

New FACTA Rules Take Effect on July 1, 2010

June 5, 2010

Businesses have until July 1, 2010 to comply with the new rules and guidelines under the Fair and Accurate Credit Transactions Act ("FACTA"), which amended the Fair Credit Reporting Act ("FCRA"), adopted by the Federal Trade Commission nearly a year ago relating to information provided to credit reporting agencies. Many know FACTA as the statute that allows consumers to request and obtain a free credit report once every 12 months from each of the three nationwide consumer credit reporting companies (Equifax, Experian, and TransUnion), or the Act that contains provisions to help reduce identity theft. These new guidelines are designed to increase the accuracy and integrity of the information that furnishers provide to credit reporting agencies. The rules, in turn, require furnishers to establish reasonable written policies and procedures that implement the guidelines. The policies and procedures that furnishers are required to establish will vary depending on the "nature, size, complexity, and scope of each furnisher's activities." 16 C.F.R. § 660.3(a).

The rules also provide consumers an additional avenue to challenge the accuracy of information used to generate their credit rating. Historically, consumers were encouraged to deal with the credit reporting agency about the accuracy of such information. Under the new FACTA rules, furnishers are now required, in most cases, to investigate disputes that are submitted directly to them by consumers regarding the accuracy of information that furnishers provided to a credit reporting agency.

Click [here](#) to review the final inter-agency rules and guidelines.