



**Summary of ID Theft Solutions
in the
Federal Fair and Accurate Credit Transactions Act of 2003 (FACTA), Pub. L. 108-159
Amending the
Federal Fair Credit Reporting Act (FCRA), 15 U.S.C. Sec. 1681 *et seq.***

- **Free Credit Reports.** Consumers are entitled to one free credit report per year. Pub. L. 108-159, Sec. 211. This is in addition to the free reports consumers are entitled to receive if they are on public assistance, victims of fraud, or they have been denied credit or insurance on the basis of a consumer report. 15 U.S.C. Sec. 1681j.
- **Tradeline Blocking.** Consumers with an identity theft report, as that term is defined by law, can block from appearing on a credit report, any item that was compromised by fraud that appears on the identity theft report. Pub. L. 108-159, Sec. 152.
- **Fraud Alerts and Active Duty Alerts.** Consumers who believe they are identity fraud victims can request that a fraud alert be placed on their credit reports to signal to prospective users of that report that the consumer may be a fraud victim. Pub. L. 108-159, Secs. 112(a), (b). Consumers who are on active military duty away from their duty station may request that an active military duty alert be placed on their credit reports to signal to prospective users of that report that the consumer may be not be the actual applicant for credit. Pub. L. 108-159, Secs. 112(c).
- **Social Security Number Truncation.** Consumers may request that consumer reporting agencies truncate their SSNs on credit reports. Pub. L. 108-159, Sec. 115.
- **Credit and Debit Card Number Truncation.** Merchants must truncate debit and credit card account numbers on receipts. Pub. L. 108-159, Sec. 113.
- **Establishment of Red Flag Guidelines.** Federal banking agencies and users of consumer reports (i.e. lenders) must establish red flag guidelines to better identify fraud patterns. Pub. L. 108-159, Sec. 114.
- **Summary of Rights.** Consumer reporting agencies must provide to consumers a summary of their rights if they become identity fraud victims. Pub. L. 108-159, Sec. 151.
- **Complaint Coordination.** The FTC and national consumer reporting agencies must develop a system to coordinate consumer complaints. Pub. L. 108-159, Sec. 153.
- **Prevention of Reappearance of Fraudulent Information.** Companies that furnish data to consumer reporting agencies must develop procedures to prevent the reappearance of data that was subject to fraud. Pub. L. 108-159, Sec. 154.
- **Debt Collection.** Debt collectors collecting for a third party must, when notified by a consumer that the collection item is the subject of fraud, inform the company for whom the collector is collecting of the alleged fraud. In addition and upon request, the collector must share with the consumer information relative to the debt. Pub. L. 108-159, Sec. 155.
- **Statute of Limitations Extension.** The statute of limitations against consumer reporting agencies, and users of information from and furnishers of information to consumer reporting agencies is extended to two years from the date of the discovery of the violation or five years from the date the cause of action arises. Pub. L. 108-159, Sec. 156.
- **Studies on Identity Fraud.** The Treasury Department is required to conduct an identity fraud study. Pub. L. 108-159, Sec. 157.

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- *Enhanced Opt-Out from Pre-approved Credit or Insurance Offers.* New easier and simpler method lenders inform consumers of their right to remove their names from pre-approved credit or insurance offer lists. In addition, the timeframe for opt-out is extended from two to five years. Pub. L. 108-159, Sec. 213
- *Disposal of Records.* FTC and federal banking agencies to develop rules concerning the disposal of credit records. Pub. L. 108-159, Sec. 216.
- *Reporting of Negative Information to Consumer Reporting Agency.* Lenders must inform consumers that negative information may be reported to consumer reporting agencies. Pub. L. 108-159, Sec. 217.
- *Enhanced Obligations on Furnishers to Report Accurate Information.* Pub. L. 108-159, Sec. 314.
- *Address Reconciliation.* Consumer reporting agencies must notify users of consumer reports about a substantially different address between an address on an application and an address on the credit report. Users must have policies to handle this situation under regulations from federal banking agencies. Pub. L. 108-159, Sec. 315.

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