

APPENDIX B

Notice To Users Of Consumer Reports: Obligations of Users Under FCRA

The Fair Credit Reporting Act (FCRA), 15 USC §1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. All users of consumer reports must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the **Consumer Financial Protection Bureau's website**, www.consumerfinance.gov/learnmore. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Bureau's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report.

Section 604 contains a list of the permissible purposes under the law. These are as follows:

- As ordered by a court or a federal grand jury subpoena, see Section 604 (a)(1);
- As instructed by the consumer in writing, see Section 604 (a)(2);
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account, see Section 604(a)(3)(A);
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission, see Sections 604(a)(3)(B) and 604(b);
- For the underwriting of insurance as a result of an application from a consumer, see Section 604(a)(3)(C);
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer, see Section 604(a)(3)(F)(i);
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account, see Section 604(a)(3)(F)(ii);
- To determine a consumer's eligibility for a license or other benefit granted by a governmental entity required by law to consider an applicant's financial responsibility or status, see Section 604(a)(3)(D);
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation, see Section 604(a)(3)(E); or
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof, see Sections 604(a)(4) and 604(a)(5).

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making "prescreened" unsolicited offers of credit or insurance. Section 604(c). The particular obligations of users of "prescreened" information are described in Section VII below.

B. Users Must Provide Certifications

Section 604(a) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA — such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

1. Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report;
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days; and
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If the consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in Section I.C.1 above.

D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files

When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(b) imposes limitations on the users of reports obtained from the consumer

reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

E. Users Have Obligations When Notified of an Address Discrepancy

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed, which will be issued by the Consumer Financial Protection Bureau and the banking and credit union regulators. The Consumer Financial Protection Bureau regulations will be available at www.consumerfinance.gov/learnmore/.

F. Users Have Obligations When Disposing of Records

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. The Consumer Financial Protection Bureau, the Securities and Exchange Commission, and the banking and credit union regulators have issued regulations covering disposal. The Consumer Financial Protection Bureau regulations may be found at www.consumerfinance.gov/learnmore/.

II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations to be jointly prescribed by the Consumer Financial Protection Bureau.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home loan Applicant").

III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

A. Employment Other Than in the Trucking Industry

If information from a CRA is used for employment purposes, user has specific duties, which are set forth in Section 604(b) of the FCRA. User must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.

- Before taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2) outlines the procedures for investigative consumer reports and employee misconduct investigations are set forth below.

B. Employment in the Trucking Industry

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking user by contacting the user.

IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subject of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- User must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation).
- User must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its user complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes — or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) — the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or as permitted by statute, regulation, or order).

VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. See Sections 603(1), 604(c), 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain pre-established criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer’s CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, once the Consumer Financial Protection Bureau has established the format, type size, and manner of the disclosure required by Section 615(d), with which user must comply. The regulation is 12 CFR 1022.54.

VIII. OBLIGATIONS OF RESELLERS**A. Disclosure and Certification Requirements**

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.

- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
 1. the identity of all end-users;
 2. certifications from all users of each purpose for which reports will be used; and
 3. certification that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

B. Reinvestigations by Resellers

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

C. Fraud Alerts and Resellers

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

IX. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCPA can result in state government or federal government enforcement actions, as well as private lawsuits. See Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. See Section 619.

The Consumer Financial Protection Bureau website, www.consumerfinance.gov/learnmore, has more information about the FCRA.

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1618 et seq.:

Section 603	Section 615 15 U.S.C. 1681m
15 U.S.C. 1681	Section 616 15 U.S.C. 1681n
15 U.S.C. 1681a	Section 617 15 U.S.C. 1681o
Section 604 15 U.S.C. 1681b	Section 618 15 U.S.C. 1681p
Section 605 15 U.S.C. 1681c	Section 619 15 U.S.C. 1681q
Section 605A 15 U.S.C. 1681c-1	Section 620 15 U.S.C. 1681r
Section 605B 15 U.S.C. 1681c-2	Section 621 15 U.S.C. 1681s
Section 606 15 U.S.C. 1681d	Section 622 15 U.S.C. 1681s-1
Section 607 15 U.S.C. 1681e	Section 623 15 U.S.C. 1681s-2
Section 608 15 U.S.C. 1681f	Section 624 15 U.S.C. 1681t
Section 609 15 U.S.C. 1681g	Section 625 15 U.S.C. 1681u
Section 610 15 U.S.C. 1681h	Section 626 15 U.S.C. 1681v
Section 611 15 U.S.C. 1681i	Section 627 15 U.S.C. 1681w
Section 612 15 U.S.C. 1681j	Section 628 15 U.S.C. 1681x
Section 613 15 U.S.C. 1681k	Section 629 15 U.S.C. 1681y
Section 614 15 U.S.C. 1681l	

APPENDIX B-2

Notice To Furnishers Of Information: Obligations Of Furnishers Under FCRA

The Fair Credit Reporting Act (FCRA), 15 USC §1681-1681y, imposes responsibilities on all persons who furnish information to consumer reporting agencies (CRAs). These responsibilities are found in Section 623 of the FCRA, 15 U.S.C. § 1681s-2. State law may impose additional requirements on furnishers. All furnishers of information to CRAs should become familiar with the applicable laws and may want to consult with their counsel to ensure that they are in compliance. All users of consumer reports must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the **Consumer Financial Protection Bureau's website**, www.consumerfinance.gov/learnmore. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Bureau's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

Section 623 imposes the following duties:

Accuracy Guidelines

The banking and credit union regulators and the CFPB will promulgate guidelines and regulations dealing with the accuracy of information provided to CRAs by furnishers. The regulations and guidelines issued by the CFPB will be available at www.consumerfinance.gov/learnmore when they are issued. Section 623(e).

General Prohibition on Reporting Inaccurate Information

The FCRA prohibits information furnishers from providing information to a CRA that they know or have reasonable cause to believe is inaccurate. However, the furnisher is not subject to this general prohibition if it clearly and conspicuously specifies an address to which consumers may write to notify the furnisher that certain information is inaccurate. Sections 623(a)(1)(A) and (a)(1)(C).

Duty to Correct and Update Information

If at any time a person who regularly and in the ordinary course of business furnishes information to one or more CRAs determines that the information provided is not complete or accurate, the furnisher must promptly provide complete and accurate information to the CRA. In addition, the furnisher must notify all CRAs that received the information of any corrections, and must thereafter report only the complete and accurate information. Section 623(a)(2).

Duties After Notice of Dispute from Consumer

If a consumer notifies a furnisher, at an address specified by the furnisher for such notices, that specific information is inaccurate, and the information is, in fact, inaccurate, the furnisher must thereafter report the correct information to CRAs. Section 623(a)(1)(B). If a consumer notifies a furnisher that the consumer disputes the completeness or accuracy of any information reported by the furnisher, the furnisher may not subsequently report that information to a CRA without providing notice of the dispute. Section 623(a)(3).

The federal banking and credit union regulators and the CFPB will issue regulations that will identify when an information furnisher must investigate a dispute made directly to the furnisher by a consumer. Once these regulations are issued, furnishers must comply with them and complete an investigation within 30 days (or 45 days, if the consumer later provides relevant additional information) unless the dispute is frivolous or irrelevant or comes from a "credit repair organization." The CFPB regulations will be available at www.consumerfinance.gov. Section 623(a)(8).

Duties After Notice of Dispute from Consumer Reporting Agency

If a CRA notifies a furnisher that a consumer disputes the completeness or accuracy of information provided by the furnisher, the furnisher has a duty to follow certain procedures. The furnisher must:

- Conduct an investigation and review all relevant information provided by the CRA, including information given to the CRA by the consumer. Sections 623(b)(1)(A) and (b)(1)(B).
- Report the results to the CRA that referred the dispute, and, if the investigation establishes that the information was, in fact, incomplete or inaccurate, report the results to all CRAs to which the furnisher provided the information that compile and maintain files on a nationwide basis. Sections 623(b)(1)(C) and (b)(1)(D).
- Complete the above steps within 30 days from the date the CRA receives the dispute (or 45 days, if the consumer later provides relevant additional information to the CRA). Section 623(b)(2).
- Promptly modify or delete the information, or block its reporting. Section 623(b)(1)(E).

