



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-121-2005**  
**December 8, 2005**

## **FAIR CREDIT REPORTING – MEDICAL INFORMATION**

### **Final Rules**

**Summary:** The financial institution regulatory agencies have issued the attached final rules relating to the Fair and Accurate Credit Transactions Act (FACT Act). The FACT Act amended the Fair Credit Reporting Act in 2003. Section 411 of the FACT Act prohibits creditors from obtaining and using medical information in determining credit eligibility, except as permitted by the financial institution regulatory agencies. Through the attached final rules, the agencies have developed exceptions that will allow creditors to obtain and use medical information in appropriate circumstances. In certain situations, the final rules also permit affiliates to share medically related information without becoming consumer reporting agencies. The final rules will take effect on April 1, 2006.

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FDIC-Supervised Banks (Commercial and Savings)

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**Related Topics:**

Fair and Accurate Credit Transactions Act  
Fair Credit Reporting Act

**Attachment:**

Final Rules

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**Highlights:**

- Medical information may be obtained and used to determine eligibility for credit in, among other transactions, those:
  - involving medical information that is financial in nature;
  - in which medical procedures are financed; and
  - in which requests for medical accommodation or forbearance have been made.
- In certain situations, the final rules permit affiliates to share medically related information without becoming consumer reporting agencies.
- The combined scope of the agencies' final rules covers all creditors.

**FAIR CREDIT REPORTING – MEDICAL INFORMATION**  
Final Rules

The Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration (the agencies) have issued the attached final rules relating to the Fair and Accurate Transactions Act (FACT Act). The FACT Act was signed into law in December 2003, and it substantially amended the Fair Credit Reporting Act (FCRA). Section 411 of the FACT Act prohibits obtaining and using medical information in credit eligibility decisions except as allowed by the financial institution regulatory agencies.

The final rules' provisions are similar to those contained in the Notice of Proposed Rulemaking published on April 28, 2004, and substantially identical to the Interim Final Rules published on June 10, 2005. As required by the FACT Act, the final rules permit creditors to obtain and use medical information as "necessary and appropriate to protect legitimate operational, transaction, risk consumer and other needs." Under the final rules, creditors may obtain and use medical information that is financial in nature, as well as medical information that is relevant to the financing of medical procedures, requests for medical accommodations, and requests for forbearance. In appropriate circumstances, the final rules also permit affiliates to share medically related information with each other without becoming consumer reporting agencies. The combined scope of the agencies' final rules covers all creditors.

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