

CREDIT SCORES CONCURRENT RESOLUTION

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Douglas C. Aagard

Senate Sponsor: Patricia W. Jones

LONG TITLE

General Description:

This concurrent resolution of the Legislature and the Governor urges Congress to ensure that consumers can annually obtain their credit report from the nation's three major credit agencies at no cost to the consumer.

Highlighted Provisions:

This resolution:

- urges the United States Congress to amend federal law to ensure that consumers have the right to access their Fair Isaac Corporation credit scores from the nation's three major credit agencies annually at no cost.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, under the Fair and Accurate Credit Transactions Act of 2003, consumers are entitled to a free credit report once each year from any credit agency, including the nation's three major credit bureaus, which are Experian, Trans Union, and Equifax;

WHEREAS, the credit scores used in over 90% of financial transactions, including Fannie Mae, Freddie Mac, and Ginnie Mae, are a version of a Fair Isaac Corporation (FICO) credit score;

WHEREAS, FICO's website, www.MyFico.com, is the only location where consumers may access their true FICO credit scores;

WHEREAS, FICO takes the credit information furnished by Experian, Trans Union,

30 and Equifax and calculates that information using an algorithm to develop the three credit
31 scores;

32 WHEREAS, after Experian partially severed its relationship with FICO in 2009,
33 consumers can no longer access their FICO/Experian credit score;

34 WHEREAS, now consumers can only access their Trans Union/FICO and
35 Equifax/FICO credit scores on FICO's website, and they are charged \$14.95 each, while
36 lenders and other creditors can still access all three FICO credit scores from the three major
37 credit agencies;

38 WHEREAS, although other companies have developed their own credit scores using
39 their own formulas, ranges, and scores, lenders and creditors and other financial service
40 companies generally do not consider them reliable;

41 WHEREAS, these scores generated by other companies are often found to be
42 substantially different than the FICO credit scores, even though they are widely promoted as
43 the actual consumer credit score;

44 WHEREAS, current federal law should be changed to address the consumers' right to
45 access their FICO credit scores from the three major credit agencies once each year;

46 WHEREAS, when consumers access their free credit report from
47 www.AnnualCreditReport.com, they should be given the right to their FICO credit scores
48 annually at no cost;

49 WHEREAS, credit agencies should not be required to bear any pass through costs from
50 FICO in providing free FICO credit scores once each year to consumers;

51 WHEREAS, credit agencies should allow consumers the right to access their credit
52 scores from each major credit agency used by Fannie Mae, Freddie Mac, and Ginnie Mae; and

53 WHEREAS, by making it possible for consumers to access their credit scores, which
54 are used in almost every financial transaction, true fairness will return to the credit scoring
55 access system:

56 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
57 Governor concurring therein, urge the United States Congress to amend federal law to ensure

58 that consumers have the right to access their Fair Isaac Corporation credit scores or any other
59 source for credit scores used by Fannie Mae, Freddie Mac, or Ginnie Mae from the three major
60 credit agencies annually at no cost.

61 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Majority
62 Leader of the United States Senate, the Speaker of the United States House of Representatives,
63 and to the members of Utah's congressional delegation.