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State of Wisconsin
Tommy G. Thompson, Governor

Department of Agriculture, Trade and Consumer Protection
Ben Brancel, Secretary

October 20, 2000

The Honorable Judy Robson, Co-Chair
Joint Committee for
the Review of Administrative Rules
15 South State Capitol
Madison, WI. 53702

The Honorable Glenn Grothman, Co-Chair
Joint Committee for
the Review of Administrative Rules
15 North State Capitol
Madison, WI 53702

Dear Representatives Robson and Grothman:

I am requesting that the Joint Committee for the Review of Administrative Rules extend the Department's emergency rule relating to security deposits and carpet cleaning for an additional 60 days, until February 16, 2001. Without the extension, the emergency rule will end on December 18, 2000.

This emergency rule was promulgated at the direction of the Joint Committee. As requested by the Joint Committee, the Department repealed the "Note" at the end of Wis. Admin. Code § ATCP 134.06(3)(c) and incorporated the substance of the note into a new section of the rule. § ATCP 134.06(3)(d).

A copy of the emergency rule is attached. The Department submitted a Scope Statement for a permanent rule to the DATCP Board on August 17, 2000, and the Board approved the Scope Statement at that meeting. A copy of the Board minutes approving the Scope Statement is attached.

Since August, the Department has met with members of the primary interest groups to discuss how to resolve the security deposit/carpet cleaning issue. The Department will be meeting with the interest groups again on November 21, 2000, to further discuss possible solutions. If the JCRAR extends the emergency rule for 60 days as requested, this will give the Department time to work with the interest groups to try to reach a mutually agreeable solution that can then be promulgated as a permanent rule.

The Department expects to present a hearing draft of the permanent rule to the DATCP Board in December 2000 and a final draft in March or April 2001. If the Board approves the final draft rule I anticipate the permanent rule will be sent to the Legislature around April or May 2001 and will be published July 1 or August 1, 2001.

Sincerely,

Ben Brancel, Secretary

STATE OF WISCONSIN)
)
DEPARTMENT OF AGRICULTURE,)
TRADE & CONSUMER PROTECTION)

CERTIFICATION: Emergency Rule Relating to Residential Rental Practices

I, Joseph E. Tregoning, Deputy Secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection, and custodian of the official records of the department, hereby certify that the department issued the attached order adopting emergency rules on 11 - July, 2000.

I further certify that I have compared the attached copy with the original on file with the department, and that the attached copy is a complete and accurate copy of the original.

Signed and sealed at Madison, Wisconsin this 11th day of July, 2000.

By Joseph E. Tregoning
Joseph E. Tregoning, Deputy Secretary

**EMERGENCY ORDER
OF THE STATE OF WISCONSIN DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION
ADOPTING RULES**

- 1 The state of Wisconsin department of agriculture, trade and consumer protection hereby
- 2 adopts the following emergency rule to repeal ATCP 134.06(3)(c)(note) and to create
- 3 ATCP 134.06(3)(d), relating to residential rental practices.

**Analysis prepared by the Department of Agriculture,
Trade and Consumer Protection**

Statutory authority: ss. 227.26(2)(b), 93.07, 100.20(2), Stats.
Statutes interpreted: s. 100.20, Stats.

The Department of Agriculture, Trade and Consumer Protection (DATCP) administers state landlord-tenant rules contained in ch. ATCP 134, Wis. Adm. Code. These rules affect over 1.5 million Wisconsin residents.

This emergency rule modifies current residential rental practices rules related to security deposit withholding. Under current rules, a landlord may not withhold a security deposit for normal wear and tear, or for other damages or losses for which the tenant cannot reasonably be held responsible. A "note" to s. ATCP 134.06(3)(c) also states that a landlord may not withhold from a tenant's security deposit for routine painting or carpet cleaning, where there is no unusual damage caused by tenant neglect.

On June 21, 2000, the Legislature's Joint Committee for Review of Administrative Rules (JCRAR) found that the "note" to s. ATCP 134.06(3)(c) is actually a rule and directed DATCP to adopt the "note" as an emergency rule. According to s. 227.26(2)(b), Stats., DATCP must promulgate the emergency rule under s. 227.24(1)(a), Stats., within 30 days after the JCRAR directs DATCP to do so. Because the JCRAR has directed DATCP to adopt this emergency rule, DATCP is not required to make any other finding of emergency.