Duty to Report Voluntary Closing of Credit Accounts

If a consumer voluntarily closes a credit account, any person who regularly and in the ordinary course of business furnishes information to one or more CRAs must report this fact when it provides information to CRAs for the time period in which the account was closed. Section 623(a)(4).

Duty to Report Dates of Delinquencies

If a furnisher reports information concerning a delinquent account placed for collection, charged to profit or loss, or subject to any similar action, the furnisher must, within 90 days after reporting the information, provide the CRA with the month and the year of the commencement of the delinquency that immediately preceded the action, so that the agency will know how long to keep the information in the consumer's file. Section 623(a)(5).

Any person, such as a debt collector, that has acquired or is responsible for collecting delinquent accounts and that reports information to CRAs may comply with the requirements of Section 623(a)(5) (until there is a consumer dispute) by reporting the same delinquency date previously reported by the creditor. If the creditor did not report this date, they may comply with the FCRA by establishing reasonable procedures to obtain and report delinquency dates, or, if a delinquency date cannot be reasonably obtained, by following reasonable procedures to ensure that the date reported precedes the date when the account was placed for collection, charged to profit or loss, or subjected to any similar action. Section 623(a)(5).

Duties of Financial Institutions When Reporting Negative Information

Financial institutions that furnish information to "nationwide" consumer reporting agencies, as defined in Section 603(p), must notify consumers in writing if they may furnish or have furnished negative information to a CRA. Section 623(a)(7). The Consumer Financial Protection Bureau has prescribed model disclosures, 12 CFR Part 1022, App. B.

Duties When Furnishing Medical Information

A furnisher whose primary business is providing medical services, products, or devices (and such furnisher's agents or assignees) is a medical information furnisher for the purposes of the FCRA and must notify all CRAs to which it reports of this fact. Section 623(a)(9). This notice will enable CRAs to comply with their duties under Section 604(g) when reporting medical information.

Duties when ID Theft Occurs

All furnishers must have in place reasonable procedures to respond to notifications from CRAs that information furnished is the result of identity theft, and to prevent refurnishing the information in the future. A furnisher may not furnish information that a consumer has identified as resulting from identity theft unless

the furnisher subsequently knows or is informed by the consumer that the information is correct. Section 623(a)(6). If a furnisher learns that it has furnished inaccurate information due to identity theft, it must notify each consumer reporting agency of the correct information and must thereafter report only complete and accurate information. Section 623(a)(2). When any furnisher of information is notified pursuant to the procedures set forth in Section 605B that a debt has resulted from identity theft, the furnisher may not sell, transfer, or place for collection the debt except in certain limited circumstances. Section 615(f).

The Consumer Financial Protection Bureau website, www.consumerfinance.gov/learnmore, has more information about the FCRA.

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:

	15 U.S.C. 1681	Section 615	15 U.S.C. 1681m
Section 603	15 U.S.C. 1681a	Section 616	15 U.S.C. 1681n
Section 604	15 U.S.C. 1681b	Section 617	15 U.S.C. 1681o
Section 605	15 U.S.C. 1681c	Section 618	15 U.S.C. 1681p
Section 605A	15 U.S.C. 1681c-1	Section 619	15 U.S.C. 1681q
Section 605B	15 U.S.C. 1681c-2	Section 620	15 U.S.C. 1681r
Section 606	15 U.S.C. 1681d	Section 621	15 U.S.C. 1681s
Section 607	15 U.S.C. 1681e	Section 622	15 U.S.C. 1681s-1
Section 608	15 U.S.C. 1681f	Section 623	15 U.S.C. 1681s-2
Section 609	15 U.S.C. 1681g	Section 624	15 U.S.C. 1681t
Section 610	15 U.S.C. 1681h	Section 625	15 U.S.C. 1681u
Section 611	15 U.S.C. 1681i	Section 626	15 U.S.C. 1681v
Section 612	15 U.S.C. 1681j	Section 627	15 U.S.C. 1681w
Section 613	15 U.S.C. 1681k	Section 628	15 U.S.C. 1681x
Section 614	15 U.S.C. 1681l	Section 629	15 U.S.C. 1681y

APPENDIX B-3**A Summary of Your Rights Under the Fair Credit Reporting Act**

Para informacion en espanol, visite www.consumerfinance.gov/learnmore o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20006.

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to www.consumerfinance.gov/learnmore or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20006.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
 - a person has taken adverse action against you because of information in your credit report;
 - you are the victim of identify theft and place a fraud alert in your file;
 - your file contains inaccurate information as a result of fraud;
 - you are on public assistance;
 - you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.consumerfinance.gov/learnmore for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.consumerfinance.gov/learnmore for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.

- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.consumerfinance.gov/learnmore.
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-567-8688.
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit www.consumerfinance.gov/learnmore.

States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:

TYPE OF BUSINESS:	CONTACT:
1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates.	a. Bureau of Consumer Financial Protection 1700 G Street NW Washington, DC 20006
b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the Bureau:	b. Federal Trade Commission: Consumer Response Center – FCRA Washington, DC 20580 (877) 382-4357
2. To the extent not included in item 1 above:	a. Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050
a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks	b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480
b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act	c. FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106
c. Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations	d. National Credit Union Administration Office of Consumer Protection (OCP) Division of Consumer Compliance and Outreach (DCCO) 1775 Duke Street Alexandria, VA 22314
d. Federal Credit Unions	Asst. General Counsel for Aviation Enforcement & Proceedings Department of Transportation 400 Seventh Street SW Washington, DC 20590
3. Air carriers	Office of Proceedings, Surface Transportation Board Department of Transportation 1925 K Street NW Washington, DC 20423
4. Creditors Subject to Surface Transportation Board	Nearest Packers and Stockyards Administration area supervisor
5. Creditors Subject to Packers and Stockyards Act	Associate Deputy Administrator for Capital Access United States Small Business Administration 406 Third Street, SW, 8th Floor Washington, DC 20416
6. Small Business Investment Companies	Securities and Exchange Commission 100 F St NE Washington, DC 20549
7. Brokers and Dealers	Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090
8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations	FTC Regional Office for region in which the creditor operates or Federal Trade Commission: Consumer Response Center – FCRA Washington, DC 20580 (877) 382-4357
9. Retailers, Finance Companies, and All Other Creditors Not Listed Above	

APPENDIX C

Prohibited Businesses And Industries

ENTITIES THAT CANNOT BE PROVIDED INFORMATION

- Adult entertainment services of any kind
- A business that operates out of an apartment or unrestricted location within a residence (unless approved by repository).
- Attorneys or Law offices, except Bankruptcy Attorneys for bankruptcy filing purposes.
- Bail Bondsman
- Check cashing establishment
- Credit counseling (unless 501c3)
- Credit repair clinic
- Dating Service
- Financial counseling
- Genealogical or heir research firm
- Massage Services
- Customer that locates missing children
- Pawn shop
- Private Detectives, detective agencies or investigative companies
- Individual seeking information for their private use
- Customer that handles third-party repossession
- Customer or individual involved in spiritual counseling
- Subscriptions (magazines, book clubs, record clubs, etc.)
- Tattoo service
- Insurance claims
- Internet locator services
- Asset location services
- Future services (i.e., health clubs, timeshare, continuity clubs, etc.)
- News agencies or journalists
- Law enforcement (except for employment screening purposes)
- Any Customer or individual who is known to have been involved in credit fraud or other unethical business practices
- Companies listed on repository alert report notifications

APPENDIX D

Equifax Requirements

Customer, in order to receive consumer credit information from Equifax Information Services, LLC, through Xactus agrees to comply with the following conditions required by Equifax, which may be in addition to those outlined in the Customer Service Agreement (“Agreement”).

