commentworks.com/ftc-FACTAfurnishers>

RE: Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transactions Act, Project No. R611017

Ladies and Gentlemen:

On behalf of more than 1.3 million members of the National Association of REALTORS® (NAR), I am pleased to offer comments on the Proposed Rule on Section 312 of the Fair and Accurate Credit Transactions Act 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 1,400 local associations or boards, and 54 state and territory associations of REALTORS®.

Although the vast majority of NAR members are not included in the definition of “furnishers” under the proposed rule, NAR submits comments to support credit reports that accurately reflect a consumer’s credit standing and capacity, including positive but non-traditional indicators of creditworthiness. Only by including such terms will credit reports have the integrity to allow consumers to qualify for the full amount of mortgage credit they have earned. NAR also supports the timely settlement of credit disputes to prevent borrowers from having to pay higher interest rates and insurance premiums.

NAR supports guidelines under The Fair Credit Reporting Act (FCRA) that address:

- The identification of patterns, practices, and specific forms of activity that can compromise the accuracy and integrity of information furnished to consumer reporting agencies;
- The need for ongoing review by “furnishers” of the methods used to furnish consumer information to consumer reporting agencies;

- The importance of ensuring that furnishers maintain and enforce policies to assure the accuracy and integrity of information furnished to consumer reporting agencies; and
- The need for “furnishers” to establish policies and processes to conduct reinvestigations and correct inaccurate consumer information that has been furnished to consumer reporting agencies;

In response to comments specifically requested in the proposed rule, NAR supports:

- the “regulatory definition approach” for defining “integrity” as described in the proposed rule;
- The inclusion of the definition of “integrity” in the regulations as opposed to the guidelines;
- the inclusion of positive and alternative credit information without which there can be no “integrity” to the credit report for many borrowers; and
- a time frame for direct dispute settlement that fairly and expeditiously corrects misinformation and/or addresses missing information.

The creation of credit reports based on accuracy and integrity are central to mortgage credit being made available on terms that are accessible and appropriate for all eligible borrowers. To achieve these goals, NAR supports the “Regulatory Definition Approach” described in the proposed rule where the definitions of “accuracy” and “integrity” would be placed in a regulatory context. In addition to giving the definitions the force of regulation, NAR believes that the stronger definition of “integrity” under the “Regulatory Definition Approach” will help to ensure that important credit terms are included by furnishers, the absence of which could contribute to an incorrect credit evaluation by a user.

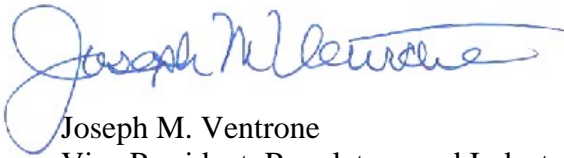
While accurate credit scores are important for all consumers, they are particularly important for borrowers with little or no credit history, as traditionally measured, because these borrowers usually have lower credit scores resulting in higher monthly mortgage payments than those with higher scores. NAR supports regulations and guidelines that take into account positive consumer payment history not typically considered, such as rent, utility, telephone, and other regular payments and urges furnishers to routinely report these sources of positive credit history. Use of alternative credit approaches will be especially beneficial for low and moderate income first-time homebuyers and borrowers with problematic loans that need to refinance their mortgage to avoid foreclosure.

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.

Finally, NAR urges the adoption of provisions that require furnishers of credit information to streamline the process of correcting incorrect or incomplete information. Today, consumer report information is typically furnished electronically and users are able to grant or deny credit within hours, if not minutes. NAR believes that consumers who wish to dispute the accuracy or integrity of a credit report are often left without a remedy if the dispute cannot be settled in a reasonably short period of time. Loan terms and settlement schedules can force consumers to close or risk losing a loan or their home, resulting in the payment of higher interest rates and insurance premiums if a credit report cannot be corrected expeditiously.

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 Scott Rinn, Policy Representative, Business Issues, 202.383.7508.

Sincerely,



Joseph M. Ventrone
Vice President, Regulatory and Industry Relations and Real Estate Services