EMERGENCY RULEMAKING ORDER

1 **SECTION 1.** ATCP 134.06(3)(c)(note) is repealed.

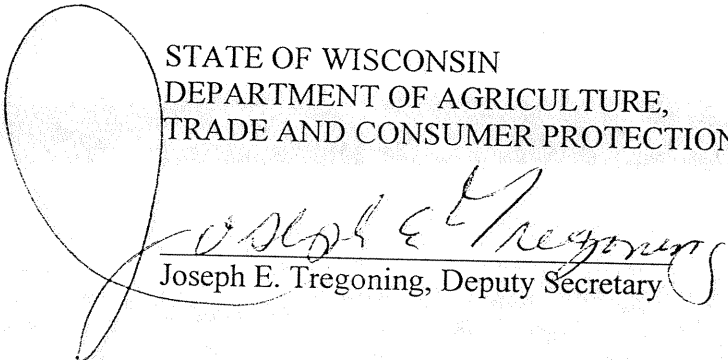
2 **SECTION 2.** ATCP 134.06(3)(d) is created to read:

3 ATCP 134.06(3)(d) A landlord may not withhold from a tenant's security
4 deposit for routine painting or carpet cleaning, where there is no unusual damage
5 caused by tenant abuse.

6 **EFFECTIVE DATE.** The emergency rule contained in this order shall take
7 effect upon publication, and shall remain in effect for 150 days. The department may
8 seek to extend this emergency rule as provided in s. 227.24, Stats.

Dated this 11th day of July, 2000.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION


Joseph E. Tregoning, Deputy Secretary

State of Wisconsin
Department of Agriculture, Trade and Consumer Protection

SCOPE OF PROPOSED RULEMAKING

The Department of Agriculture, Trade and Consumer Protection gives notice, pursuant to s. 227.135, Wis. Stats., that it proposes to develop an administrative rule as follows:

SUBJECT:

Residential Rental Practices; Security Deposits and Carpet Cleaning Agreements.

ADMINISTRATIVE CODE REFERENCE:

Ch. ATCP 134, Wis. Adm. Code (Existing).

PRELIMINARY OBJECTIVE:

Review and clarify the department's policy related to security deposits and carpet cleaning agreements in residential rental transactions.

PRELIMINARY POLICY ANALYSIS:

The department administers state landlord-tenant rules contained in ch. ATCP 134, Wis. Adm. Code. These rules affect over 1.5 million Wisconsin residents.

On June 21, 2000, the Legislature's Joint Committee for Review of Administrative Rules (JCRAR) directed the department to promulgate, as an emergency rule, the policy statement contained in s. ATCP 134.06(3)(c)(note). This note states that landlords may not withhold a tenant's security deposit for costs related to normal wear and tear, "such as routine painting and carpet cleaning, where there is no unusual damage caused by tenant abuse."

The department has promulgated the emergency rule as directed by the JCRAR. The emergency rule remains in effect for 150 days, unless suspended or extended by the JCRAR. The department now proposes to develop a "permanent" rule to clarify current rules related to security deposits and carpet cleaning charges. The department will consult with landlord and tenant groups in an effort to resolve, on a more "permanent" basis, current disagreements related to state policy on security deposit withholding and routine carpet cleaning charges.

POLICY ALTERNATIVES:

- Take no action. If the department does nothing, the emergency rule will remain in effect for 150 days unless extended or suspended by the JCRAR. The JCRAR may extend the rule for up to 120 days. If the emergency rule expires or is suspended, the department's current policy will again be expressed as a mere "note," rather than a substantive rule provision. The substance of the policy will not change. Landlord concerns related to the substance of the current policy will not be addressed. State policy may be subject to confusion and challenge, since it will not be clearly stated in a substantive rule provision.

STATUTORY AUTHORITY:

The department proposes to modify relevant portions of ch. ATCP 134, Wis. Adm. Code, under authority of s. 100.20(2), Stats.

STAFF TIME REQUIRED:

The department estimates that it will use approximately .50 FTE staff time to develop this rule. This includes research, drafting, preparing related documents, holding public hearings, coordinating advisory council discussions and communicating with affected persons and groups. The department will assign existing staff to develop this rule.

