



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter
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Fair and Accurate Credit Transactions Act Effective Dates

Summary: The Fair and Accurate Credit Transactions Act of 2003 (FACT Act) contains some provisions that will be implemented through regulations and other provisions that are self-executing. This letter explains the FDIC's compliance expectations for both.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Compliance Officer

Related Topics:

Fair and Accurate Credit Transactions Act
Fair Credit Reporting Act

Attachment:

Interagency letter to the American Bankers Association, et al., dated Nov. 24, 2004

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Note:

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Highlights:

- The Fair and Accurate Credit Transactions Act (FACT Act) amended the Fair Credit Reporting Act (FCRA) in December 2003. It includes many new provisions that impact the credit reporting system and the prevention of identity theft.
- As required, certain federal agencies will publish regulations to implement provisions of the FACT Act. Compliance with these provisions will be required when the final regulations are completed.
- The self-executing provisions of the FACT Act become effective either as provided in the FACT Act itself or as provided in rules published by the Federal Trade Commission and the Federal Reserve Board.
- The FDIC expects covered entities to begin to comply with the self-executing provisions of the FACT Act when they become effective. Many of these provisions became effective on December 1, 2004.

Fair and Accurate Credit Transactions Act Effective Dates

The Fair and Accurate Credit Transactions Act of 2003 (FACT Act) contains some provisions that will be implemented through regulations and other provisions that are self-executing. This letter explains the FDIC's compliance expectations for both.

The Fair and Accurate Credit Transactions Act of 2003 (FACT Act) was signed into law in December 2003. It substantially amended the Fair Credit Reporting Act (FCRA) to respond to different issues raised by industry and consumer advocates. In response to industry concerns, the FACT Act preserves uniform national standards for the content of consumer report information and credit access to such information. In response to concerns raised by consumer advocates, the FACT Act contains many new provisions to combat identity theft, protect privacy, and improve consumer access to and overall accuracy of consumer reports.

Many provisions of the FACT Act require federal agencies to publish implementing regulations. These agencies have jointly determined that institutions will not be held responsible for compliance with these provisions until the final rules are issued. The final rules will specify when compliance is required.

Recently, the federal agencies responsible for the various regulations received a letter from the American Bankers Association, representing several industry and trade groups seeking clarification on the effective dates of ten specific provisions of the FACT Act. An interagency response to this request was prepared and is attached. The letter reflects the agencies' compliance expectations for these ten provisions and is consistent with the FDIC's overall FACT Act compliance expectations contained herein.

With regard to the provisions of the FACT Act that do not require implementing regulations, the FDIC expects covered entities to begin to comply by the dates contained in the FACT Act, or by the effective dates jointly set by the Federal Trade Commission (FTC) and the Federal Reserve Board (FRB). The FTC and FRB published these dates in a rulemaking in February 2004. Information about this rule and the effective dates can be found

at: <http://www.federalreserve.gov/boarddocs/press/bcreg/2004/20040205/default.htm>.

Questions regarding the FACT Act effective dates may be directed to David Lafleur, CRCM, Policy Analyst-Compliance, at (202) 898-6569, or dlafleur@fdic.gov

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