

Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies -- 16 CFR Parts 660 and 661

May 22, 2006

I already addressed many of my credit related concerns in my 8/16/04 submission to the FTC regarding the FACT Act Credit Scoring Study, Matter No. P044804, my 9/17/04 submission in response to the FRB Request for Information for Study on Investigations of Disputed Consumer Information Reported to Consumer Reporting Agencies, Docket No. OP-1209 and my April 25, 2005 submission regarding the Proposed Study on the Effects of Credit Scores and Credit-based Insurance Scores on the Availability and Affordability of Financial Products Docket Id: 3084-AA94 – posted at <http://fight-back.us/forum/index.php?showforum=24>

What's new? Let's start with the Verizon Wireless extortion:

In 1999 Verizon Wireless sent me a refund check after I closed my account and I informed it immediately upon receipt that I would not cash their check because they sent it in error. As Verizon continued to bill me, I filed a complaint with the FCC in 2000 and Verizon denied that it sent a refund check. The FCC believed Verizon, as the corporations are always right.

Verizon apparently reported this entirely bogus collection on my relative and cosigner Dorothea Weidinger's credit, resulting in interest rate increases for her credit cards. She had breast cancer, no health insurance, owed on a number of credit cards and was determined to continue to pay her increasing minimum payments and to maintain her flawless credit rating. Instead of resting and taking care of herself and focusing on her health, she continued to work until mid 2003, when the pain became unbearable. She died in November 2003.

I just recently found out that apparently Verizon reported this disputed account to the CRAs as it objected to my discovery questions regarding the credit reporting. My disputes, the collection letters and litigation documents are posted at <http://fight-back.us/forum/index.php?showforum=87>

I still can't get over the fact that my refusal to pay this bogus debt contributed to Dorothea's death.

Of course I have many excuses, Dorothea wasn't diagnosed with cancer until 2002, I thought that Verizon had finally stopped collecting after I disputed with their collectors, I named Verizon in my 3/19/03 suit after I got another collection letter in late 2002. But the fact is that Dorothea might still be alive if I had paid the \$105 Verizon demanded. It wasn't thousands of dollars, it was only \$105 which I didn't want to pay because I just don't like to pay my bills twice.

I am now recommending to my readers and clients (especially when they are ill) to pay their debts two or three times if that's what the creditors want. It's not worth the hassle and certainly not worth dying for.

My press release about Verizon is posted at http://mylitigation.net/pr/news/release/5_million_lawsuit_against_verizon_wireless_for_collecting_fraudulent_debt/ and another comment about Verizon has been submitted at <http://www.ftc.gov/os/comments/FACTA-furnishers/522110-00008.htm>. Isn't it somewhat ironic that this consumer puts his life on the line, serving overseas to protect the interests of American corporations who couldn't possibly care less about him?

There is nothing I can do to bring Dorothea back, but I can at least try to publicize why she died and maybe others in similar situations will decide to file for bankruptcy instead of working themselves to death.

And while the regulators couldn't care less about consumers, there is always the small possibility that someone with megatons of cash and integrity files the RICO suit that should be filed against all the conspirators and extortionists, the credit bureaus, the banks, the furnishers, the regulators and probably a large number of legislators.

An update on Capital One:

Of course Capital One continues to refuse to report the credit limits to minimize its account holders chances of getting solicitations from competitors with more favorable credit terms.

Nothing increases customer retention like the destruction of the account holders' credit scores so that no competitor will offer better terms.

Recently Capital One submitted with its motion for summary judgment the declaration of Sara Cheek, the Capital One floor supervisor in the automated consumer dispute verifications (ACDV) department and Exhibits A – D, various ACDVs.

The Capital One filings and my responses, exhibits, etc. are posted at <http://forum.creditcourt.com/discus/messages/4781/5142.html>

Ms. Cheek claims to be “generally familiar with the business engaged in by Capital One and its policies and procedures” and she claims in her Declaration at ¶ 4:

Generally, when Capital One receives a consumer dispute verification from a Credit Reporting Agency, only minimal information is provided to Capital One about the consumer and a dispute code is received. Capital One does not ordinarily receive the actual dispute sent by the consumer to the Credit Reporting Agency or any other

explanation of the specifics of the dispute. ...

The Capital One ACDVs submitted as exhibits actually document that my exact disputes were provided on the ACDVs because I had submitted my disputes online. However, eOscar and the lack of information about the consumers' disputes are apparently the first defense – even when it doesn't apply.

Capital One also submitted the Declaration of Kimberly Hughes with Experian. She states that it's ok to report the Date Reported in the field for the STATUS date of a derogatory status.

The Status Date is the date used to determine how long ago a charge-off or discharge of an account occurred.

- The reporting date is the date reported.
- The status date is the date of the status.

How difficult is this to understand?

My video deposition of Ms. Hughes is scheduled on 6/13/06 in Dallas.

The CRAs and the furnishers apparently have no idea what the reported data means.

The furnishers don't seem to know how to report the accounts and I have been unable to get any furnisher instructions, tutorials, etc. for eOscar, the software furnishers utilize to report to the CRAs.

I recently posted at [about the lack of information available about E-OSCAR](#) and a reader explained that the system was designed, developed and funded by the Consumer Data Industry Association with collaboration and support from the four major CRAs (Equifax, Trans Union, Experian and Innovis). Initially there was little to no input from the data furnishers and when it was first rolled out to a select group of furnishers, it was immediately rejected. It then went through a major rewrite so it would conform to the furnishers' requirements. The actual programming for E-OSCAR was outsourced to India and was initially bug-ridden and poorly written and it probably still is.

