



Protecting credit and fighting identity theft are two big financial issues consumers face today. A new law helps consumers understand their credit rights, understand their credit reports, and fight identity theft.

The Fair and Accurate Credit Transactions Act (FACT Act) of 2003 addresses consumers' rights to understand and protect the information in their credit reports and to get help when their financial information has been stolen. Financial institutions, including your credit union, will have new responsibilities under the FACT Act, which President Bush signed into law in December 2003. Most of the rules the FACT Act requires will be effective by the end of 2004.

- The FACT Act will accomplish key government priorities to help all Americans, of every income level and background, to build good credit and confront the problem of identity theft by:
 - Ensuring that lenders make loan decisions based on fair and accurate credit reports. In 1996, uniform national standards-known as the Fair Credit Reporting Act, first enacted in 1970-were established to set clear rules on what credit agencies were entitled to include in an individual credit reports, and now more than a million Americans have credit as a result. The FACT Act makes those national standards permanent.
- Improving the quality of credit information, and protecting consumers against identity theft.

The FACT Act establishes the Financial Literacy and Education Commission and calls for a national financial literacy campaign.

The Act limits the use of medical information in determining a consumer's eligibility for credit, and also restricts the sharing of medical information with affiliated companies under certain circumstances.

UNDERSTANDING YOUR CREDIT REPORT

These provisions address your rights to have better information about the contents and use of your credit report:

- Consumers will have greater access to their credit reports and credit scores. The Act increases consumers' ability to correct inaccuracies in their credit reports.
- Consumers will receive better information about the ability to opt out of prescreened credit offers and to opt out of information sharing between affiliated companies for marketing purposes.
- Financial institutions that provide information to credit bureaus will have to ensure the accuracy and integrity of the information provided to credit bureaus.
- Credit bureaus will have to provide a free report annually to consumers who request a copy. Consumers also will be able to get credit score information from credit bureaus for "a reasonable fee" as set by the Federal Trade Commission (FTC).
- Financial Institutions will have to notify members before or within 30 days of reporting negative information about them to credit bureaus regarding an account, extension of credit, or transaction. Mortgage lenders that use credit scores will have to provide applicants with the credit score information.

FIGHTING ID THEFT

The FACT Act also provides consumers with new national identity theft protections, some of which impose new rules on creditors:

- The FTC will develop model forms to standardize how consumers can report identity theft to creditors and law enforcement officials.
- The Act requires setup of a nationwide fraud alert system. Credit reporting agencies receiving such alerts from customers now will be obliged to follow procedures ensuring that any future requests are by the true consumer, not an identity thief posing as the consumer. The law also will enable active duty military personnel to place special alerts on their files when they are deployed overseas.
- The FACT Act helps prevent identity theft before it occurs by requiring merchants to leave all but the last five digits of a credit card number off store receipts. This way, slips of paper that many people throw away do not contain their full credit card number - a key to financial identity.
- Before identity theft victims had to call all their credit card issuers and the three major credit bureaus to alert them to crime. Once FACT is enacted, credit bureaus will share identity theft complaints, and consumers will only need to make one call to receive advice, set off a nationwide fraud alert, and protect their credit standing.
- If a financial institution receives a request for an additional credit card shortly after an address change, it will have to contact the member at the former address to make sure there isn't fraudulent activity.
- Consumers will be able to directly ask credit unions and others who provide information to credit bureaus to investigate problems.

HERE IS A LIST OF THE THREE MAJOR CREDIT BUREAUS AND THEIR CONTACT INFORMATION:

	WEB ADDRESS	REQUEST A CREDIT REPORT	FRAUD UNITS
EXPERIAN	www.experian.com	800.493.1058	800.493.1058
EQUIFAX	www.equifax.com	800.685.1111	800.525.6285
TRANS UNION	www.transunion.com	800.916.8800	800.680.7289

**For more information visit the Federal Trade Commission's website at www.consumer.gov.*