- Customer understands and agrees that Equifax’s delivery of information to Customer via Xactus is specifically conditioned upon Customer’s agreement with the provisions set forth in this Agreement.
 - Customer understands and agrees that these requirements pertain to all of its employees, managers and owners and that all persons having access to Equifax consumer credit information, whether existing or future employees, will be trained to understand and comply with these obligations.
- 1.0 Customer hereby agrees to comply with all current and future policies and procedures instituted by Xactus and required by Equifax. Xactus will give Customer as much notice as possible prior to the effective date of any such new policies, required in the future; but does not guarantee that reasonable notice will be possible. Customer may terminate this agreement at any time after notification of a change in policy in the event Customer deems such compliance as not within its best interest.
- 2.0 Customer certifies that it will order and use Limited-ID or Limited DTEC reports in connection with only one of the following purposes involving the subject of the report and for no other purpose:
- To protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liability;
 - For required institutional risk control or for resolving consumer disputes or inquiries;
 - Due to holding a legal or beneficial interest relating to the consumer;
 - As necessary to effect, administer, or enforce a transaction to underwrite insurance at the consumer’s request, for reinsurance purposes or for the following purposes related to the consumer’s insurance: account administration, reporting, investigation fraud prevention, premium payment processing, claim processing, benefit administration or research projects;
 - To persons acting in a fiduciary or representative capacity on behalf of, and with the consent of, the consumer; or
 - As necessary to effect, administer, or enforce a transaction requested or authorized by the consumer, including location for collection of a delinquent account.
- 2.1 Subscriber, if a government agency, certifies it will order and use Limited-ID or Limited DTEC in connection with the following purposes involving the subject and for no other purpose: (y) pursuant to FCPI Section 608 or (z) for an investigation on a matter related to public safety.
- 2.2 Customer further certifies that it will, with each Limited ID or Limited DTEC inquiry, include the Exception Code required by Equifax that identifies the use for which Customer is ordering the information, and that because Limited ID and Limited DTEC reports are not consumer reports Customer will not order or use Limited ID or Limited DTEC reports, in whole or in part, to determine eligibility for credit, insurance, or for any other permissible purpose, as defined by the FCPI, for which a consumer reporting agency is permitted to furnish a consumer report.
- 2.3 Equifax may periodically conduct audits of Customer regarding its compliance with the FCPI and other certifications in this Agreement. Audits will be conducted by mail whenever possible and

will require Subscribers to provide documentation as to permissible use of particular consumer, Limited ID, or Limited DTEC reports.

2.3.1 Customer gives its consent to Equifax to conduct such audits and agrees that any failure to cooperate fully and promptly in the conduct of any audit, or Customer's material breach of this Agreement, constitute grounds for immediate suspension of service or, termination of this Agreement.

2.3.2 If Equifax terminates this Agreement due to the conditions in the preceding sentence, Subscriber

- i. Unconditionally releases and agrees to hold Equifax harmless and indemnify it from and against any and all liabilities of whatever kind or nature that may arise from or relate to such termination, and
- ii. Covenants it will not assert any claim or cause of action of any kind or nature against Equifax in connection with such termination.

3.0 Customer certifies that it is not a reseller of the information, a private detective, bail bondsman, attorney, credit counseling firm, financial counseling firm, credit repair clinic, pawn shop (except companies that do only Title pawn), check cashing Customer, genealogical or heir research firm, dating service, massage or tattoo service, business that operates out of an apartment, an individual seeking information for his private use, an adult entertainment service of any kind, a Customer that locates missing children, a Customer that handles third party repossession, a Customer seeking information in connection with time shares or subscriptions, a Customer or individual involved in spiritual counseling or a person or entity that is not an end-user or decision-maker, unless approved in writing by Equifax.

4.0 Customer agrees that Equifax shall have the right to audit records of Customer that are relevant to the provision of services set forth in this agreement. Customer authorizes Xactus to provide to Equifax, upon Equifax's request, all materials and information relating to its investigations of Customer and agrees that it will respond within the requested time frame indicated for information requested by Equifax regarding Equifax information.

Customer understands that Equifax may require Xactus to suspend or terminate access to Equifax's information in the event Customer does not cooperate with any such an investigation. Customer shall remain responsible for the payment for any services provided to Customer prior to any such discontinuance.

5.0 Equifax information will be requested only for Customer's exclusive use and held in strict confidence except to the extent that disclosure to others is required or permitted by law.

5.1 Customer agrees that Equifax information will not be forwarded or shared with any third party unless required by law or approved by Equifax. If approved by Equifax and authorized by the consumer, Customer may deliver the consumer credit information to a third party, secondary, or joint user with which Customer has an ongoing business relationship for the permissible use of such information. Customer understands that Equifax may charge a fee for the subsequent delivery to secondary users.

5.2 Only designated representatives of Customer will request Equifax information on Customer's employees, and employees will be forbidden to obtain reports on themselves, associates or any other persons except in the exercise of their official duties.

- 5.3 Customer will not disclose Equifax information to the subject of the report except as permitted or required by law, but will refer the subject to Equifax.
- 5.4 Customer will hold Equifax and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of Equifax information by Customer, its employees or agents contrary to the conditions of this paragraph or applicable law.
- 6.0 Customer understands that it must meet the following criteria:
- The Customer company name, including any DBA's, and the address on the Customer Application ("Application") and Agreement must match;
 - The telephone listing must be verified in the same Customer name and address that was provided on the Application and Agreement;
 - A copy of the current lease of the business must be reviewed by Xactus to confirm the Customer is at the same address that is shown on the Application and Agreement, and the following pages of the lease must be reviewed for verification: the signature page; the address page; the terms of the lease page; landlord name and landlord contact information;
 - A copy of the principal's driver's license is required to verify the principal's identity;
 - A current business license must be supplied and reflect the same name and at the same address provided on the Application and Agreement (contact Xactus for valid substitutions when a license is not required by the state); and
 - An on-site inspection of the office is to be conducted by an Equifax certified Customer.
- *Note (c) and (d) are not required if the Customer is publicly traded on a nationally recognized stock exchange
- 7.0 Customer will be charged for Equifax consumer credit information by Xactus, which is responsible for paying Equifax for such information; however, should the underlying relationship between Xactus and Customer terminate at any time during this agreement, charges for Equifax consumer credit information will be invoiced to Customer, and Customer will be solely responsible to pay Equifax directly.
- 8.0 Customer agrees that it will properly dispose of all consumer information in accordance with the following.
- As used herein, "consumer information" means any record about an individual, whether in paper, electronic, or other form, that is a consumer report or is derived from a consumer report. Consumer information also means a compilation of such records.
 - Consumer information does not include information that does not identify individuals, such as aggregate information or blind data.
 - "Dispose," "disposing," or "disposal" means:
 - (1) The discarding or abandonment of consumer information; or
 - (2) The sale, donation, or transfer of any medium, including computer equipment, upon which consumer information is stored.
- 8.1 A Subscriber who maintains consumer information for a business purpose must properly dispose of such information by taking reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal. Reasonable measures include:

- (1) implementing and monitoring compliance with policies and procedures that require the burning, pulverizing, or shredding of papers containing consumer information so that the information cannot practicably be read or reconstructed;
 - (2) implementing and monitoring compliance with policies and procedures that require the destruction or erasure of electronic media containing consumer information so that the information cannot practicably be read or reconstructed; and
 - (3) after due diligence, entering into and monitoring compliance with a contract with another party engaged in the business of record destruction to dispose of material, specifically identified as consumer information, in a manner consistent with the above.
- 9.0 Customer agrees to hold harmless Equifax and its directors, officers, employees, agents, successors and assigns, from and against any and all liabilities, claims, losses, demands, actions, causes of action, damages, expenses (including, without limitation, attorney's fees and costs of litigation), or liability, arising from or in any manner related to any allegation, claim, demand or suit, whether or not meritorious, brought or asserted by any third party arising out of or resulting from any actual or alleged negligence or intentional act of Customer, whether or not any negligence of Equifax is alleged to have been contributory thereto, the failure of Customer to duly and fully perform its obligations under this Agreement, the denial of service to Customer by Equifax, the misuse or improper access to Equifax consumer credit information by Customer or the failure of Customer to comply with applicable laws or regulations. Customer further understands and agrees that the accuracy of any consumer credit information is not guaranteed by Equifax and releases Equifax from liability for any loss, cost, expense or damage, including attorney's fees, suffered by Customer resulting directly or indirectly from its use of consumer credit information from Equifax.
- 10.0 EQUIFAX MAKES NO REPRESENTATIONS, WARRANTIES, OR GUARANTEES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, RESPECTING ACROPAC OR ANY OTHER MACHINERY, EQUIPMENT, MATERIALS, PROGRAMMING AIDS OR OTHER ITEMS UTILIZED BY CUSTOMER IN CONNECTION WITH OR RELATED TO, OR RESPECTING THE ACCURACY OF, ANY EQUIFAX CREDIT INFORMATION FURNISHED BY EQUIFAX TO ANY SUBSCRIBER.

