

# **GLOSSARY**

*OF TERMS FOUND IN*

**The Fair Credit Reporting Act**

(15 U.S.C. §§ 1681 – 1681v)

*as amended by the*

**The Fair and Accurate Credit Transactions Act of 2003**

(Public Law No. 108-159)

**This glossary of the terms and definitions found in the current text of the Act follows the redline versions of the Act provided NCRA. The original FCRA definitions are in both upper and lower case, while the new language from FACTA is shown in all upper case.**

**“ACCOUNT”**

HAVE THE SAME MEANINGS AS IN SECTION 903 OF THE ELECTRONIC FUND TRANSFER ACT

**“ACTIVE DUTY ALERT”**

MEAN A STATEMENT IN THE FILE OF A CONSUMER THAT—

(A) NOTIFIES ALL PROSPECTIVE USERS OF A CONSUMER REPORT RELATING TO THE CONSUMER THAT THE CONSUMER MAY BE A VICTIM OF FRAUD, INCLUDING IDENTITY THEFT, OR IS AN ACTIVE DUTY MILITARY CONSUMER, AS APPLICABLE; AND

(B) IS PRESENTED IN A MANNER THAT FACILITATES A CLEAR AND CONSPICUOUS VIEW OF THE STATEMENT DESCRIBED IN SUBPARAGRAPH (A) BY ANY PERSON REQUESTING SUCH CONSUMER REPORT.

(3) IDENTITY THEFT.—THE TERM “IDENTITY THEFT” MEANS A FRAUD COMMITTED USING THE IDENTIFYING INFORMATION OF ANOTHER PERSON, SUBJECT TO SUCH FURTHER DEFINITION AS THE COMMISSION MAY PRESCRIBE, BY REGULATION.

**“ACTIVE DUTY MILITARY CONSUMER”**

MEANS A CONSUMER IN MILITARY SERVICE WHO—

(A) IS ON ACTIVE DUTY (AS DEFINED IN SECTION 101(D)(1) OF TITLE 10, UNITED STATES CODE) OR IS A RESERVIST PERFORMING DUTY UNDER A CALL OR ORDER TO ACTIVE DUTY UNDER A PROVISION OF LAW REFERRED TO IN SECTION 101(A)(13) OF TITLE 10, UNITED STATES CODE; AND

(B) IS ASSIGNED TO SERVICE AWAY FROM THE USUAL DUTY STATION OF THE CONSUMER.

**“ADVERSE ACTION”**

(A) has the same meaning as in section 701(d)(6) of the Equal Credit Opportunity Act; and

(B) means

(i) a denial or cancellation of, an increase in any charge for, or a reduction or other adverse or unfavorable change in the terms of coverage or amount of, any insurance, existing or applied for, in connection with the underwriting of insurance;

(ii) a denial of employment or any other decision for employment purposes that adversely affects any current or prospective employee;

(iii) a denial or cancellation of, an increase in any charge for, or any other adverse or unfavorable change in the terms of, any license or benefit described in section 604(a)(3)(D) [§ 1681b]; and

(iv) an action taken or determination that is

(I) made in connection with an application that was made by, or a transaction that was initiated by, any consumer, or in connection with a review of an account under section 604(a)(3)(F)(ii)[§ 1681b]; and

(II) adverse to the interests of the consumer.

**“CARD ISSUER”**

A) A CREDIT CARD ISSUER, IN THE CASE OF A CREDIT CARD; AND

(B) A DEBIT CARD ISSUER, IN THE CASE OF A DEBIT CARD.

**“CLASSIFIED INFORMATION”**

information that is protected from unauthorized disclosure under Executive Order No. 12958 or successor orders.

**“COMMISSION”**

THE FEDERAL TRADE COMMISSION.

**“CONSUMER”**

an individual.

**“CONSUMER REPORT”**

means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for

(A) credit or insurance to be used primarily for personal, family, or household purposes;

(B) employment purposes; or

(C) any other purpose authorized under section 604 [§ 1681b].

