

ADVERSE ACTION LETTERS & FCRA RIGHTS

Forms C, C-1

Quick Description: These forms will inform an applicant that you have taken an adverse action, and it will provide them with information on how to obtain a copy of their report(s).

Required

Optional

Alterations Acceptable

What is it?

These forms are used to notify a prospective tenant that based on the information you received, you will be taking an adverse action. This includes informing the applicant that his or her application has been declined (Form C), that you will be asking for a cosigner/guarantor (Form C-1), a security deposit or a larger security deposit that you otherwise would ask for (Form C-1), or you will be asking for a higher rent payment (Form C-1) based on information you received from a Consumer Reporting Agency. The information in these forms is required to be communicated to the prospective tenant pursuant to federal law. All prospective tenants who are the subject of an adverse action should also receive a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act" at the time they are notified of the adverse action.

Who should use it?

Any person who utilizes Tenant Data must use these formal adverse action letters and the Fair Credit Reporting Act (FCRA) attachment. You may copy the letter onto your own stationery/letterhead, but do not change the language.

When should it be used?

Once you have obtained a report from Tenant Data and you have determined that an adverse action will be taken, complete the applicable adverse action letter. Check the appropriate source(s) of information that contributed to your decision. Keep a copy for your records and either mail or hand-deliver the letter. You may notify the applicant by phone, but **always** follow it with the adverse action letter and Summary of FCRA Rights. In the case of married couples or roommates, each applicant should receive a letter in his or her name.

Why should it be used?

Tenant Data and the federal Fair Credit Reporting Act **require** the issuance of adverse action letters. Such letters provide the applicant with information on where to obtain a copy of his or her report(s). The adverse action letter also is an excellent method of record keeping for Fair Housing purposes.

You do not have an obligation to show the applicant his or her background information report or discuss any details of the report with the applicant. We would recommend that you let applicants know that they can contact the credit bureau or any other actual source of the information (as indicated on the form) to receive a free copy of their report. You can tell them that you received the information from Tenant Data, but that Tenant Data received the information from another source. Technically, a dispute can be made to either Tenant Data or the agency (e.g., Experian), but since Tenant Data is not the source of the information the applicant will be better served by being directed to the agency.

Date: _____

Name: _____

Street: _____

City: _____ State: _____ Zip: _____

Thank you for your recent application to rent _____.
As you know, we requested and received information about you from Tenant Data Services, Inc., who provided us with information regarding your tenant history, credit history, check writing history, and criminal history. We regret to inform you that based in whole or in part on that information we must decline your application.

We are solely responsible for the decision to decline your application. Tenant Data did not make the adverse decision and cannot explain why the decision was made. Tenant Data received the information it provided to us from the source(s) listed below:

CREDIT HISTORY REPORT (received through Tenant Data from:)

- Experian • 701 Experian Prkwy • Allen, TX 75013 • www.experian.com/reportaccess (888) 397-3742
- Trans Union • PO Box 1000 • Chester, PA 19022 • www.transunion.com (800) 888-4213
- CSC Equifax • PO Box 740241 • Atlanta, GA 30374 • www.equifax.com (800) 685-1111

RENTAL HISTORY

- Tenant Data Services • PO Box 5404 • Lincoln, NE 68505-0404 (800) 228-1837
- _____
(Name, address & phone number)

CHECK WRITING REPORT (received through Tenant Data from:)

- TeleCheck PO Box 4513 • Houston, TX 77210-4513 (800) 366-2425

CRIMINAL HISTORY REPORT (received through Tenant Data from:)

- A report containing criminal history from _____
(Name, address & phone number)

All of the indicated reports have been provided to us by Tenant Data. You have the right to inspect and receive a copy of the report from the source(s) checked above. You may obtain a copy of the information contained in your resident history report from Tenant Data at the address or telephone number listed above. Tenant Data will not provide you with a copy of your credit, criminal, or check writing reports. You must request copies of those reports from the appropriate source listed above. There is no charge for a copy of your report, if your request is made within sixty (60) days of receiving this notice. You have the right to dispute the accuracy or completeness of any information contained in any report provided to us by Tenant Data. A copy of *A Summary of Your Rights Under the Fair Credit Reporting Act* is included with this letter for your review.

Thank You,

Date: _____

Name: _____

Street: _____

City: _____ State: _____ Zip: _____

Thank you for your recent application to rent _____.
As you know, we requested and received information about you from Tenant Data Services, Inc., who provided us with information regarding your tenant history, credit history, check writing history, and criminal history. We regret to inform you that based in whole or in part on that information we will have to

_____ (insert adverse action, ie: request cosigner/guarantor, additional deposit)

We are solely responsible for the decision to decline your application. Tenant Data did not make the adverse decision and cannot explain why the decision was made. Tenant Data received the information it provided to us from the source(s) listed below:

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All of the indicated reports have been provided to us by Tenant Data. You have the right to inspect and receive a copy of the report from the source(s) checked above. You may obtain a copy of the information contained in your resident history report from Tenant Data at the address or telephone number listed above. Tenant Data will not provide you with a copy of your credit, criminal, or check writing reports. You must request copies of those reports from the appropriate source listed above. There is no charge for a copy of your report, if your request is made within sixty (60) days of receiving this notice. You have the right to dispute the accuracy or completeness of any information contained in any report provided to us by Tenant Data. A copy of *A Summary of Your Rights Under the Fair Credit Reporting Act* is included with this letter for your review.

