



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

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October 3, 1989

Honorable Richard H. Lehman
Chairman
U.S. House of Representatives
Subcommittee on Consumer Affairs and Coinage of the
Committee on Banking, Finance and Urban Affairs
Room 604 House Annex One
Washington, D.C. 20515

Re: Fair Credit Reporting Act (Your
August 31, 1989, Letter)

Dear Chairman Lehman:

You have asked that I respond to several questions regarding the Fair Credit Reporting Act (FCRA). As you are aware, NCUA is responsible for enforcing the FCRA with respect to Federal credit unions ("FCU's"). Your questions and NCUA's responses are set forth below.

1. "Are the requirements of the FCRA currently being met? Do credit reporting agencies meet the needs of business for consumer information in a manner that is fair and equitable with respect to the confidentiality, accuracy, relevancy, and proper utilization of that information (as required by the purpose section of the FCRA)? Are users of credit reports following the FCRA's requirements for them?"

Few FCU's serve as credit reporting agencies. FCU's are most affected by the FCRA in their role as users of credit reports. NCUA examinations of FCU's have not disclosed any significant problems with respect to FCU compliance with FCRA. If an FCU denies a member credit based on a consumer report, the appropriate FCRA disclosures are made.

2. "Are consumers aware of their rights under the FCRA? Are they exercising those rights?"

While NCUA does not track the number of FCU members that exercise their rights under the FCRA, NCUA is aware of

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numerous situations where members have been able to get inaccurate consumer reports corrected.

3. "Is the FCRA as currently written sufficient to meet its stated purpose? Are its provisions clear?"

NCUA believes that the FCRA meets its stated purpose and that its provisions are clear.

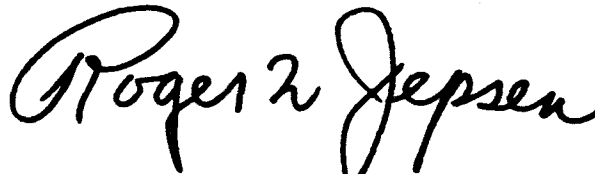
4. "Are there situations or needs that did not exist when the FCRA was being drafted twenty years ago that warrant adjustments or additions to the Act?"

NCUA is not aware of any situations that would require amending the FCRA.

Please contact me if I can be of further assistance.

With kindest personal regards, I am

Sincerely,

A handwritten signature in cursive script that reads "Roger W. Jepsen". The signature is written in black ink and is positioned above the typed name and title.

ROGER W. JEPSEN
Chairman