

MODEL LETTER

Give Applicant Appropriate Adverse Action Letter

If a prospective tenant's application is denied based upon a screening report, written notice of the decision must be given to the applicant and the owner must supply the name

and address of the company that provided the report. Be sure to keep a copy for your records and either mail or hand-deliver the letter.

[Insert date]

[Insert applicant's name and address]

Dear [insert applicant's name]:

Thank you for your recent application to rent. As you know, we requested and received information about you from [insert name of screening company], which provided us with information regarding your tenant history, credit history, check-writing history, criminal history, and housing court history. We regret to inform you that based in whole or in part on that information we must decline your application.

We are solely responsible for the decision to decline your application. The screening company that made the report did not make the adverse decision and cannot explain why the decision was made.

Again, this decision was made, in whole or in part, based upon information obtained from:

[Insert name, address, tel. #, and email address of screening company.]

This letter is sent to you in compliance with the Fair Credit Reporting Act. You have the right to inspect and receive a copy of your resident history report from the company above. There is no charge for a copy of your report, if your request is made within sixty (60) days of receiving this notice. You have the right to dispute the accuracy or completeness of any information contained in any report provided to us by the company. A copy of *A Summary of Your Rights Under the Fair Credit Reporting Act* is included with this letter for your review.

Sincerely,

[Insert name of owner]

A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT

The federal Fair Credit Reporting Act ("FCRA") is designed to promote accuracy, fairness, and privacy of information in the files of every "consumer reporting agency" ("CRA"). Most CRAs are credit bureaus that gather and sell information about you—such as if you pay your bills on time or have filed for bankruptcy—to creditors, employers, landlords, and other businesses. You can find the complete text of the FCRA, 15 U.S.C. §§1681–1681u, at the Federal Trade Commission's Web site (<http://www.ftc.gov>). The FCRA gives you specific rights, as outlined below. You may have additional rights under state law. You may contact a state or local consumer protection agency or a state attorney general to learn those rights.

◆ **You must be told if information in your file has been used against you.** Anyone who uses information from a CRA to take action against you—such as denying an application for credit, insurance, or employment—must tell you, and give you the name, address, and phone number of the CRA that provided the consumer report.

◆ **You can find out what is in your file.** At your request, a CRA must give you the information in your file, and a list of everyone who has requested it recently. There is no charge for the report if a person has taken action against you because of information supplied by the CRA, if you request the report within 60 days of receiving notice of the action. You also are entitled to one free report every 12 months upon request if you certify that (1) you are unemployed and plan to seek employment within 60 days, (2) you are on welfare, or (3) your report is inaccurate due to fraud. Otherwise, a CRA may charge you up to eight dollars.

◆ **You can dispute inaccurate information with the CRA.** If you tell a CRA that your file contains inaccurate information, the CRA must reinvestigate the items (usually within 30 days) by presenting to its information source all relevant evidence you submit, unless your dispute is frivolous. The source must review your evidence and report its findings to the

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A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT (continued)

CRA. (The source also must advise national CRAs—to which it has provided the data—of any error.) The CRA must give you a written report of the investigation and a copy of your report if the investigation results in any change. If the CRA's investigation does not resolve the dispute, you may add a brief statement to your file. The CRA must normally include a summary of your statement in future reports. If an item is deleted or a dispute statement is filed, you may ask that anyone who has recently received the report be notified of the change.

- ◆ **Inaccurate information must be corrected or deleted.** A CRA must remove or correct inaccurate or unverified information from its files, usually within 30 days after you dispute it. However, the CRA is not required to remove accurate data from your file unless it is outdated (as described below) or cannot be verified. If your dispute results in any change to your report, the CRA cannot reinsert into your file a disputed item unless the information source verifies its accuracy and completeness. In addition, the CRA must give you a written notice telling you it has reinserted the item. The notice must include the name, address, and telephone number of the information source.
- ◆ **You can dispute inaccurate items with the source of the information.** If you tell anyone—such as a creditor who reports to a CRA—that you dispute an item, they may not then report the information to a CRA without including a notice of your dispute. In addition, once you've notified the source of the error in writing, it may not continue to report the information if it is, in fact, an error.
- ◆ **Outdated information may not be reported.** In most cases, a CRA may not report negative informa-

tion that is more than seven years old; ten years for bankruptcies.

- ◆ **Access to your file is limited.** A CRA may provide information about you only to people with a need recognized by the FCRA—usually to consider an application with a creditor, insurer, employer, landlord, or other business.
- ◆ **Your consent is required for reports that are provided to employers, or reports that contain medical information.** A CRA may not give out information about you to your employer, or prospective employer, without your written consent. A CRA may not report medical information about you to creditors, insurers, or employers without your permission.
- ◆ **You may choose to exclude your name from CRA lists for unsolicited credit and insurance offers.** Creditors and insurers may use file information as the basis for sending you unsolicited offers of credit or insurance. Such offers must include a toll-free phone number for you to call if you want your name and address removed from future lists. If you call, you must be kept off the lists for two years. If you request, and return the CRA form provided for this purpose, you must be taken off the lists indefinitely.
- ◆ **You may seek damages from violators.** If a CRA, a user, or (in some cases) a provider of CRA data, violates the FCRA, you may sue them in state or federal court.

The FCRA gives several different federal agencies authority to enforce the FCRA. You can find these federal agencies at www.FTC.gov. For questions concerning CRAs and creditors, you can reach the Federal Trade Commission Consumer Response Center at (202) 326-3761.