(2) Exclusions. EXCEPT AS PROVIDED IN PARAGRAPH (3), THE TERM "consumer report" does not include

(A) SUBJECT TO SECTION 624, any

(i) report containing information solely as to transactions or experiences between the consumer and the person making the report;

(ii) communication of that information among persons related by common ownership or affiliated by corporate control; or

(iii) communication of other information among persons related by common ownership or affiliated by corporate control, if it is clearly and conspicuously disclosed to the consumer that the information may be communicated among such persons and the consumer is given the opportunity, before the time that the information is initially communicated, to direct that such information not be communicated among such persons;

(B) any authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;

(C) any report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys his or her decision with respect to such request, if the third party advises the consumer of the name and address of the person to whom the request was made, and such person makes the disclosures to the consumer required under section 615 [§ 1681m]; or

(D) a communication described in subsection (o) OR (X).

**"CONSUMER REPORTING AGENCY"**

any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

**"CONSUMER REPORTING AGENCY THAT COMPILES AND MAINTAINS FILES ON CONSUMERS ON A NATIONWIDE BASIS"**

a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer's credit worthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide:

(1) Public record information.

(2) Credit account information from persons who furnish that information regularly and in the ordinary course of business.

**"CREDIT" AND "CREDITOR"**

HAVE THE SAME MEANINGS AS IN SECTION 702 OF THE EQUAL CREDIT OPPORTUNITY ACT.

**“CREDIT CARD”**

HAS THE SAME MEANING AS IN SECTION 103 OF THE TRUTH IN LENDING ACT.

**“CREDIT SCORE”**

(I) MEANS A NUMERICAL VALUE OR A CATEGORIZATION DERIVED FROM A STATISTICAL TOOL OR MODELING SYSTEM USED BY A PERSON WHO MAKES OR ARRANGES A LOAN TO PREDICT THE LIKELIHOOD OF CERTAIN CREDIT BEHAVIORS, INCLUDING DEFAULT (AND THE NUMERICAL VALUE OR THE CATEGORIZATION DERIVED FROM SUCH ANALYSIS MAY ALSO BE REFERRED TO AS A “RISK PREDICTOR” OR “RISK SCORE”); AND

(II) DOES NOT INCLUDE—

(I) ANY MORTGAGE SCORE OR RATING OF AN AUTOMATED UNDERWRITING SYSTEM THAT CONSIDERS ONE OR MORE FACTORS IN ADDITION TO CREDIT INFORMATION, INCLUDING THE LOAN TO VALUE RATIO, THE AMOUNT OF DOWN PAYMENT, OR THE FINANCIAL ASSETS OF A CONSUMER; OR

(II) ANY OTHER ELEMENTS OF THE UNDERWRITING PROCESS OR UNDERWRITING DECISION.

(B) KEY FACTORS.—THE TERM “KEY FACTORS” MEANS ALL RELEVANT ELEMENTS OR REASONS ADVERSELY AFFECTING THE CREDIT SCORE FOR THE PARTICULAR INDIVIDUAL, LISTED IN THE ORDER OF THEIR IMPORTANCE BASED ON THEIR EFFECT ON THE CREDIT SCORE.

**“CUSTOMER”**

HAS THE SAME MEANINGS AS IN SECTION 509 PUBLIC LAW 106–102.

( See “Financial Institution”)

**“DEBIT CARD”**

MEANS ANY CARD ISSUED BY A FINANCIAL INSTITUTION TO A CONSUMER FOR USE IN INITIATING AN ELECTRONIC FUND TRANSFER FROM THE ACCOUNT OF THE CONSUMER AT SUCH FINANCIAL INSTITUTION, FOR THE PURPOSE OF TRANSFERRING MONEY BETWEEN ACCOUNTS OR OBTAINING MONEY, PROPERTY, LABOR, OR SERVICES.

**“ELECTRONIC FUND TRANSFER”**

HAVE THE SAME MEANINGS AS IN SECTION 903 OF THE ELECTRONIC FUND TRANSFER ACT

**“EMPLOYMENT PURPOSES”**

When used in connection with a consumer report means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment or retention as an employee.

**“ENTERPRISE”**

HAS THE SAME MEANING AS IN PARAGRAPH (6) OF SECTION 1303 OF THE FEDERAL HOUSING ENTERPRISES FINANCIAL SAFETY AND SOUNDNESS ACT OF 1992.

