



December 2014

TransUnion Annual Prescreen Customer Notice

The purpose of this notice is to remind you of your obligations under the Fair Credit Reporting Act and your TransUnion Prescreen Service Agreement and/or TransUnion Master Agreement For Consumer Reporting And Ancillary Services, as well as to remind you of a TransUnion business policy related to the sale of TransUnion's Prescreen Inquiry Triggers for the automotive lending industry.

Federal Fair Credit Reporting Act

The Federal Fair Credit Reporting Act, as amended by the Consumer Credit Reporting Reform Act of 1996 (15 USC 1681 et seq.) (the "FCRA"), contains certain requirements for prescreening. It is TransUnion's policy to continually remind our customers of these requirements in order to help assure compliance. While you should review all requirements of the FCRA related to prescreening, the following are the main points of the law of which you should be aware:

1. Each name that survives the prescreening process must receive a firm offer of credit or insurance. Section 603(l) defines a firm offer of credit or insurance as one that will be honored as long as the consumer meets the specific criteria used to select him for the offer, except the offer may be conditioned on one or more of the following:
 - a. The consumer meets any pre-established credit worthiness or insurability criteria based on the application, as long as such other criteria are established in advance.
 - b. The consumer's continued eligibility and application information can be verified after the consumer accepts the offer.
 - c. The consumer can furnish any required collateral that is established in advance and disclosed on the offer.
2. Pursuant to Section 615(d)(1) of the FCRA and the FTC's Final Rule on Prescreen Opt-out Disclosure, the offer must include the following two disclosure statements (a short notice and a long notice).

The short notice should conform to the following:

- a. State the consumer has a right to opt out of receiving prescreen solicitations
- b. Provide the toll-free number the consumer can call to exercise that right
- c. Direct the consumer to the existence and location of the long notice (including the heading for the long notice)
- d. Not contain any other information than that information listed above
- e. Appear in type size that is larger than the type size of the principal text on the same page, but in no event smaller than 12 point type font
- f. Appear on the front side of the first page of the principal promotional document in the solicitation (item designed to be seen first by the consumer but not the envelope)
- g. Located on the page and in a format that is distinct from the other text (such as inside a border)
- h. Appear in a type style that is distinct from the principal type style used on the same page (such as bolded, italicized, underlined, etc).

Example:



- You can choose to stop receiving “prescreened” offers of [credit or insurance] from this and other companies by calling toll-free 1-888-567 8688. See PRESCREEN & OPT-OUT NOTICE on other side [or other location] for more information about prescreened offers.

The long notice should be clear and conspicuous and contain the statements that the End User is required to include pursuant to Section 615(d)(1) of the FCRA. The following information must be included in the long notice:

- i. Information contained in the consumer’s report was used in connection with the transaction
- j. The consumer received the offer of credit or insurance because the consumer satisfied the criteria for credit worthiness or insurability under which the consumer was selected for the offer
- k. If applicable, the credit or insurance may not be extended if, after the consumer responds to the offer, the consumer does not meet the criteria used to select him/her for the offer or any applicable criteria bearing on credit worthiness or insurability or does not furnish any required collateral
- l. The consumer has a right to prohibit information contained in his/her file with any consumer reporting agency from being used in connection with any credit or insurance transaction that is not initiated by him/her
- m. The consumer may exercise this right by notifying the Opt Out system established under Section 604(e) of the FCRA.

TransUnion’s Opt Out address is:
TransUnion Opt Out Request
PO Box 505
Woodlyn, PA 19094-0505

Shared phone number and website are:
888-5OPTOUT (888-567-8688)
www.optoutprescreen.com

- n. Appear in type size that no smaller than the type size of the principal text on the same page (if electronic the type size must be >8 point font)
- o. Begin with a heading “PRESCREEN & OPT OUT NOTICE” in capital letters and underlined
- p. Appear in a type style that is distinct from the principal type style used on the same page (such as bolded, italicized, underlined, etc.)
- q. Appear set apart from other text on the page (such as blank lines above and below the statement, indenting the margins, etc.)

Example:

- PRESCREEN & OPT OUT NOTICE -This “prescreened” offer of [credit or insurance] is based on information in your credit report indicating that you meet certain criteria. This offer is not guaranteed if you do not meet our criteria [including providing acceptable property as collateral]. If you do not want to receive prescreened offers of [credit or insurance] from this and other companies, call TransUnion at 1-888-567-8688 or visit the website at www.optoutprescreen.com (strongly encouraged but not required); or write TransUnion Opt Out Request PO Box 505, Woodlyn, PA 19094-0505.

3. A prescreen inquiry will be posted to the file of every consumer whose name and address you receive.

4. You may not cancel the delivery of the firm offer at any time after you have received the list of names from TransUnion, our processing agent or your designated third party processor.

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.

TransUnion Prescreen Service Agreement

In the prescreen service agreement you entered into with TransUnion, you agreed that the information that you receive from TransUnion is for your exclusive one-time use, and is to be used for the extension of a firm offer of credit or insurance. You may not use TransUnion prescreening services in connection with solicitations for debt relief or mortgage assistance relief products or services offered by entities that charge advance fees. Under this agreement, you may not use TransUnion data for any other purpose, including processing credit applications, underwriting of insurance, model development, model validation, or data analysis. You may not resell the prescreen names to third parties.

The agreement also states:

Customer certifies that neither the criteria used to select the names nor the tape layout description of the attributes will be disclosed by Customer to Processor. Moreover, Customer certifies that it will not request or receive from Processor any names of consumers other than those to which a firm offer of credit or insurance will be made.

Although we have provided you with a detailed layout of the data for the prescreen job, we have provided the Processor with a "generic layout" that does not contain any credit attribute definitions. The generic layout does contain descriptions for the indicative information (name, address, etc); however, the descriptions for credit attributes are non-specific (for example, "Field 1" or "Attribute 1" or "AT1"). You are required by your service agreement to not disclose the descriptions of the credit attributes to the Processor. In order to communicate your additional processing requirements to the Processor, the generic terms must be used.

Prescreen Acquisition Inquiry Triggers for the automotive lending industry



In order to maintain the continued viability of the Acquisition Inquiry Trigger solution in the automotive space, TransUnion will now require that lenders interested in purchasing automotive Inquiry Triggers have verifiable relationships with one or more auto dealers or dealer groups, while an auto dealer or dealer group interested in purchasing the solution will be required to have verifiable relationships with one or more lender(s) and sign a TransUnion Arranger of Credit Prescreen agreement.

If you have any questions about this notice, please contact your TransUnion sales representative.

Thank you.