

[insert company name]

**FAIR CREDIT
REPORTING ACT
POLICY MANUAL**

Last Revised: [insert last revised date]

Published by Think Compliance
info@thinkcompliance.co
thinkcompliance.co

Copyright © | Think Compliance, LLC
All rights reserved.

This publication is sold subject to the condition that no part of this publication may be reproduced, distributed, lent, resold, or otherwise circulated without the publisher's prior written consent.

The scanning, uploading, and distribution of this publication via the Internet or via any other means without the permission of the publisher is illegal and punishable by law.

Legal Disclaimer

Think Compliance, LLC does not directly or indirectly practice law, provide legal advice, or otherwise convey legal opinions. The information provided is of a general nature and is not intended to address the specific circumstances of any individual or entity. This information does not constitute a recommendation or advice, nor should this information be relied upon as a substitute for legal or professional advice.

This information and any materials are provided on an “as is” basis. While every effort has been made to ensure that this information is up-to-date, we assume no liability for the accuracy or completeness of this information which may contain technical inaccuracies or typographical errors.

We expressly disclaim all warranties, express or implied, including any warranties of merchantability or fitness of any particular purpose. In no event will we be liable for any claim or action arising from or related to your failure to comply with any laws or regulations. You assume responsibility for its actions undertaken in connection with use of this information. Your use of this information and any materials constitutes full and sufficient consideration for, and acceptance by you, of the above terms.

SAMPLE

TABLE OF CONTENTS

1. Introduction	6
1.1. Purpose	6
1.2. Scope and Application	6
1.3. Annual Policy Review.....	7
2. Internal Controls	7
2.1. Compliance Enforcement Responsibility	7
2.2. Annual Independent Compliance Audits.....	8
2.3. Compliance Audit Reports	9
2.4. Corrective Action.....	9
2.5. Recordkeeping	10
3. Training	10
3.1. Initial Training.....	11
3.2. Ongoing Training.....	11
3.3. Recordkeeping	11
3.4. Service Providers	12
4. Fair Credit Reporting Act Overview	12
4.1. Background and Objectives	12
4.2. Key Terms.....	13
4.3. Permissible Purposes	13
4.3.1. Use of Consumer Reports for Employment Purposes.....	13
4.3.2. Investigative Consumer Reports	14
4.3.3. Prescreened Consumer Reports.....	14
4.4. Furnisher Responsibilities	15
4.4.1. Accuracy.....	15
4.5. Responsibilities Regarding Disputes	18
4.5.1. Indirect Notices of Dispute	18
4.5.2. Direct Disputes	18
4.6. Adverse Action Notices	21
4.7. Risk-Based Pricing Notice.....	21
4.7.1. Determining which Consumers must receive the Risk-Based Pricing Notice.....	22
4.7.2. Transactions Involving Two or More Consumers.....	23
4.7.3. Exceptions to the Risk-Based Pricing Notice Requirement	23

4.8.	Notice of Furnishing Negative Information	24
4.9.	Notice of Address Discrepancy	24
4.10.	Fraud Alerts and Active Duty Alerts	24
4.10.1.	Initial Alert.....	24
4.10.2.	Extended Alert.....	25
4.10.3.	Information Available to Victims	25
4.11.	Medical Information	25
4.12.	Card Number Truncation.....	27
4.13.	Disposal of Consumer Information.....	27
5.	Information Sharing Without Becoming a CRA	27
5.1.	Sharing Transaction or Experience Information with Third Parties or Affiliates.....	27
5.2.	Sharing “Other” Information with Affiliates	28
5.3.	Credit Decision to a Third-Party	28
5.4.	“Joint User” Rule	28
6.	Affiliate Marketing	29
6.1.	Definitions and Key Concepts	29
6.2.	Initial Notice and Opt-Out Requirements	30
7.	Red Flags Rule Guidelines.....	32
7.1.	[Company]’s Identity Theft Program	32
7.2.	Red Flag Categories and Detection.....	38
8.	FCRA Compliance Checklist.....	40
9.	Exhibits	58
9.1.	Notice of Adverse Action Model Forms.....	58
9.1.1.	C-1: Notice of Action Taken and Statement of Reasons	58
9.1.2.	C-2: Notice of Action Taken and Statement of Reasons	61
9.1.3.	C-3: Notice of Action Taken and Statement of Reasons (Credit Scoring).....	62
9.1.4.	C-4: Notice of Action Taken, Statement of Reasons and Counteroffer	64
9.1.5.	C-5: Disclosure of Right to Request Specific Reasons for Credit Denial.....	65
9.1.6.	C-6: Notice of Incomplete Application and Request for Additional Information	66
9.2.	Prescreen Notice.....	67
9.3.	Notice to The Home Loan Applicant	67
9.4.	Risk-Based Pricing Notices – Model Forms.....	69
9.4.1.	H-1: Risk-Based Pricing Notice	69
9.4.2.	H-2: Account Review Risk-Based Pricing Notice.....	70
9.4.3.	H-3: Credit Score Disclosure Exception for Credit Secured by one to four Units of Residential Real Property	71
9.4.4.	H-4: Credit Score Disclosure Exception for Loans not Secured by Residential Real Property	74

9.4.5.	H-5: Credit Score Disclosure Exception for Loans where Credit Score is Not Available....	76
9.4.6.	H-6: Risk-Based Pricing Notice with Credit Score Information	78
9.4.7.	H-7: Account Review Risk-Based Pricing Notice with Credit Score Information	80
9.5.	Model Notices of Furnishing Negative Information	82

SAMPLE