Appendix D-2: Additional Equifax Information Services

This Appendix D-2 supplements the service agreement ("Agreement") under which Customer receives, as part of its service from Xactus, consumer credit report information available from Equifax Information Services LLC ("Equifax").

This Appendix contains additional information services available from Equifax, described below, that may be provided to Customer subject to the terms and conditions of the Agreement, and additional terms and conditions that apply to such additional information services.

The following shall apply if Customer receives any of the services listed below.

1.0 BEACONSM is a consumer report credit scoring service based on a model developed by Fair, Isaac and Equifax that ranks consumers in the Equifax consumer credit database relative to other consumers in the database with respect to the likelihood of those consumers paying their accounts as agreed ("Score").

2.0 PinnacleSM is a credit scoring algorithm developed by Fair, Isaac and Equifax that evaluates the likelihood that consumers will pay their existing and future credit obligations, as agreed, based on the computerized consumer credit information in the Equifax consumer reporting database.

2.1 Disclosure of Scores: Customer will hold all information received from Equifax in connection with any Score received from Equifax under this Agreement in strict confidence and will not disclose that information to the consumer or to others except in accord with the following sentence or as required or permitted by law.

- Customer may provide the principal factors contributing to the Score to the subject of the report when those principal factors are the basis of Customer's adverse action against the subject consumer.
- Customer must describe the principal factors in a manner which complies with Regulation B of the ECOA.

2.2 ECOA Statements: Equifax reasonably believes that, subject to validation by Customer on its own records, the scoring algorithms used in the computation of the Score are empirically derived from consumer credit information from Equifax's consumer credit reporting database, and are demonstrably and statistically sound methods of rank ordering candidate records from the Equifax consumer credit database for the purposes for which the Score was designed particularly, and it is intended to be an "empirically derived, demonstrably and statistically sound credit scoring system" as defined in Regulation B, with the understanding that the term "empirically derived, demonstrably and statistically sound," is defined only in a general manner by Regulation B, and has not been the subject of any significant interpretation; and the scoring algorithms comprising the Score, except as permitted, do not use a "prohibited basis," as such phrase is defined in Regulation B. Customer must validate the Score on its own records. Customer will be responsible for meeting its requirements under the ECOA and Regulation B.

2.3 Release: Equifax does not guarantee the predictive value of the Score with respect to any individual, and does not intend to characterize any individual as to credit capability. Neither Equifax nor its directors, officers, employees, agents, subsidiary and affiliated companies, or any third-party contractors, licensors or suppliers of Equifax will be liable to Customer for any damages, losses, costs or expenses incurred by Customer resulting from any failure of a Score to accurately predict the credit worthiness of Customer's applicants or customers. In the event the Score is not correctly applied by Equifax to any credit file, Equifax's sole responsibility will be to reprocess the credit file through the Score at no additional charge.

2.4 Audit of Models: Customer may audit a sample of the Scores and principal factors and compare them to the anonymous underlying credit reports in accordance with Equifax's audit procedures. If the Scores and principal reasons are not substantiated by the credit files provided for the audit,

Equifax will review programming of the model and make corrections as necessary until the Scores and principal reasons are substantiated by the audit sample credit reports. After that review and approval, Customer will be deemed to have accepted the resulting Score and principal factors delivered. It is Customer's sole responsibility to validate all scoring models on its own records and performance.

- 2.5 Confidentiality: Customer will hold all Scores received from Equifax under this Agreement in strict confidence and will not disclose any Score to the consumer or to others except as required or permitted by law. Customer may provide the principal factors contributing to the Score to the subject of the report when those principal factors are the basis of Customer's adverse action against the subject consumer. Customer must describe the principal factors in a manner which complies with Regulation B of the ECOA. Further, Customer acknowledges that the Score and factors are proprietary and that, Customer will not provide the Score to any other party without Equifax's and Fair, Isaac's prior written consent except for disclosure to the subject consumer if Customer has taken adverse action against such consumer based in whole or in part on the consumer report with which the Score was delivered or as required by law.
- 2.6 Limited Liability: The combined liability of Equifax and Fair, Isaac arising from any particular Score provided by Equifax and Fair, Isaac shall be limited to the aggregate amount of money received by Equifax from Customer with respect to that particular Score during the preceding twelve (12) months prior to the date of the event that gave rise to the cause of action.
- 2.7 Adverse Action: Customer shall not use a Score as the basis for an "Adverse Action" as defined by the Equal Credit Opportunity Act or Regulation B, unless score factor codes have been delivered to Customer along with the Score.

3.0 SAFESCAN®

- 3.1 SAFESCAN is an on-line warning system containing information that can be used to detect possible fraudulent applications for credit. Some of the information in the SAFESCAN database is provided by credit grantors. SAFESCAN is a registered trademark of Equifax.
- 3.2 Permitted Use. SAFESCAN is not based on information in Equifax's consumer reporting database and is not intended to be used as a consumer report. Customer will not use a SAFESCAN alert or warning message in its decision-making process for denying credit or any other FCRA permissible purpose, but will use the message as an indication that the consumer's application information should be independently verified prior to a credit or other decision. Customer understands that the information supplied by SAFESCAN may or may not apply to the consumer about whom Customer has inquired.

4.0 PERSONA® and PERSONA PLUS®

- 4.1 PERSONA® and PERSONA PLUS® - are consumer reports, from the Equifax consumer credit database, consisting of limited identification information, credit file inquiries, public record information, credit account trade lines, and employment information.
- 4.2 FCIP Certification: Customer will notify Equifax whenever a consumer report will be used for employment purposes.
 - 4.2.1 Customer certifies that, before ordering each consumer report to be used in connection with employment purposes, it will clearly and conspicuously disclose to the subject consumer, in a written document consisting solely of the disclosure, that Customer may obtain a consumer report for employment purposes, and will also obtain the consumer's written authorization to obtain or procure a consumer report relating to that consumer.
 - 4.2.2 Customer further certifies that it will not take adverse action against the consumer based in whole or in part upon the consumer report without first providing to the consumer to whom the consumer report relates a copy of the consumer report and a written description of the

consumer's rights as prescribed by the Federal Trade Commission ("FTC") under Section 609(c)(3) of the FCRA, and will also not use any information from the consumer report in violation of any applicable federal or state equal employment opportunity law or regulation.

- 4.2.3 Customer acknowledges that it has received from Equifax a copy of the written disclosure form pre-scribed by the FTC.

APPENDIX E

Experian Requirements

Customer, in order to receive consumer credit information from Experian Information Solutions, Inc., agrees to comply with the following conditions required by Experian, which may be in addition to those outlined in the Customer Service Agreement (“Agreement”), of which these conditions are made a part. Customer understands and agrees that Experian’s delivery of information to Customer via Xactus is specifically conditioned upon Customer’s agreement with the provisions set forth in this Agreement. Customer understands and agrees that these requirements pertain to all of its employees, managers and owners and that all persons having access to Experian credit information, whether existing or future employees, will be trained to understand and comply with these obligations.

- 1.0 Customer hereby agrees to comply with all current and future policies and procedures instituted by Xactus and required by Experian. Xactus will give Customer as much notice as possible prior to the effective date of any such new policies required in the future, but does not guarantee that reasonable notice will be possible. Customer may terminate this agreement at any time after notification of a change in policy in the event Customer deems such compliance as not within its best interest.
- 2.0 Customer agrees that Experian shall have the right to audit records of Customer that are relevant to the provision of services set forth in this Agreement and to verify, through audit or otherwise, that Customer is in compliance with applicable law and the provisions of this Agreement and is, in fact, the end user of the credit information with no intention to resell or otherwise provide or transfer the credit information in whole or in part to any other person or entity. Customer authorizes Xactus to provide to Experian, upon Experian’s request, all materials and information relating to its investigations of Customer. Customer further agrees that it will respond within the requested time frame indicated for information requested by Experian regarding Experian consumer credit information. Customer understands that Experian may require Xactus to suspend or terminate access to Experian information in the event Customer does not cooperate with any such an investigation or in the event Customer is not in compliance with applicable law or this Agreement. Customer shall remain responsible for the payment for any services provided to Customer by Xactus prior to any such discontinuance.
- 3.0 Customer certifies that it is not a reseller of the information, a private detective agency, bail bondsman, attorney, credit counseling firm, financial counseling firm, credit repair clinic, pawn shop (except companies that do only Title pawn), check cashing Customer, genealogical or heir research firm, dating service, massage or tattoo service, asset location service, a Customer engaged in selling future services (health clubs, etc.), news agency, business that operates out of an apartment or a residence, an individual seeking information for his private use, an adult entertainment service of any kind, a Customer that locates missing children, a Customer that handles third party repossession, a Customer seeking information in connection with time shares or subscriptions, a Customer or individual involved in spiritual counseling or a person or entity that is not an end-user or decision-maker, unless approved in writing by Experian.
- 4.0 Customer agrees that it will maintain proper access security procedures consistent with industry standards and that if a data breach occurs, or is suspected to have occurred, in which Experian information is compromised or is potentially compromised, Customer will take the following action:
 - 4.1 Customer will notify Xactus within 24 hours of a discovery of a breach of the security of consumer reporting data if the personal information of consumers was, or is reasonably believed to have been, acquired by an unauthorized person. Further, Customer will actively cooperate with and participate in any investigation conducted by Xactus or Experian that results from Customer’s breach of Experian consumer credit information.
 - 4.2 In the event that Experian determines that the breach was within the control of Customer, Customer will provide notification to affected consumers that their personally sensitive information has been or may have been compromised. Experian will have control over the nature and timing of the consumer correspondence related to the breach when Experian information is involved.