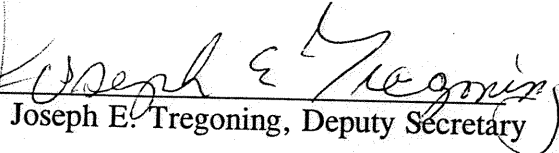
DATCP BOARD AUTHORIZATION:

The department may not begin drafting this permanent rule until the Board of Agriculture, Trade and Consumer Protection approves this scope statement. The board may not approve this scope statement sooner than 10 days after this scope statement is published in the Wisconsin Administrative Register. If the board takes no action on the scope statement within 30 days after the scope statement is presented to the board, the scope statement is considered approved. Before the department holds public hearings on this rule, the board must approve the hearing draft rule. The board must also approve the final draft rule before the department adopts the rule.

Dated this 11th day of July, 2000.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE, TRADE
AND CONSUMER PROTECTION

By


Joseph E. Tregoning, Deputy Secretary

MINUTES
BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION
AUGUST 17, 2000

Members Present: Larry Lemmenes, Mike Dummer, Bill Geary, Pete Knigge, Bev Anderson, Jim Holte and Wil Turba.

Minutes: Bev Anderson moved to approve the July 20, 2000 Board meeting minutes. Bill Geary second. **Motion Carried.**

Board Member Matters: Matters reported on: Milk marketing orders and federal regulations reform process; some improvement for cheese markets (Lemmenes), crops are average to above; livestock prices are rebounding (Dummer), e-coli concerns; presentation of article about run-off pollution (Geary), robotic milker started August 2, no malfunctions with equipment, looking at possible duplications on other farms (Knigge), oats are almost done; in Kewaunee corn is finished; discussion of farmland trust between Sheboygan, Ozaukee, and Washington counties (Turba), land-use assessment; county board-casino issue; consumer scams (Anderson), and non-irrigated crops are suffering; grain and dairy pricing (Holte).

Secretary's Report: Secretary Brancel started by presenting a 25-year state service pin to Attorney Jim Matson, thanking him for his dedication and hard work throughout the years.

Secretary Brancel reported on the E. Coli outbreak at the Sizzler restaurant. The division of food safety assisted with the investigation.

Secretary Brancel updated the Board on a letter he sent to the EPA regarding his extreme displeasure about the proposed CAFO regulations to be released in December.

Secretary Brancel also reported on: EmmPack business, MASDA, pesticide database, CREP, School IPM project, mini-bulk disposal, stewarts wilt, TB testing, Johnnes program, animal ID program, trip to the Netherlands, shipment of veal from Canada, aquaculture, and the new hire of Matt Tompach at DATCP.

Secretary Brancel announced the retirement of his secretary Dorothy Hill. Dorothy will end with 43 years of state service in January 2001.

Public Appearances: Ron Statz of the Wisconsin NFO invited all board members to attend the state convention in Reedsburg, September 29 and 30. He stated the organization does not oppose the sale of development rights for farmers and urged DATCP to be cautious before making regulations they intend to help preserve farming.

ATCP 11-Imports of Cattle at Risk for TB-Scope Statement: Dr. Clarence Siroky, Administrator for the Division of Animal Health, asked the board to approve a scope statement regarding ATCP 11: Imports of Cattle at Risk for TB.

ATCP 74-Retail Food Establishments: Agency City and County Fees-Scope Statement: Jim Matson, Chief Legal Counsel, asked the board to approve a scope statement regarding ATCP 74-Retail Food Establishments: Agency City and County Fees.

ATCP 97-Public Warehouse Keepers: License Fees-Scope Statement: Bill Oemichen, Administrator for the Division of Trade and Consumer Protection, asked the board to approve a scope statement regarding ATCP 97-Public Warehouse Keepers: License Fees.

ATCP 134-Residential Rental Practices: Security Deposits and Carpet Cleaning Charges-Scope Statement-Bill Oemichen asked the board to approve a scope statement regarding ATCP 134-Residential Rental Practices: Security Deposits and Carpet Cleaning Charges.

ATCP 161-Ethanol Development Grant Program-Scope Statement: Bill Oemichen and Will Hughes asked the board to approve a scope statement regarding ATCP 161-Ethanol Development Grant Program.

Motion: Pete Knigge made a motion to approve all five scope statements. Mike Dummer second. