



## ***Notice to Customers: Account Review Guidelines***

This notice is to remind you that your service agreement(s) with TransUnion requires you to keep the consumer information we supply to you in confidence, and to not disclose it to any third party except as permitted in your contract. Please bear in mind that this obligation extends to any agents or other third parties that you may elect to use to provide a communication link to us, as well as to any third party or agent you retain to assist you with processing our information. You must ensure that any third party you retain does not improperly access, distribute, use or retain any TransUnion consumer data obtained using your subscriber code.

Additionally, we would like to remind you that account reviews are permitted under two separate sections of the Fair Credit Reporting Act (FCRA). The first section, section 604(a)(3)(A), provides for review of a credit account. The second section, section 604(a)(3)(F)(ii), was added as part of the 1996 amendments to allow review of non-credit accounts, but only where the review is for the purpose of determining whether the consumer still continues to meet the terms of the account. Section 604(a)(3)(F)(ii) allows non-traditional credit grantors (i.e. utility companies, cellular phone companies, cable television companies, etc.) to review accounts for the purpose of determining whether the consumer still qualifies for the original terms of the account.

The Federal Trade Commission (FTC) issued a Staff Opinion Letter dated April 29, 1999 that contains remarks relating to the review of closed end accounts. We believe the letter is focused on section 604(a)(3)(F)(ii) account reviews, and therefore, we encourage our non-traditional customers be aware of the following points of the letter:

1. A Creditor in a closed-end transaction may not exploit consumer reports obtained for “review” purposes in order to market its products or services. (This is consistent with TransUnion’s position on any account review and the terms of your service agreement(s) with TransUnion. If marketing new products is the objective, a consumer report may be used in the form of a prescreening service, which requires the certification of a different permissible purpose and that a firm offer of credit or insurance be made to the consumers identified.)
2. It is the opinion of the FTC staff lawyer that the terms of a closed-end credit transaction are predetermined and generally may not be changed unilaterally by the creditor unless the contract expressly provides for such action (e.g. in the event of default). Therefore, it is unlikely that a closed-end account would be reviewed to determine whether the consumer still qualifies for the account.
3. Creditor must certify the purposes for which the information is sought, and certify that the information will be used for no other purpose.

Further, section 605A of the FCRA, as modified by the Fair and Accurate Credit Transactions Act (FACTA) of 2003, states that the user of a consumer report containing an Initial Alert or an Active Duty Alert may not establish any new credit plan or extension of credit, other than under an open-end credit plan, in the name of the consumer, or issue an additional card on an existing credit account requested by a consumer, or grant an increase in credit limit on an existing credit account requested by a consumer unless the user utilizes reasonable policies and procedures to form a reasonable belief that the user knows

the identity of the person making the request. If the consumer has provided a telephone number to be used for identity verification purposes which number is supplied with the Alert, the user shall contact the consumer using that telephone number or take reasonable steps to verify the consumer's identity and confirm that the application for a new credit plan is not the result of identity theft.

Section 605A also states that the user of a consumer report containing an Extended Alert may not establish any new credit plan or extension of credit, other than under an open-end credit plan, in the name of the consumer, or issue an additional card on an existing credit account requested by a consumer, or grant an increase in credit limit on an existing credit account requested by a consumer unless the user contacts the consumer in person or using the contact method designated by the consumer and supplied with the Alert to confirm that the application for a new credit plan or increase in credit limit or request for an additional card is not the result of identity theft.

Finally, we wish to again remind all our customers of the special obligations that apply when a consumer report is requested on a Vermont resident. Under Vermont law (9 V.S.A. 2480e and 2480g), any user of a consumer report must obtain the Vermont consumer's consent before requesting a consumer report. The law lists exceptions for prescreening, credit transactions entered into prior to January 1, 1993 and certain child support investigations. The statute expressly states that when consent is secured, it may include consent for subsequent account review and collection activity. Rule CF 112.03, which interprets the law, states that if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit, the consent must be in writing. If the person has applied for or requested credit in a manner other than in writing, consent shall be obtained in writing or in the same manner in which the consumer made the application or request. Any questions about the Vermont law should be directed to your regular legal advisor.

We remind all our customers that compliance with all applicable laws, as well as the maintenance of good security practices to ensure the confidentiality of consumer information, is required by your service agreement. We also encourage you to review the FCRA sections and the FTC Staff Opinion Letter referenced above with your regular legal advisor.