- 4.3 In such event, Customer will provide to each affected or potentially affected consumer, credit history monitoring services for a minimum of two (2) years, in which the consumer's credit history is monitored and the consumer receives daily notification of changes that may indicate fraud or ID theft, from at least one (1) national consumer credit reporting bureau.
- 4.4 Customer understands and agrees that if the root cause of the breach is determined by Experian to be under the control of the Customer (i.e., employee fraud, misconduct or abuse; access by an unqualified or improperly qualified user; improperly secured website, etc.), Customer may be assessed an expense recovery fee.
- 5.0 Customer understands that if a change of control or ownership should occur, the new owner of the Customer business must be re-credentialed as a permissible and authorized Customer of Experian products and services. A third party physical inspection at the new address will be required if Customer changes location.
- 6.0 If Customer is an authorized residential customer, the following additional requirements and documentation must be supplied:
- 6.1 Experian must be notified for tracking and monitoring purposes;
 - 6.2 Customer must maintain a separate business phone line listed in the name of the business;
 - 6.3 A separate subscriber code for Customer must be maintained for compliance monitoring; and
 - 6.4 An annual physical inspection of the office is required by Experian, for which a reasonable fee may be required.
- 7.0 Customer agrees to hold harmless Experian and its agents from and against any and all liabilities, damages, losses, claims, costs and expenses, including reasonable attorney's fees, which may be asserted against or incurred by Experian, arising out of or resulting from the use, disclosure, sale or transfer of the consumer credit information by Customer, or Customer's breach of this Agreement.
- 7.1 Customer further understands and agrees that the accuracy of any consumer credit information is not guaranteed by Experian and releases Experian and its agents from liability for any loss, cost, expense or damage, including attorney's fees, suffered by Customer resulting directly or indirectly from its use of consumer credit information from Experian.
- 8.0 Experian will not, for the fee charged for credit information, be an insurer or guarantor of the accuracy or reliability of the information.
- 8.1 EXPERIAN DOES NOT GUARANTEE OR WARRANT THE ACCURACY, TIMELINESS, COMPLETENESS, CURRENTNESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE INFORMATION AND SHALL NOT BE LIABLE TO CUSTOMER FOR ANY LOSS OR INJURY ARISING OUT OF OR CAUSED IN WHOLE OR IN PART BY EXPERIAN'S ACTS OR OMISSIONS, WHETHER NEGLIGENT OR OTHERWISE, IN PROCURING, COMPILING, COLLECTING, INTERPRETING, REPORTING, COMMUNICATING OR DELIVERING THE INFORMATION.

APPENDIX E-2

Experian FICO Notice

Terms of End-User Contracts: All contracts between Reseller and Reseller Customers for the resale of the Experian/Fair, Isaac Advanced Risk Score(s) and reason codes generated by the Experian/Fair, Isaac Advanced Model shall contain the following provisions, each of which is material.

1. A description of the applicable product(s) and/or service(s);
2. A provision in which Reseller Customer releases Fair, Isaac and/or Experian as well as their respective officers, directors, employees, agents, sister or affiliated companies, or any third party contractors or suppliers of Fair, Isaac or Experian from liability for any damages, losses, costs or expenses, whether direct or indirect, suffered or incurred by Reseller Customer resulting from any failure of the Experian/Fair, Isaac Advanced Risk Score(s) to accurately predict that a United States consumer will repay their existing or future credit obligations satisfactorily;
3. A provision extending certain of Fair, Isaac's and Experian's warranties and indemnities in Sections 3 and 6 of this Addendum to the Reseller Customer (subject to the applicable terms and conditions as specified in Sections 3 and 6);
4. A provision limiting the combined liability of Experian and Fair, Isaac to the Reseller Customer to the fees received from the Reseller Customer for use of the Experian/Fair, Isaac Advanced Risk Score(s) in the preceding twelve (12) months;
5. A provision certifying that the Reseller Customer has a permissible purpose for obtaining the Experian/Fair, Isaac Advanced Risk Score(s);
6. A provision whereby Reseller Customer certifies that any use of the Experian/Fair, Isaac Advanced Risk Model for purposes of evaluating the credit risk associated with applicants, prospects or existing customers will be in a manner consistent with the provisions described in the Equal Credit Opportunity Act ("ECOA"), Regulation B, or the Fair Credit Reporting Act;
7. A statement that the Experian/Fair, Isaac Advanced Risk Score(s) shall not be used for adverse action as defined by the ECOA or Regulation B, unless adverse action reason codes have been delivered to the Reseller Customer along with the Experian/Fair, Isaac Advanced Risk Score(s);
8. A provision certifying that the Reseller Customer acknowledges that the Experian/Fair, Isaac Advanced Risk Score(s) and its associated intellectual property rights in its output are the property of Fair, Isaac and that Reseller Customer will not provide the Experian/Fair, Isaac Advanced Risk Score(s) to any other party without Fair, Isaac's and Experian's prior written consent except:
 - a. to credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes or
 - b. as clearly required by law;
9. A provision certifying that the Reseller Customer will not publicly disseminate any results of the validations or other reports derived from the Experian/Fair, Isaac Advanced Risk Score or the Experian/Fair, Isaac Advanced Risk Score(s) without Fair, Isaac's and Experian's express written permission; and
10. An agreement that Reseller Customer will, before delivering or directing Experian/Fair, Isaac to deliver Experian/Fair, Isaac Advanced Risk Score(s) to any third party (including any Third Party Processor), enter into a contract with such third party that:
 - a. Limits the use of the Experian/Fair, Isaac Advanced Risk Score(s) by the third party only to the use permitted to the Reseller Customer; and
 - b. identifies Experian and Fair, Isaac as the express third party beneficiary of such contract.

APPENDIX F

Trans Union Requirements

Customer, in order to receive consumer credit information from Trans Union, LLC, through Xactus, agrees to comply with the following conditions required by Trans Union, which may be in addition to those outlined in the Customer Service Agreement (“Agreement”). Customer understands and agrees that Trans Union’s delivery of information to Customer via Xactus is specifically conditioned upon Customer’s agreement with the provisions set forth in this Agreement. Customer understands and agrees that these requirements pertain to all of its employees, managers and owners and that all persons having access to Trans Union consumer credit information, whether existing or future employees, will be trained to understand and comply with these obligations.

1. Customer hereby agrees to comply with all current and future policies and procedures instituted by CRA and required by Trans Union. Xactus will give Customer as much notice as possible prior to the effective date of any such new policy required in the future, but does not guarantee that reasonable notice will be possible. Customer may terminate this agreement at any time after notification of a change in policy in the event Customer deems such compliance as not within its best interest.
2. Customer certifies that it is not: a reseller of the information, a private detective, bail bondsman, attorney, credit counseling firm, financial counseling firm, credit repair clinic, pawn shop (except companies that do only Title pawn), check cashing Customer, genealogical or heir research firm, dating service, massage or tattoo service, business that operates out of an apartment, an individual seeking information for his private use, an adult entertainment service of any kind, a Customer that locates missing children, a Customer that handles third party repossession, a Customer seeking information in connection with time shares or subscriptions, a Customer or individual involved in spiritual counseling or a person or entity that is not an end-user or decision-maker, unless approved in writing by Trans Union.
3. Customer agrees that Trans Union shall have the right to audit records of Customer that are relevant to the provision of services set forth in this agreement. Customer authorizes Xactus to provide to Trans Union, upon Trans Union’s request, all materials and information relating to its investigations of Customer and agrees that it will respond within the requested time frame indicated for information requested by Trans Union regarding Trans Union information. Customer understands that Trans Union may require Xactus to suspend or terminate access to Trans Union’s information in the event Customer does not cooperate with any such an investigation. Customer shall remain responsible for the payment for any services provided to Customer prior to any such discontinuance.
4. Customer agrees that Trans Union information will not be forwarded or shared with any third party unless required by law or approved by Trans Union. If approved by Trans Union and authorized by the consumer, Customer may deliver the consumer credit information to a third party, secondary, or joint user with which Customer has an ongoing business relationship for the permissible use of such information. Customer understands that Trans Union may charge a fee for the subsequent delivery to secondary users.
5. Trans Union shall use reasonable commercial efforts to obtain, assemble and maintain credit information on individuals as furnished by its subscribers or obtained from other available sources. THE WARRANTY SET FORTH IN THE PREVIOUS SENTENCE IS THE SOLE WARRANTY MADE BY TRANS UNION CONCERNING THE CONSUMER REPORTS, INCLUDING, BUT NOT LIMITED TO THE TU SCORES. TRANS UNION MAKES NO OTHER REPRESENTATIONS OR WARRANTIES INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY, COMPLETENESS, OR BOTH, OF ANY AND ALL OF THE AFOREMENTIONED PRODUCTS AND SERVICES THAT MAY BE PROVIDED TO CRA. THE WARRANTY SET FORTH IN THE FIRST SENTENCE OF THIS PARAGRAPH IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED (INCLUDING, BUT NOT LIMITED TO, WARRANTIES THAT MIGHT BE IMPLIED FROM A COURSE OF PERFORMANCE OR DEALING OR TRADE USAGE). THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

APPENDIX F-2
Trans Union Requirements

REGARDING CREDIT SCORING SERVICES

CLASSICSM CREDIT RISK SCORE SERVICES

(Required Terms for Addendum to Subscriber Agreement for Consumer Reports between Reseller and its Customer)

1. Based on an agreement with Trans Union LLC ("Trans Union") and Fair Isaac Corporation ("Fair Isaac") ("Reseller Agreement"), Xactus has access to a unique and proprietary statistical credit scoring service jointly offered by Trans Union and Fair Isaac which evaluates certain information in the credit reports of individual consumers from Trans Union's data base ("Classic") and provides a score which rank orders consumers with respect to the relative likelihood that United States consumers will repay their existing or future credit obligations satisfactorily over the twenty four (24) month period following scoring (the "Classic Score").
2. Customer, from time to time, may desire to obtain Classic Scores from Trans Union via an on-line mode in connection with consumer credit reports.
3. Customer has previously represented and now, again represents that it is a _____ and has a permissible purpose for obtaining consumer reports, as defined by Section 604 of the Federal Fair Credit Reporting Act (15 USC 1681b) including, without limitation, all amendments thereto ("FCRA").
4. Customer certifies that it will request Classic Scores pursuant to procedures prescribed by Xactus from time to time only for the permissible purpose certified above, and will use the Classic Scores obtained for no other purpose.
5. Customer will maintain copies of all written authorizations for a minimum of three (3) years from the date of inquiry.
6. Customer agrees that it shall use each Classic Score only for a one-time use and only in accordance with its permissible purpose under the FCRA.
7. With just cause, such as delinquency or violation of the terms of this contract or a legal requirement, Xactus may, upon its election, discontinue serving the Customer and cancel this Agreement, in whole or in part (e.g., the services provided under this Addendum only) immediately.
8. Customer recognizes that factors other than the Classic Score may be considered in making a credit decision. Such other factors include, but are not limited to, the credit report, the individual account history, and economic factors.
9. Trans Union and Fair Isaac shall be deemed third party beneficiaries under this Addendum.
10. Up to five score reason codes, or if applicable, exclusion reasons, are provided to Customer with Classic Scores. These score reason codes are designed to indicate the reasons why the individual did not have a higher Classic Score, and may be disclosed to consumers as the reasons for taking adverse action, as required by the Equal Credit Opportunity Act ("ECOA") and its implementing Regulation ("Reg. B"). However, the Classic Score itself is proprietary to Fair Isaac, may not be used as the reason for adverse action under Reg. B and, accordingly, shall not be disclosed to credit applicants or any other third party, except:
 - (a) To credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes; or
 - (b) As clearly required by law. Customer will not publicly disseminate any results of the validations or other reports derived from the Classic Scores without Fair Isaac and Trans Union's prior written consent.

11. In the event Customer intends to provide Classic Scores to any agent, Customer may do so provided, however, that Customer first enters into a written agreement with such agent that is consistent with Customer's obligations under this Agreement. Moreover, such agreement between Customer and such agent shall contain the following obligations and acknowledgments of the agent:

- (a) Such agent shall utilize the Classic Scores for the sole benefit of Customer and shall not utilize the Classic Scores for any other purpose including for such agent's own purposes or benefit;
- (b) That the Classic Score is proprietary to Fair Isaac and, accordingly, shall not be disclosed to the credit applicant or any third party without Trans Union and Fair Isaac's prior written consent except:
 - (i) to credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes; or
 - (ii) as clearly required by law;
- (c) Such Agent shall not use the Classic Scores for model development, model validation, model benchmarking, reverse engineering, or model calibration;
- (d) Such agent shall not resell the Classic Scores; and
- (e) Such agent shall not use the Classic Scores to create Classic Scores to create or maintain a database for itself or otherwise.

12. Customer acknowledges that the Classic Scores provided under this Agreement which utilize an individual's consumer credit information will result in an inquiry being added to the consumer's credit file.

13. Customer shall be responsible for compliance with all applicable federal or state legislation, regulations and judicial actions, as now or as may become effective including, but not limited to, the FCRA, the ECOA, and Reg. B, to which it is subject.

14. The information including, without limitation, the consumer credit data, used in providing Classic Scores under this Agreement were obtained from sources considered to be reliable. However, due to the possibilities of errors inherent in the procurement and compilation of data involving a large number of individuals, neither the accuracy nor completeness of such information is guaranteed. Moreover, in no event shall Trans Union, Fair Isaac, nor their officers, employees, affiliated companies or bureaus, independent contractors or agents be liable to Customer for any claim, injury or damage suffered directly or indirectly by Customer as a result of the inaccuracy or incompleteness of such information used in providing Classic Scores under this Agreement and/or as a result of Customer's use of Classic Scores and/or any other information or serviced provided under this Agreement.

15. Fair Isaac, the developer of Classic, warrants that the scoring algorithms as delivered to Trans Union and used in the computation of the Classic Score ("Models") are empirically derived from Trans Union's credit data and are a demonstrably and statistically sound method of rank-ordering candidate records with respect to the relative likelihood that United States consumers will repay their existing or future credit obligations satisfactorily over the twenty four (24) month period following scoring when applied to the population for which they were developed, and that no scoring algorithm used by Classic uses a "prohibited basis" as that term is defined in the Equal Credit Opportunity Act (ECOA) and Regulation B promulgated there under.