**“FEDERAL BANKING AGENCY”**

HAS THE SAME MEANING AS IN SECTION 3 OF THE FEDERAL DEPOSIT INSURANCE ACT.

**"FILE,"**

when used in connection with information on any consumer, means all of the information on that consumer recorded and retained by a consumer reporting agency regardless of how the information is stored.

**“FINANCIAL INSTITUTION”**

MEANS A STATE OR NATIONAL BANK, A STATE OR FEDERAL SAVINGS AND LOAN ASSOCIATION, A MUTUAL SAVINGS BANK, A STATE OR FEDERAL CREDIT UNION, OR ANY OTHER PERSON THAT, DIRECTLY OR INDIRECTLY, HOLDS A TRANSACTION ACCOUNT (AS DEFINED IN SECTION 19(B) OF THE FEDERAL RESERVE ACT) BELONGING TO A CONSUMER.

**“FIRM OFFER OF CREDIT OR INSURANCE”**

means any offer of credit or insurance to a consumer that will be honored if the consumer is determined, based on information in a consumer report on the consumer, to meet the specific criteria used to select the consumer for the offer, except that the offer may be further conditioned on one or more of the following:

(1) The consumer being determined, based on information in the consumer's application for the credit or insurance, to meet specific criteria bearing on credit worthiness or insurability, as applicable, that are established

(A) before selection of the consumer for the offer; and

(B) for the purpose of determining whether to extend credit or insurance pursuant to the offer.

(2) Verification

(A) that the consumer continues to meet the specific criteria used to select the consumer for the offer, by using information in a consumer report on the consumer, information in the consumer's application for the credit or insurance, or other information bearing on the credit worthiness or insurability of the consumer; or

(B) of the information in the consumer's application for the credit or insurance, to determine that the consumer meets the specific criteria bearing on credit worthiness or insurability.

(3) The consumer furnishing any collateral that is a requirement for the extension of the credit or insurance that was

(A) established before selection of the consumer for the offer of credit or insurance; and

(B) disclosed to the consumer in the offer of credit or insurance.

(m) Credit or insurance transaction that is not initiated by the consumer. The term "credit or insurance transaction that is not initiated by the consumer" does not include the use of a consumer report by a person with which the consumer has an account or insurance policy, for purposes of

(1) reviewing the account or insurance policy; or

(2) collecting the account.

### **"FRAUD ALERT"**

MEAN A STATEMENT IN THE FILE OF A CONSUMER THAT—

(A) NOTIFIES ALL PROSPECTIVE USERS OF A CONSUMER REPORT RELATING TO THE CONSUMER THAT THE CONSUMER MAY BE A VICTIM OF FRAUD, INCLUDING IDENTITY THEFT, OR IS AN ACTIVE DUTY MILITARY CONSUMER, AS APPLICABLE; AND

(B) IS PRESENTED IN A MANNER THAT FACILITATES A CLEAR AND CONSPICUOUS VIEW OF THE STATEMENT DESCRIBED IN SUBPARAGRAPH (A) BY ANY PERSON REQUESTING SUCH CONSUMER REPORT.

(3) IDENTITY THEFT.—THE TERM "IDENTITY THEFT" MEANS A FRAUD COMMITTED USING THE IDENTIFYING INFORMATION OF ANOTHER PERSON, SUBJECT TO SUCH FURTHER DEFINITION AS THE COMMISSION MAY PRESCRIBE, BY REGULATION.

### **"IDENTITY THEFT"**

MEANS A FRAUD COMMITTED USING THE IDENTIFYING INFORMATION OF ANOTHER PERSON, SUBJECT TO SUCH FURTHER DEFINITION AS THE COMMISSION MAY PRESCRIBE, BY REGULATION.

