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Reissue/Secondary Use Update

The Reissue/Secondary use programs being brought forth by Equifax and Experian are still very fluid, with changes and/or clarifications continuing to be made to the programs by both companies. As NCRA discussed with membership at the conference in November, we have been actively engaged in the plan announced during that meeting. As of today, many events have occurred related to the implementation of that plan and we will continue to work through that plan until a workable solution or court remedy is completed.

More information on this issue will be sent as it develops. In the meantime we hope all members are actively working with their customers to identify the firms they are sharing the reports with for whatever type of documentation program that ultimately get implemented.

Experian Extends Secondary Use Program Start Date

In a letter from Terry McComas dated December 19, Experian announced several changes to their secondary use program. The first change is a delay of the launch of the program until the February billing cycle. The second change is that Experian will delay the launch of the GSE portion of their program until the GSE's have had time to complete the required system changes to make the reporting possible. The final and potentially most beneficial change is in regards to the contracting requirements of the secondary user. We do not know what the new program requirements for secondary use contract terms will be yet, but watch the Experian reseller website for new guidelines in January. If you have not received the Experian letter noted above, please call your Experian representative for a copy.

Congress Aware of Reissue/Secondary Use Problem

Congressman Edolphus Towns (D-NY) addressed the potential problems from the policy change of Equifax and Experian in a speech in the U.S. House of Representatives (see below). He addressed the specifics of the program's new interpretation of the FCRA with regards to secondary use and the potential problems that this new program could have on consumers. He also noted the catastrophic impact this program could have on the consumer reporting industry.

Representative Towns is a member of the Congressional Black Caucus, which has taken a special interest into this issue due to the disparate impact it may have on people of color in the home buying process. In meetings with NCRA, Congressman Town's staff reported sending letters to Equifax and Experian about this program and has suggested congressional oversight hearings on this issue in early 2007. In an oversight hearing, Equifax and Experian would have to explain their new program, and all its adverse effects to Congress.

NCRA Hires Jonathan Rubin to Lead Litigation

Jonathan Rubin, the former research fellow of the American Antitrust Institute (AAI) and author of the 2002 AAI report on the competitive problems within the mortgage credit reporting industry, has been retained by NCRA to replace Michael Flannery of the Cary Danis law firm as the lead council on the current antitrust litigation. Any new legal challenge that may need to be brought to address

NCRA

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Reissue Update... continued...

the reissue/secondary use programs will be brought by Jonathan and the law firm of Patton Boggs in Washington, DC. Patton Boggs is a large law firm with strong political ties as well as an impressive legal record. An announcement of the new partnership of Jonathan Rubin to Patton Boggs is attached below.

Ken Harney Brings Reissue/Secondary Use Debate Public

Ken Harney's award winning column, "Our Nations Housing", syndicated by the Washington Post writers, featured the reissue debate (copy attached) last week. His column (featured in the Real Estate section of more than 100 newspapers across the country) was the first public broadcast of the reissue program being promoted by Equifax and Experian. In the column, strong statements of opposition to the costs associated with the new programs were made by The National Association of Mortgage Brokers President, Harry Dinham and The National Community Reinvestment Council (a well- respected low income housing advocacy group) President John Taylor. His story has caused other writers to cover the issue and NCRA has provided interviews to several other reporters on this issue in the past week. Additionally, Washington housing policy makers follow his column on a regular basis, bringing greater attention to this issue on Capitol Hill.

NAMB Joins NCRA in Reissue Battle

The National Association of Mortgage Brokers issued the attached position paper on the reissue/secondary use programs yesterday. This position paper was approved by the NAMB board of directors for use in a nationwide call to arms by the brokers association to lobby congress on this issue. This position paper comes after NAMB's industry alert on reissue/secondary use issued on December 8. NCRA has been working closely with NAMB and others on this reissue/secondary use policy change and will continue building a coalition of opposition to these policy changes from both the mortgage/real estate industry and within the consumer advocacy groups.