- (a) Classic provides a statistical evaluation of certain information in Trans Union's files on a particular individual, and the Classic Score indicates the relative likelihood that the consumer will repay their existing or future credit obligations satisfactorily over the twenty four (24) month period following scoring relative to other individuals in Trans Union's database. The score may appear on a credit report for convenience only, but is not a part of the credit report nor does it add to the information in the report on which it is based.
- (b) THE WARRANTIES SET FORTH IN SECTION 15.1 ARE THE SOLE WARRANTIES MADE UNDER THIS ADDENDUM CONCERNING THE CLASSIC SCORES AND ANY OTHER DOCUMENTATION OR OTHER DELIVERABLES AND SERVICES PROVIDED UNDER THIS AGREEMENT; AND NEITHER FAIR ISAAC NOR TRANS UNION MAKE ANY OTHER REPRESENTATIONS OR

WARRANTIES CONCERNING THE PRODUCTS AND SERVICES TO BE PROVIDED UNDER THIS AGREEMENT OTHER THAN AS SET FORTH IN THIS ADDENDUM. THE WARRANTIES AND REMEDIES SET FORTH IN SECTION 15.1 ARE IN LIEU OF ALL OTHERS, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, WARRANTIES THAT MIGHT BE IMPLIED FROM A COURSE OF PERFORMANCE OR DEALING OR TRADE USAGE). THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

16. IN NO EVENT SHALL ANY PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES INCURRED BY THE OTHER PARTIES AND ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF GOOD WILL AND LOST PROFITS OR REVENUE, WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, INDEMNITY, OR OTHERWISE, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

17. THE FOREGOING NOTWITHSTANDING, WITH RESPECT TO CUSTOMER, IN NO EVENT SHALL THE AFORESTATED LIMITATIONS OF LIABILITY, SET FORTH ABOVE IN SECTION 16, APPLY TO DAMAGES INCURRED BY TRANS UNION AND/OR FAIR ISAAC AS A RESULT OF GOVERNMENTAL, REGULATORY OR JUDICIAL ACTION(S) PERTAINING TO VIOLATIONS OF THE FCRA AND/OR OTHER LAWS, REGULATIONS AND/OR JUDICIAL ACTIONS TO THE EXTENT SUCH DAMAGES RESULT FROM CUSTOMER'S BREACH, DIRECTLY OR THROUGH CUSTOMER'S AGENT(S), OF ITS OBLIGATIONS UNDER THIS AGREEMENT.

18. ADDITIONALLY, NEITHER TRANS UNION NOR FAIR ISAAC SHALL BE LIABLE FOR ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS ADDENDUM BROUGHT MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED. IN NO EVENT SHALL TRANS UNION'S AND FAIR ISAAC'S AGGREGATE TOTAL LIABILITY, IF ANY, UNDER THIS AGREEMENT, EXCEED THE AGGREGATE AMOUNT PAID, UNDER THIS ADDENDUM, BY CUSTOMER DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING ANY SUCH CLAIM, OR TEN THOUSAND DOLLARS (\$10,000.00), WHICHEVER AMOUNT IS LESS.

19. This Addendum may be terminated automatically and without notice: (a) in the event of a breach of the provisions of this Addendum by Customer; (b) in the event the agreement(s) related to Classic between Trans Union, Fair Isaac and CRA are terminated or expire; (c) in the event the requirements of any law, regulation or judicial action are not met, (d) as a result of changes in laws, regulations or regulatory or judicial action, that the requirements of any law, regulation or judicial action will not be met; and/or (e) the use of the Classic Service is the subject of litigation or threatened litigation by any governmental entity.

APPENDIX F-3
Trans Union Score Disclosure

1. Customer will request Scores only for Customer's exclusive use.
 - a. Customer may store Scores solely for Customer's own use in furtherance of Customer's original purpose for obtaining the Scores.
 - b. Customer shall not use the Scores for model development or model calibration and shall not reverse engineer the Score.
2. All Scores provided hereunder will be held in strict confidence and may never be sold, licensed, copied, reused, disclosed, reproduced, revealed or made accessible, in whole or in part, to any Person, except:
 - a. To those employees of Customer with a need to know and in the course of their employment;
 - b. To those third party processing agents and other contractors of Customer who have executed an agreement that limits the use of the Scores by the third party only to the use permitted to Customer and contains the prohibitions set forth herein regarding model development, model calibration, reverse engineering and confidentiality;
 - c. When accompanied by the corresponding reason codes, to the consumer who is the subject of the Score;
 - d. To government regulatory agencies; or
 - e. As required by law.

APPENDIX G
State Compliance Matters

CERTIFICATION OF COMPLIANCE California Civil Code §1785.14(a)

Section 1785.14(a), as amended, states that a consumer credit reporting agency does not have reasonable grounds for believing that a consumer credit report will only be used for a permissible purpose unless all of the following requirements are met:

Section 1785.14(a)(l) states: “If a prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the consumer credit reporting agency shall, with a reasonable degree of certainty, match at least three categories of identifying information within the file maintained by the consumer credit reporting agency on the consumer with the information provided to the consumer credit reporting agency by the retail seller. The categories of identifying information may include, but are not limited to, first and last name, month and date of birth, driver’s license number, place of employment, current residence address, previous residence address, or social security number. The categories of information shall not include mother’s maiden name.”

Section 1785.14(a)(2) states: “If the prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the retail seller must certify, in writing, to the consumer credit reporting agency that it instructs its employees and agents to inspect a photo identification of the consumer at the time the application was submitted in person. This paragraph does not apply to an application for credit submitted by mail.”

Section 1785.14(a)(3) states: “If the prospective user intends to extend credit by mail pursuant to a solicitation by mail, the extension of credit shall be mailed to the same address listed on the solicitation unless the prospective user verifies any address change by, among other methods, contacting the person to whom the extension of credit will be mailed.”

In compliance with Section 1785.14(a) of the California Civil Code, Customer hereby certifies to Consumer Reporting Agency that Customer IS NOT a retail seller, as defined in Section 1802.3 of the California Civil Code (“Retail Seller”) and issues credit to consumers who appear in person on the basis of applications for credit submitted in person (“Point of Sale”).

Customer also certifies that if Customer is a Retail Seller who conducts Point of Sale transactions, Customer will, beginning on or before July 1, 1998, instruct its employees and agents to inspect a photo identification of the consumer at the time an application is submitted in person.

Customer also certifies that it will only use the appropriate Customer code number designated by Consumer Reporting Agency for accessing consumer reports for California Point of Sale transactions conducted by Retail Seller.

If Customer is not a Retail Seller who issues credit in Point of Sale transactions, Customer agrees that if it, at any time hereafter, becomes a Retail Seller who extends credit in Point of Sale transactions, Customer shall provide written notice of such to Consumer Reporting Agency prior to using credit reports with Point of Sale transactions as a Retail Seller, and shall comply with the requirements of a Retail Seller conducting Point of Sale transactions, as provided in this certification.

APPENDIX G-2
State Compliance Matters

VERMONT FAIR CREDIT REPORTING STATUTE, 9 V.S.A §2480E (1999)

Customer acknowledges that it subscribes to receive various information serviced from Xactus in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the "VFCRA") and the Federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. Seq., as amended (the "FCRA") and its other state law counterparts.

In connection with Customer's continued use of Xactus provided information services in relation to Vermont consumers, Customer hereby certifies that it will comply with applicable provisions under Vermont law. In particular, Customer certifies that it will order information services relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Customer has received prior consumer consent in accordance with VFCRA § 2480e and applicable Vermont Rules.

§2480e. Consumer consent

- (a) A person shall not obtain the credit report of a consumer unless:
 - (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
 - (2) the person has secured the consent of the consumer and the report is used for the purpose consented to by the consumer.
- (b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.
- (c) Nothing in this section shall be construed to affect:
 - (1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer, permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
 - (2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

VERMONT RULES * CURRENT THROUGH JUNE 1999 *****
AGENCY 06. OFFICE OF THE ATTORNEY GENERAL
SUB-AGENCY 031. CONSUMER PROTECTION DIVISION
CHAPTER 012. Consumer Fraud — Fair Credit Reporting
RULE CF 112 FAIR CREDIT REPORTING
CVR 06-031-012, CF 112.03 (1999)
CF 112.03 CONSUMER CONSENT

- (d) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.
- (e) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.
- (f) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's report has been obtained pursuant to some other form of consent shall not affect the validity of the consent.

APPENDIX H Death Master File

Certain data provided by Xactus as part of its service offerings includes information obtained from the Death Master File ("DMF"), made available by the US Department of Commerce National Technical Information Service (NTIS) and subject to regulations found at 15 CFR Part 1110.

Customer certifies that it meets the qualifications of a Certified Person under 15 CFR § 1110 and that its access to the DMF is appropriate because:

1. Customer has a legitimate fraud prevention interest, or has a legitimate purpose pursuant to a law, governmental rule, regulation or fiduciary duty, and shall specify the purpose for so certifying: and
2. Customer has systems, facilities, and procedures in place to safeguard the information received from the DMF; experience in maintaining the confidentiality, security, and appropriate use of the accessed information, pursuant to requirements similar to the requirements of section 6103(p)(4) of the Internal Revenue Code of 1986; and agrees to satisfy the requirements of such section 6103 (p)(4) if such section applies to Customer; and
3. Customer shall not disclose information derived from the DMF to the consumer or any third party, unless clearly required by law.

