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**Credit Reports
Keep Them Private!**

Recently I have been contacted by several dealerships that have run into problems with information being disclosed from credit reports they had pulled for potential sales -- resulting in very angry consumers. The scenario is always the same. A potential car buyer comes to the dealership, finds a car they like, the sales person runs the credit report and then, with the best of intentions, provides a person, other than the potential buyer, with information from the credit report. Recently that "other person" has been a well meaning parent and a not so well meaning ex-spouse. Because of the frequency of the problem, I thought it merited discussion.

Credit reports are a gold mine of information about consumers. They contain the Social Security number, date of birth, current and previous addresses, telephone number (including unlisted numbers), credit payment status, employment, even legal information. For this reason state and federal laws have been enacted to ensure that consumers' private information obtained from credit reports remains private. In particular, the federal Fair Credit Reporting Act (FCRA) restricts access to consumer credit information to "permissible purposes" and mandates that users maintain the security and integrity of the information.

Permissible purposes for credit reports are enumerated in the FCRA, but for purposes of car sales are generally limited to extending credit to the consumer or for some other legitimate business reason. The credit report should only be shared with members of your organization that are required to review the report to finalize the sale or transaction. Inadvertent or well meaning disclosures by employees to the potential buyer's family or others would not be a permissible purpose and would expose the dealership to legal liability.

Consumer remedies for violations of the FCRA include payment in the amount of actual damages incurred or a maximum of \$1,000, whichever is greater, court costs and attorney fees. Additionally violations can result in regulatory action by the FTC or the state Attorney General's Office. Although these government agencies do not represent individual consumers, they are charged with enforcing laws such as the FCRA and do investigate and have jurisdiction to sue over reported violations. In most cases, an agency's primary source of information is complaints from consumers.

When your dealership pulls a credit report, ensure that its contents remain private and are disclosed only for legitimate business purposes.