

MEMO# 16529

September 12, 2003

HOUSE APPROVES BILL TO MAKE PREEMPTION PROVISIONS OF FCRA PERMANENT; INFORMATION SHARING AMONG AFFILIATES GOVERNED BY NATIONAL STANDARD

[16529] September 12, 2003 TO: BOARD OF GOVERNORS No. 46-03 FEDERAL LEGISLATION MEMBERS No. 17-03 PRIMARY CONTACTS - MEMBER COMPLEX No. 76-03 PUBLIC INFORMATION COMMITTEE No. 32-03 PRIVACY ISSUES WORKING GROUP No. 4-03 RE: HOUSE APPROVES BILL TO MAKE PREEMPTION PROVISIONS OF FCRA PERMANENT; INFORMATION SHARING AMONG AFFILIATES GOVERNED BY NATIONAL STANDARD On September 10, the House of Representatives approved H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003, by a 392-30 vote. The legislation, introduced by Representative Spencer Bachus (R-AL), would renew and make permanent the uniform national standards for credit reporting set forth in the Fair Credit Reporting Act (FCRA). The legislation also enhances consumer protections in areas such as identity theft and credit report accuracy. The House Financial Services Committee approved H.R. 2622 on July 24. The key component of H.R. 2622 is the reauthorization of FCRA. Absent the legislation's permanent extension of FCRA, a uniform national standard for financial privacy would be jeopardized because FCRA preempts state laws that would prohibit the sharing of financial information among affiliates. The Institute supports a single, nationwide standard for the sharing of customer information that does not unduly burden fund shareholders or the financial institutions that serve them. The Senate Banking Committee has held a series of hearings this year on FCRA reauthorization and Chairman Richard Shelby (R-AL) intends to consider legislation shortly. We will keep you informed of further developments. Matthew P. Fink President