

May 3, 2006

Ms. Mary Rupp
Secretary of the Board
NCUA
1775 Duke Street
Alexandria, VA 22314-3428

RE: Response to NCUA Notice of Proposed Rule Making on FACT Act Section 312
of the Fair and Accurate Credit Transactions Act

Dear Ms. Rupp:

On behalf of Visions FCU of Endicott, New York, I would like to respond to the questions posed in your recent notice concerning proposed changes on the FACT Act

Responses:

(A) Accuracy and Integrity Guidelines and Regulations

(A1)

(1), (2), (3) Most cases of disputed credit information from our members seem to come from medical bills that remain unpaid and that the members are unaware of or believe they have paid. Rarely do we see financial institution or credit grantor errors unless the debt was paid in the last 30 days and has not been updated. Occasionally where there is a similar name including a family member such a "Junior" or "III" where the bureaus get mixed. This error seems to be increasingly rare over the last few years, but still happens occasionally.

(4),(5),(6),(7)– Occasionally we find credit grantors that are not reporting for some reason, and the occasional duplicate reference – albeit this seems to happen when an account number changes. There are also a few credit grantors who seem to rate accounts differently on revolving credit or do not rate co-makers. For example – if a payment is made after the due date but before the following due date most creditors consider this a "15" day delinquent but not a 30 day revolving or R-2. Some creditors however will rate this same payment a 30 day late. This inconsistency from a few creditors does cause some problems.

(A2), (A3), (A4)

No comment

(A5)

The credit status for our members is provided to the credit reporting agencies by electronic transmission.

(A6)(A7)(A9)(A10)

No comment



Dispute Regulations

400

the dispute took place more than eight years in the past, unless it is obtaining a mortgage, the credit grantor should not be required to initiate a dispute.

) The advantage to a consumer disputing a rating directly with the credit grantor might be a quicker response to the inquiry. The disadvantage would be that the rating would not show as disputed during the investigative period. I see no cost advantage either way since members routinely contact us now as well as the credit reporting agencies. The disadvantage would be if both the credit grantor and the credit reporting agency contacted us in the future, duplicating our efforts. This could add an employee to our headcount possibly costing us up to \$100,000 per year. Consumers should be allowed an option as to how they wish to dispute the rating, but they should not be forced to always go through the credit grantor.

) Start up costs would require another employee for approximately \$100,000 to respond to the anticipated large amount of requests. Direct requests not initially reported to the Credit Reporting Agency could result in a large volume of research inquiries as opposed to the Consumer Reporting Agency requests. Over 50% of the requests received are either errors by the Credit Reporting Agency or frivolous requests by the consumer; the remaining percentage requires a change in the consumers' files. Currently we investigate direct requests by consumers if they have not started a dispute with the Credit Reporting Agency. We do not receive requests from Credit Reporting Agencies. Resolution with direct disputes is handled within the same time frame as disputes through the Credit Reporting Agency. There is no time related or cost related on various business lines. Currently, 75% of disputes are received through the Credit Reporting Agency; 25% come from direct requests.

There would be no impact on the accuracy of reports if furnishers were required to investigate disputes from customers.

Even if a credit grantor changes a credit rating because they handled the dispute directly, it could take up to a month before this change is reported to the CRAs. The CRAs have the ability to automatically change the reference when they receive the response from the credit grantor.

Professional credit repair agencies if allowed to challenge credit ratings could add additional cost because of the manpower needed for frivolous disputes and could conceivably overload some credit grantors causing them to miss response deadlines and resulting in credit ratings that are incorrect. This would add further risk to the credit system causing more credit loss and higher costs for those consumers that do pay their bills.



Berrish
CEO