Thank You,

A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT

The federal Fair Credit Reporting Act ("FCRA") is designed to promote accuracy, fairness, and privacy of information in the files of every "consumer reporting agency" ("CRA"). Most CRAs are credit bureaus that gather and sell information about you -- such as if you pay your bills on time or have filed bankruptcy -- to creditors, employers, landlords, and other businesses. You can find the complete text of the FCRA, 15 U.S.C. §§ 1681-1681u, at the Federal Trade Commission's web site (<http://www.ftc.gov>). The FCRA gives you specific rights, as outlined below. You may have additional rights under state law. You may contact a state or local consumer protection agency or a state attorney general to learn those rights.

- **You must be told if information in your file has been used against you.** Anyone who uses information from a CRA to take action against you -- such as denying an application for credit, insurance, or employment -- must tell you, and give you the name, address, and phone number of the CRA that provided the consumer report.

- **You can find out what is in your file.** At your request, a CRA must give you the information in your file, and a list of everyone who has requested it recently. There is no charge for the report if a person has taken action against you because of information supplied by the CRA, if you request the report within 60 days of receiving notice of the action. You also are entitled to one free report every twelve months upon request if you certify that (1) you are unemployed and plan to seek employment within 60 days, (2) you are on welfare, or (3) your report is inaccurate due to fraud. Otherwise, a CRA may charge you up to eight dollars.

- **You can dispute inaccurate information with the CRA.** If you tell a CRA that your file contains inaccurate information, the CRA must reinvestigate the items (usually within 30 days) by presenting to its information source all relevant evidence you submit, unless your dispute is frivolous. The source must review your evidence and report its findings to the CRA. (The source also must advise national CRAs -- to which it has provided the data -- of any error.) The CRA must give you a written report of the investigation, and a copy of your report if the investigation results in any change. If the CRA's investigation does not resolve the dispute, you may add a brief statement to your file. The CRA must normally include a summary of your statement in future reports. If an item is deleted or a dispute statement is filed, you may ask that anyone who has recently received the report be notified of the change.

- **Inaccurate information must be corrected or deleted.** A CRA must remove or correct inaccurate or unverified information from its files, usually within 30 days after you dispute it. **However, the CRA is not required to remove accurate data from your file unless it is outdated (as described below) or cannot be verified.** If your dispute results in any change to your report, the CRA cannot reinsert into your file a disputed item unless the information source verifies its accuracy and completeness. In addition, the CRA must give you a written notice telling you it has reinserted the item. The notice must include the name, address and telephone number of the information source.

- **You can dispute inaccurate items with the source of the information.** If you tell anyone -- such as a creditor who reports to a CRA -- that you dispute an item, they may not then report the information to a CRA without including a notice of your dispute. In addition, once you've notified the source of the error in writing, it may not continue to report the information if it is, in fact, an error.

- **Outdated information may not be reported.** In most cases, a CRA may not report negative information that is more than seven years old; ten years for bankruptcies.

- **Access to your file is limited.** A CRA may provide information about you only to people with a need recognized by the FCRA -- usually to consider an application with a creditor, insurer, employer, landlord, or other business.

- **Your consent is required for reports that are provided to employers, or reports that contain medical information.** A CRA may not give out information about you to your employer, or prospective employer, without your written consent. A CRA may not report medical information about you to creditors, insurers, or employers without your permission.

- **You may choose to exclude your name from CRA lists for unsolicited credit and insurance offers.** Creditors and insurers may use file information as the basis for sending you unsolicited offers of credit or insurance. Such offers must include a toll-free phone number for you to call if you want your name and address removed from future lists. If you call, you must be kept off the lists for two years. If you request, and return the CRA form provided for this purpose, you must be taken off the lists indefinitely.

- **You may seek damages from violators.** If a CRA, a user or (in some cases) a provider of CRA data, violates the FCRA, you may sue them in state or federal court.

The FCRA gives several different federal agencies authority to enforce the FCRA:

FOR QUESTIONS OR CONCERNS REGARDING:	PLEASE CONTACT:
CRAs, creditors and others not listed below	Federal Trade Commission Consumer Response Center - FCRA Washington, DC 20580 * 202-326-3761
National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name)	Office of the Comptroller of the Currency Compliance Management, Mail Stop 6-6 Washington, DC 20219 * 800-613-6743
Federal Reserve System member banks (except national banks, and federal branches/agencies of foreign banks)	Federal Reserve Board Division of Consumer & Community Affairs Washington, DC 20551 * 202-452-3693
Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name)	Office of Thrift Supervision Consumer Programs Washington, DC 20552 * 800-842-6929
Federal credit unions (words "Federal Credit Union" appear in institution's name)	National Credit Union Administration 1775 Duke Street Alexandria, VA 22314 * 703-518-6360
State-chartered banks that are not members of the Federal Reserve System	Federal Deposit Insurance Corporation Division of Compliance & Consumer Affairs Washington, DC 20429 * 800-934-FDIC
Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission	Department of Transportation Office of Financial Management Washington, DC 20590 * 202-366-1306
Activities subject to the Packers and Stockyards Act, 1921	Department of Agriculture Office of Deputy Administrator - GIPSA Washington, DC 20250 * 202-720-7051