



California Public Interest Research Group

STATE OFFICE

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Los Angeles

3435 Wilshire Blvd., #385
Los Angeles, CA 90010
(213) 251-3680
(213) 251-3699 Fax
www.calpirg.org
calpirg@pirg.org

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

Sacramento

1107 9th St. #601
Sacramento, CA 95814
(916) 448-4516
(916) 448-4560 Fax

RE: FACTA Credit Score Fee, Project No. R411004

The California Public Interest Research Group, CALPIRG, is a statewide non-profit and non-partisan organization in California that had worked to protect Consumers for more than thirty years. We appreciate the opportunity to comment on a fair cost for credit scores and thank the Federal Trade Commission for their attention to this very important issue.

REGIONAL OFFICES

Berkeley

2034 Blake St.
Berkeley, CA 94704
(510) 644-3454

San Francisco

3486 Mission
San Francisco, CA 94110
(415) 206-9338
(415) 206-1859 Fax

San Diego

3960 Park Blvd. Ste. A
San Diego, CA 92103
(619) 297-5512

Santa Barbara

1129 State St. #10-B
Santa Barbara, CA 93101
(805) 564-1207
(805) 965-8939 Fax

Santa Cruz

149 C Josephine St.
Santa Cruz, CA 95060
(831) 459-0553

The best solution for consumers is a free score with a brief description of what was factored in to the score and how it can be improved. The advent of free credit reports has been a true boon for Californians—the free reports are an important tool to help discover identity theft and errors made by the credit bureau or creditors. Unfortunately, it gives an incomplete picture. Most creditors go no further than a credit score when considering an applicant. Unless credit scores can be accurately and quickly estimated by a consumer after looking at their report it is unfair to deny them the only truly relevant information in their financial portfolio.

In deliberating a “fair and reasonable” fee for credit scores, the Commission should be guided by the premises underlying the FCRA itself and the most recent amendments made by FACTA. The two laws are, above all, consumer protection legislation, including measures that are preventive, remedial, and educational. Consumers’ ability to obtain scores easily and at a fair price will further all three of these objectives. Financial literacy is a major public policy issue and the educational factor alone warrants a price no greater than the time it might take a consumer to order their score online, over the phone, or through the mail.

Consumers deserve nothing less than access to their scores for free. These are scores based on a consumer’s private information that was collected without permission, manipulated and sold without permission, and used

to make life altering decisions again, without permission. A free report and score will give consumers the control they deserve over their own financial records by allowing them to catch errors and make improvements thus presenting themselves more accurately to the market.

Finally, when crafting their rules the Federal Trade Commission must consider the variety of scores available as the ANPR has already pointed out. If all scores are free score providers will be less likely to lead a consumer to believe that theirs is the most valuable. If in the future a proliferation of different scoring formulas continues to lead to vastly different scores and confusion, the Commission may need to revisit this issue.

For the above reasons, the Commission should require free scores and truly put consumers on even playing fields with the creditors who require scores. We appreciate the opportunity to offer our views on a “fair and reasonable” price for credit scores.

Sincerely,

Jennette Gayer
Consumer Advocate
CALPIRG