

# IMPORTANT NOTICE

**Risk-Based Pricing Notice Regulation & the New Credit Score Disclosure effective January 1, 2011**



CoreLogic Credco is introducing a new Credit Score Disclosure (CSD) for Automotive and Specialty Credit customers that will provide a compliance solution under the Risk-Based Pricing Notice Regulation.

## **Summary**

On December 22, 2009, the FTC and FRB released the final rules for implementation of section 311 of the FACT Act. Section 311 speaks to creditors providing a notice when a consumer is granted materially less favorable lending terms than it provides to other consumers, based on data included in their credit report. **The rule goes into effect on January 1, 2011.**

## **What does this mean?**

This federal regulation includes all consumer loan products, including automotive and consumer lending; therefore, many of you will now need to provide this new disclosure. The regulation offers creditors two options for compliance. Due to endorsement by NADA and customer feedback, Credco is offering the newly designed credit score disclosure, referenced in the regulation as form 4 (and form 5).

## **Solution Overview**

At Credco, we consistently strive for ease of delivery to minimize additional development when creating new products for our customers. That said, we will be adding the CSD to the end of the Instant Merge or Credco Express report, which will be delivered as a single file that the customer can print out and hand directly to the consumer. Our intention is to turn this on for all of our customers by the January 1, 2011 effective date.

For those dealers in California and Minnesota, you are probably already expecting to see the Credit Score Disclosure (CA) and Consumer Report Disclosure (MN) as a separate file from the Instant Merge and Credco Express report. At this time, we understand that the state level disclosures are still required, so the new CSD will be appended to the end of the current state level disclosures.