**“IDENTITY THEFT REPORT”**

HAS THE MEANING GIVEN THAT TERM BY RULE OF THE COMMISSION, AND MEANS, AT A MINIMUM, A REPORT—

- A) THAT ALLEGES AN IDENTITY THEFT;
  
- (B) THAT IS A COPY OF AN OFFICIAL, VALID REPORT FILED BY A CONSUMER WITH AN APPROPRIATE FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT AGENCY, INCLUDING THE UNITED STATES POSTAL INSPECTION SERVICE, OR SUCH OTHER GOVERNMENT AGENCY DEEMED APPROPRIATE BY THE COMMISSION; AND
  
- (C) THE FILING OF WHICH SUBJECTS THE PERSON FILING THE REPORT TO CRIMINAL PENALTIES RELATING TO THE FILING OF FALSE INFORMATION IF, IN FACT, THE INFORMATION IN THE REPORT IS FALSE.

**“INVESTIGATIVE CONSUMER REPORT”**

a consumer report or portion thereof in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom he is acquainted or who may have knowledge concerning any such items of information. However, such information shall not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when such information was obtained directly from a creditor of the consumer or from the consumer.

**“MEDICAL INFORMATION”**

(1) MEANS INFORMATION OR DATA, WHETHER ORAL OR RECORDED, IN ANY FORM OR MEDIUM, CREATED BY OR DERIVED FROM A HEALTH CARE PROVIDER OR THE CONSUMER, THAT RELATES TO—

- (A) THE PAST, PRESENT, OR FUTURE PHYSICAL, MENTAL, OR BEHAVIORAL HEALTH OR CONDITION OF AN INDIVIDUAL;
  
- (B) THE PROVISION OF HEALTH CARE TO AN INDIVIDUAL; OR
  
- (C) THE PAYMENT FOR THE PROVISION OF HEALTH CARE TO AN INDIVIDUAL.

(2) DOES NOT INCLUDE THE AGE OR GENDER OF A CONSUMER, DEMOGRAPHIC INFORMATION ABOUT THE CONSUMER, INCLUDING A CONSUMER’S RESIDENCE ADDRESS OR E-MAIL ADDRESS, OR ANY OTHER INFORMATION ABOUT A CONSUMER THAT DOES NOT RELATE TO THE PHYSICAL, MENTAL, OR BEHAVIORAL HEALTH OR CONDITION OF A CONSUMER, INCLUDING THE EXISTENCE OR VALUE OF ANY INSURANCE POLICY.



**“NATIONAL SECURITY INVESTIGATION”**

any official inquiry by an agency or department of the United States Government to determine the eligibility of a consumer to receive access or continued access to classified information or to determine whether classified information has been lost or compromised.

**“NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY”**

A CONSUMER REPORTING AGENCY THAT COMPILES AND MAINTAINS FILES ON CONSUMERS ON A NATIONWIDE BASIS RELATING TO—

- (1) MEDICAL RECORDS OR PAYMENTS;
- (2) RESIDENTIAL OR TENANT HISTORY;
- (3) CHECK WRITING HISTORY;
- (4) EMPLOYMENT HISTORY; OR
- (5) INSURANCE CLAIMS.

**“NEW CREDIT PLAN”**

A NEW ACCOUNT UNDER AN OPEN END CREDIT PLAN (AS DEFINED IN SECTION 103(I) OF THE TRUTH IN LENDING ACT) OR A NEW CREDIT TRANSACTION NOT UNDER AN OPEN END CREDIT PLAN.

**“NEGATIVE INFORMATION”**

INFORMATION CONCERNING A CUSTOMER’S DELINQUENCIES, LATE PAYMENTS, INSOLVENCY, OR ANY FORM OF DEFAULT.

**“OVERDUE SUPPORT”**

has the meaning given to such term in section 666(e) of title 42 [Social Security Act, 42 U.S.C. § 666(e)].

**“PERSON”**

any individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity.

