



TAYLOR, BUSCH, SLIPAKOFF & DUMA, LLP

Via Federal Express

June 4, 2008

Federal Trade Commission/Office of the Secretary  
Room 159-H (Annex C)  
600 Pennsylvania Avenue, NW.  
Washington DC 20580

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OFFICE OF  
THE SECRETARY

Re: Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transactions Act, Project No. R611017

Ladies and Gentlemen:

This letter is on behalf of RentBureau, LLC, an Atlanta-based nationwide specialty consumer reporting agency. Created in 2005, RentBureau’s principal business purposes are (i) to build the most comprehensive and up-to-date residential tenant performance database in the United States leveraging daily electronic data feeds from thousands of property management companies and owners (collectively, “Landlords”) across the county, (ii) to make the data available to the Landlords for applicant screening and to other permissible users through the issuance of tenant reports via the Internet, and (iii) to provide renters with “thin” credit files a vehicle for building positive “credit” history based on tenant performance data that historically has not been furnished to the “Big 3” national credit bureaus.

RentBureau is a member of the Consumer Data Industry Association (“CDIA”), and strongly endorses the views expressed by CDIA in its “Comments” filed with the Commission and the other agencies regarding the proposed “accuracy and integrity regulations and guidelines.” RentBureau did not submit its own separate comments during the public comment period. However, feedback that RentBureau continues to receive from Landlords has prompted us to submit this letter to provide additional support for certain views expressed by CDIA—in particular, CDIA’s views considered in the context of the apartment industry, where Landlords traditionally have not reported to consumer reporting agencies, which include tens of thousands of very small property managers and owners that have relationships with only a few hundred down to only one or a few tenants per year. Those CDIA views include the following:

1. Overly rigid rules or guidelines could provide just enough disincentive for non-traditional data sources to elect not to furnish data.
2. The burden of written policies and procedures will be too onerous on smaller data furnishers.
3. The perceived additional liability exposure for non-traditional and smaller furnishers resulting from the various additional burdens created under proposed guidelines and regulations would be a significant roadblock to efforts of innovative businesses (such as RentBureau) to obtain the necessary data to be viable.

Over the last several months, as the RentBureau sales team has endeavored to sign up Landlords as furnishers of tenant performance histories, many of the Landlords, both large and small, have inquired of RentBureau, and of me as RentBureau's counsel, as to what are their legal responsibilities as a data furnisher. Note that while many of these Landlords are users of traditional consumer reports from the "Big 3," this would be the first experience for a majority of them as FCRA-regulated data furnishers. When we provide prospective furnishers with the "Notice to Furnishers of Information" in the form published by the Commission, which already contains three pages of instructions (including the "suggestion" that the furnisher consider engaging legal counsel to assist with understanding the requirements) it is often a challenge to convince the Landlord to move forward—not because the Landlord has reservations about their ability generally to furnish accurate information, but because of the perceived hassle and expense of engaging legal counsel and implementing new procedures, and having to worry about the perceived new liability exposure. Thus far, in that RentBureau has focused its data collection efforts on large property management companies, RentBureau has been largely successful in signing up data furnishers. But as RentBureau moves downstream and solicits data contributions from the tens of thousands of smaller Landlords across the country, the challenge of dealing with the FCRA furnisher requirements is intensifying. We believe that adding the burdens contained in the proposed "accuracy and integrity regulations and guidelines" may very well be enough to tip the balance for these smaller Landlords away from furnishing their data. The result will be not only a far less robust tenant reporting system, but it will penalize conscientious tenants who prefer to rent from smaller Landlords, as they will be deprived of the opportunity to use their positive performances in building their credit histories.

Attached is a letter from one of RentBureau's data furnishers that highlights the negative impact that overly burdensome rules will have on the smaller furnishers. We believe the letter fairly represents what the reaction would be of many of the smaller Landlords who otherwise would like to help build the national tenant reporting system.

We respectfully request that the Commission and the other agencies strongly consider the CDIA's comments and those serious concerns outlined above in its final rulemaking deliberations. In fact, we support the idea set forth in the CDIA's comments that a satisfactory solution might be to provide that certain categories of furnishers—perhaps small volume furnishers and those that contribute data principally to specialty agencies—could satisfy the requirements for reasonable policies and procedures by agreeing to adhere to contractual

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requirements and procedures for furnishers established by the consumer reporting agencies to whom they will furnish information.

Thank you for your attention to the seriousness of the concerns we have raised.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce S. Richards". The signature is written in a cursive style with a large, stylized initial "B".

Bruce S. Richards  
Partner

Attachment

cc: Office of the Comptroller of the Currency (via Federal Express)  
Robert E. Feldman, Federal Deposit Insurance Corporation (via Federal Express)  
Office of Thrift Supervision (via Federal Express)  
Mary Rupp, National Credit Union Administration (via Federal Express)



Date 6/2/2008

To whom it may concern at the Federal Trade Commission,

Our attorney brought the Proposed Rulemaking: Procedures to enhance the accuracy and integrity of information furnished to the consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transactions Act to my attention. I am a small landlord with 1 rental community of 345 units. Recently I and a few of my industry colleagues have started furnishing our accounting system based rental payment data to a nationwide specialized consumer reporting agency that focuses on collecting rental payment data, RentBureau.

By furnishing their data to a bureau, the benefits to our residents are impressive; Now their rent is included when auto lenders score them for loans, or when other landlords screen them for an apartment lease. I no longer get the rental reference calls and the information about the renter is more accurate than what my leasing agents provide over the phone or by fax. Further, my residents know their data is tracked at a bureau and payment behavior has improved, making for a much better living environment. The single biggest impact though is the concept of building your credit while paying rent. That's never been available and to my residents, with average salaries under \$32,000, that's a very important benefit – a life changing benefit.

The language in Part 660.3 requires furnishers of data to have reasonable policies appropriate to the size of their business. That reads very reasonably until you speak to 80% of the rental housing owners in the US. They will not furnish data if a policy must be created and maintained to do so. That will completely shut down the future of building credit for 100mm Americans that rent. I do not have any written policies in place. Any vendor requiring one, is rejected out of hand. The reason we operate as small business owners rather than as large owners is to avoid these 'paper tiger' obligations and just focus on making our customers happy.

I ask that you carefully consider the chilling effect this seemingly innocent language will have. We small owner/managers of rental homes read agreements ourselves. If we see language requiring a written policy, we will not comply and will not take the risk of non-compliance. Please remove that requirement for the sake of the 1/3 and growing portion of American citizens that want and deserve to build their credit as they pay their rent.

Regards

A handwritten signature in black ink, appearing to read "Brent Sobol", written in a cursive style.

Brent Sobol

Managing Director  
Toro Properties Group