I have not confirmed this information, but it makes perfect sense. It certainly explains the often so bizarre reporting.

An excerpt from a document containing the various data fields and rules for E-OSCAR as of 2002 and I added my comments in blue:

| | |
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| Date opened | <ul style="list-style-type: none"> • Cannot be blank. • Must be a valid numeric date field. • MMDDYYYY format. • No future dates are valid. • Cannot be < 'Date of Birth' field. • If ECOA Code = 0(Undesignated), Date opened is only valid on accounts opened prior to June 1, 1977 and must be less than that date. • Date Opened < Date Closed. • If Account Type ="48" or Account Type = "77" or Account Type ="0C" or DF Type= "1" or DF Type = "2" or DF Type="3", then Date of First Delinquency must be less than Date Opened. • If the above condition is not met, then Date Opened must be less than Date of First Delinquency. • Date Opened <= Date Of Last Payment. • Date Opened <= Billing Date. <p style="text-align: center;"> ■ This is an example of the E-OSCAR ability to prevent inaccurate data through rules. </p> |
| Current balance | <ul style="list-style-type: none"> • Current Balance must be a numeric field. • Current balance is always absolute and no decimal places should be entered, meaning whole dollars and not cents should be reported. • No negative values. Negative credit balances should be reported as zero. • Current Balance >= Amount Past Due. • If AUD correction Indicator is '2' i.e. Add, then Current balance cannot be blank. |

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| Highest credit / original amount | <ul style="list-style-type: none">• Numeric field.• Absolute and decimal places should not be entered, meaning whole dollars and not cents should be reported.• No negative values. Negative values should be reported as zero. <ul style="list-style-type: none">■ There should be TWO fields, one for the credit LIMIT and one for the high credit, as those are two different values.■ The credit LIMIT should be a REQUIRED field for all revolving accounts.■ Just as the Current Balance \geq Amount Past Due (current balance must be equal or greater than the amount past due), the High Credit must be equal or greater than the balance.■ Capital One appears to sometimes report the High Credit of the PREVIOUS month and the Balance of the CURRENT month. Since it refuses to report the Credit LIMIT, many Capital One accounts are reported as if OVER the limit when in fact the credit limit is often much higher and the account isn't even close to being maxed out.■ Capital One often reports substantial balance increases immediately upon posting to the account and it does NOT update the High Credit until the next regularly scheduled update, often presenting the account as OVER the limit and destroying the credit scores so that its customers are less likely to be able to obtain credit from competitors with more favorable terms. |
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| Account History | <ul style="list-style-type: none"> • Only 0, 1, 2, 3, 4, 5, 6, B, D, E, G, H, J, K, L are valid values. • Value to be put in each month from when payment history begins to when it ends. Blank months cannot be left in the middle of the Account Payment History. • Account History 'B' is only valid at the end of Account Payment History. <p>■ Why do we have so many UNDATED late payments? How can a late payment be reported without an associated date? Obviously, the older a late payment, the less significant it is.</p> <p>■ Why do we have so many late payments AFTER an account was charged off? This is a huge problem with Experian and I believe it has to do with furnishers confusing the STATUS date with the REPORTING date.</p> |
| Original Creditor Name | <ul style="list-style-type: none"> • Cannot be blank if DF type = '1'. <p>■ The myFICO reports contain a CODE instead of the creditor's name for all collections on Equifax reports.</p> |
| Date Closed | <ul style="list-style-type: none"> • Must be a valid numeric date field. • MMDDYYYY format. • No future dates are valid. <p>■ The Date Closed should be REQUIRED for Trans Union discharged accounts, charge-offs and collections. I documented that the deletion of the Date Closed for a 5 year old discharged account resulted in a 65 point FICO score drop until the 7/01 Date Closed was added again. Only Trans Union collects the Date Closed.</p> |

The first step to improving the accuracy of the data reported by the CRAs is to implement rules within E-OSCAR to enhance accuracy and COMPLETE reporting.

Since I just spent the last 18 hours finishing my objection to the Capital One motion for summary judgment I'm too tired to get into details, but here are a few other major problems:

- Collection accounts reported as TRADELINES. The CRAs need to STOP reporting old collections as if recently charged off and with delinquent balances. Collections must be reported as COLLECTIONS.

See the details of the LVNV – Sherman bizarre reporting:
<http://creditlitigation.org/resources/messages/6/363.html>

- Accounts that were NOT discharged in bankruptcy and were paid as agreed must be reported as PAID AS AGREED – NOT included in bankruptcy.

More and more auto lenders are NOT reporting accounts paid after bankruptcy at all. Consumers need to get credit for their positive payment history.

- There's a real problem with Experian reporting new late payments AFTER an account was charged off or discharged.
- Equifax deletes POSITIVE accounts long before the 10 years are up. I mostly see those deletions when derogatory accounts are deleted and it has been suggested that Equifax automated the deletions of positive accounts. I have no idea whether that's true, but I know for a fact that several of my own POSITIVE accounts have been deleted by Equifax and they continue to be reported by Experian and Trans Union.

B. Identify the circumstances under which a furnisher shall be required to reinvestigate when contacted by the consumer directly

I will continue to recommend to my readers and clients to dispute with the CRAs unless consumers get a private right of action to sue furnishers who fail to investigate disputes received from consumers.

Consumers can dispute with the CRAs free of charge and online. What is the purpose of having consumers submit disputes to furnishers? **Limit liability for furnishers and CRAs?**

It is shocking to see how furnisher totally ignore FCRA § 1681s-2(a) requirements because there is no private right of action and the regulators categorically refuse to enforce the FCRA.

Sincerely,

Christine Baker