**“PREEXISTING BUSINESS RELATIONSHIP”**

A RELATIONSHIP BETWEEN A PERSON, OR A PERSON’S LICENSED AGENT, AND A CONSUMER, BASED ON—

- (A) A FINANCIAL CONTRACT BETWEEN A PERSON AND A CONSUMER WHICH IS IN FORCE;

(B) THE PURCHASE, RENTAL, OR LEASE BY THE CONSUMER OF THAT PERSON’S GOODS OR SERVICES, OR A FINANCIAL TRANSACTION (INCLUDING HOLDING AN ACTIVE ACCOUNT OR A POLICY IN FORCE OR HAVING ANOTHER CONTINUING RELATIONSHIP) BETWEEN THE CONSUMER AND THAT PERSON DURING THE 18-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE CONSUMER IS SENT A SOLICITATION COVERED BY THIS SECTION;

(C) AN INQUIRY OR APPLICATION BY THE CONSUMER REGARDING A PRODUCT OR SERVICE OFFERED BY THAT PERSON, DURING THE 3-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE CONSUMER IS SENT A SOLICITATION COVERED BY THIS SECTION; OR

(D) ANY OTHER PRE-EXISTING CUSTOMER RELATIONSHIP DEFINED IN THE REGULATIONS IMPLEMENTING THIS SECTION.

**“REASONABLE CAUSE TO BELIEVE THAT THE INFORMATION IS INACCURATE”**

HAVING SPECIFIC KNOWLEDGE, OTHER THAN SOLELY ALLEGATIONS BY THE CONSUMER, THAT WOULD CAUSE A REASONABLE PERSON TO HAVE SUBSTANTIAL DOUBTS ABOUT THE ACCURACY OF THE INFORMATION.

**“RESELLER”**

A CONSUMER REPORTING AGENCY THAT—

1) ASSEMBLES AND MERGES INFORMATION CONTAINED IN THE DATABASE OF ANOTHER CONSUMER REPORTING AGENCY OR MULTIPLE CONSUMER REPORTING AGENCIES CONCERNING ANY CONSUMER FOR PURPOSES OF FURNISHING SUCH INFORMATION TO ANY THIRD PARTY, TO THE EXTENT OF SUCH ACTIVITIES; AND

(2) DOES NOT MAINTAIN A DATABASE OF THE ASSEMBLED OR MERGED INFORMATION FROM WHICH NEW CONSUMER REPORTS ARE PRODUCED.

**“SELF-REGULATORY ORGANIZATION DEFINED”**

FOR PURPOSES OF THIS SUBSECTION, THE TERM “SELF-REGULATORY ORGANIZATION” INCLUDES ANY SELF-REGULATORY ORGANIZATION (AS DEFINED IN SECTION 3(A)(26) OF THE SECURITIES EXCHANGE ACT OF 1934), ANY ENTITY ESTABLISHED UNDER TITLE I OF THE SARBANES-OXLEY ACT OF 2002, ANY BOARD OF TRADE DESIGNATED BY THE COMMODITY FUTURES TRADING COMMISSION, AND ANY FUTURES ASSOCIATION REGISTERED WITH SUCH COMMISSION.

**“SOLICITATION”**

THE MARKETING OF A PRODUCT OR SERVICE INITIATED BY A PERSON TO A PARTICULAR CONSUMER THAT IS BASED ON AN EXCHANGE OF INFORMATION DESCRIBED IN SUBSECTION (A), AND IS INTENDED TO ENCOURAGE THE CONSUMER TO PURCHASE SUCH PRODUCT OR SERVICE, BUT DOES NOT INCLUDE COMMUNICATIONS THAT ARE DIRECTED AT THE GENERAL PUBLIC OR DETERMINED NOT TO BE A SOLICITATION BY THE REGULATIONS PRESCRIBED UNDER THIS SECTION.

**“STATE OR LOCAL CHILD SUPPORT ENFORCEMENT AGENCY”**

a State or local agency which administers a State or local program for establishing and enforcing child support obligations.

**“SUBSEQUENT DISCLOSURE”**

AFTER TAKING ANY ADVERSE ACTION BASED IN WHOLE OR IN PART ON A COMMUNICATION DESCRIBED IN PARAGRAPH (1), THE EMPLOYER SHALL DISCLOSE TO THE CONSUMER A SUMMARY CONTAINING THE NATURE AND SUBSTANCE OF THE COMMUNICATION UPON WHICH THE ADVERSE ACTION IS BASED, EXCEPT THAT THE SOURCES OF INFORMATION ACQUIRED SOLELY FOR USE IN PREPARING WHAT WOULD BE BUT FOR SUBSECTION (D)(2)(D) AN INVESTIGATIVE CONSUMER REPORT NEED NOT BE DISCLOSED.