Customer shall not, with respect to information derived from the DMF:

1. Disclose such deceased Individual's DMF to any person other than a person who meets the requirements of Section 1 and 2 above;
2. Disclose such deceased individual's DMF to any person who uses the information for any purpose other than a legitimate fraud prevention interest or a legitimate business purpose pursuant to a law, governmental rule, regulation or fiduciary duty;
3. Disclose such deceased individual's DMF to any person who further discloses the information to any person other than a person who meets the requirements of a.i.(1) and (2) above;
4. Use any such deceased individual's DMF for any purpose other than a legitimate fraud prevention purpose or a legitimate business purpose pursuant to a law, governmental rule, regulation, or fiduciary duty.

Customer acknowledges its failure to comply with the provisions of 15 CFR § 1110 may result in, among other things, penalties of \$1,000 for each disclosure or use, up to a maximum of \$250,000 in penalties per calendar year.

Customer shall indemnify and hold harmless Xactus, its reporting providers, and the US Government/NTIS from all claims, demands, damages, expenses, and losses, whether sounding in tort, contract or otherwise, arising from or in connection with Customer's, or Customer's employees, contractors, or subcontractors, use of the DMF. This provision shall survive termination of the service agreement and will include any and all claims or liabilities arising from intellectual property rights.

Neither Xactus, its reporting providers, nor the US Government/NTIS (a) make any warranty, express or implied, with respect to information provided under this section of the policy, including, but not limited to, implied warranties of merchantability and fitness for any particular use: (b) assume any liability for any direct, indirect or consequential damages incurred from any use of any part of the DMF, including infringement of third party intellectual property rights; and (c) assume any liability for any errors or omissions in the DMF.

Customer is aware that the DMF does have inaccuracies and neither NTIS nor the Social Security Administration (SSA), which provides the DMF to NTIS, guarantee the accuracy of the DMF. SSA does not have a death record for all deceased persons. Therefore, the absence of a particular person on the DMF is not proof that the individual is alive. Further, in rare instances, it is possible for the records of a person who is not deceased to be included erroneously in the DMF.

Customer acknowledges that any individual who claims that the SSA has incorrectly listed someone as deceased, or has incorrect dates/data pertaining to an individual on the DMF, will be directed to contact their local SSA office with proof to have the error corrected.

APPENDIX I

Certification for use of CBSV Program

Customer recognizes and certifies the following obligations pertaining to the use of the SSA-89 verification product (CBSV - Consent Based Social Security Number Verification) will be adhered to:

1. Customer agrees that it shall use the verification only for the purpose stated in the Consent Form, and shall make no further use or re-disclosure of the verification; and
2. Customer acknowledges that Section 1140 of the Social Security Act authorizes the Social Security Administration to impose civil monetary penalties on any person who uses the words “Social Security” or other program-related words, acronyms, emblems and symbols in connection with an advertisement, solicitation or other communication, “in a manner which such person knows or should know would convey, or in a manner which reasonably could be interpreted or construed as conveying, the false impression that such item is approved, endorsed, or authorized by the Social Security Administration...” 42 U.S.C. § 1320b- 10(a); and
3. Customer acknowledges that the Customer and its Principals are specifically prohibited from using the words “Social Security” or other program-related words, acronyms, emblems and symbols in connection with an advertisement for “identity verification”; and
4. Customer further acknowledges that the Customer and its Principals are specifically prohibited from advertising that SSN verification provides or serves as identity verification; and
5. Customer acknowledges that the Social Security Administration, or its nominated agent, has the right of access to all Customer books and records associated with the CBSV (Consent Based Social Security Number Verification) program at any time.

APPENDIX J

Access Security Requirements

Customer shall implement and maintain a comprehensive Information Security Program written in one or more readily accessible parts that contains administrative, technical, and physical safeguards appropriate to the Customer's size and complexity, the nature and scope of its activities, the sensitivity of the information provided to the Customer by consumers and the terms of this Security Requirements document.

Such safeguards shall include the elements set forth in 16 C.F.R. § 314.4 and shall be reasonably designed to:

- Insure the security and confidentiality of the information provided by End User
- Protect against any anticipated threats or hazards to the security or integrity of such information
- Protect against unauthorized access or use of such information that could result in substantial harm or inconvenience to any consumer.

The security requirements included in this document represent the minimum security requirements acceptable to Xactus and are intended to ensure that a Third Party (i.e., Customer, End User, Service Provider or any other organization engaging with Xactus or accessing Xactus Information) has appropriate controls in place to protect information and systems, including any information that it receives, processes, transfers, transmits, stores, delivers, and / or otherwise accesses on behalf of Xactus or its third-party data providers (such as the credit repositories).

DEFINITIONS

"Xactus Information" means highly sensitive information belonging to Xactus or its third-party data providers (such as the credit repositories) including, by way of example and not limitation, data, databases, application software, software documentation, supporting process documents, operation process and procedures documentation, test plans, test cases, test scenarios, cyber incident reports, consumer information, financial records, employee records, and information about potential acquisitions, and such other information that is similar in nature or as mutually agreed in writing, the disclosure, alteration or destruction of which would cause serious damage to Xactus or its third-party data providers' reputation, valuation, and / or provide a competitive disadvantage to Xactus or its third-party data providers.

"Resource" means all Third-Party devices, including but not limited to laptops, PCs, routers, servers, and other computer systems that store, process, transfer, transmit, deliver, or otherwise access the Xactus Information.

1. Information Security Policies and Governance

Third Party shall have Information Security policies and procedures in place that are consistent with the practices described in an industry standard, such as ISO 27002 and / or this Security Requirements document, which is aligned to Experian's Information Security policy.

2. Vulnerability Management

Firewalls, routers, servers, PCs, and all other resources managed by Third Party (including physical, on-premise or cloud hosted infrastructure) will be kept current with appropriate security specific system patches. Third Party will perform regular penetration tests to further assess the security of systems and resources. Third Party will use end-point computer malware detection/scanning services and procedures.

3. Logging and Monitoring

Logging mechanisms will be in place sufficient to identify security incidents, establish individual accountability, and reconstruct events. Audit logs will be retained in a protected state (i.e., encrypted, or locked) with a process for periodic review.

4. Network Security

Third Party will use security measures, including anti-virus software, to protect communications systems and networks device to reduce the risk of infiltration, hacking, access penetration by, or exposure to, an unauthorized third-party.

5. Data Security

Third Party will use security measures, including encryption, to protect data provided by Xactus or its third-party data providers in storage and in transit to reduce the risk of exposure to unauthorized parties.

6. Remote Access Connection Authorization

All remote access connections to Third Party internal networks and/or computer systems will require authorization with access control at the point of entry using multi-factor authentication. Such access will use secure channels, such as a Virtual Private Network (VPN).

7. Incident Response

Processes and procedures will be established for responding to security violations and unusual or suspicious events and incidents. Third Party will report actual or suspected security violations or incidents that may affect Experian to Experian within twenty-four (24) hours of Third Party's confirmation of such violation or incident.

8. Identification, Authentication and Authorization

Each user of any Resource will have a uniquely assigned user ID to enable individual authentication and accountability. Access to privileged accounts will be restricted to those people who administer the Resource and individual accountability will be maintained. All default passwords (such as those from hardware or software vendors) will be changed immediately upon receipt.

9. User Passwords and Accounts

All passwords will remain confidential and use 'strong' passwords that expire after a maximum of 90 calendar days. Accounts will automatically lockout after five (5) consecutive failed login attempts.

10. Training and Awareness

Third Party shall require all Third Party personnel to participate in information security training and awareness sessions at least annually and establish proof of learning for all personnel.

11. Right to Audit

Third Party shall be subject to remote and / or onsite assessments of its information security controls and compliance with these Security Requirements.

12. Bulk Email Communications into Xactus

Third party will not "bulk email" communications to multiple Xactus employees, or the employees of Xactus' third-party data providers, without the prior written approval of Xactus. Third party shall seek authorization via their Xactus relationship manager or Xactus Sales Support in advance of any such campaign.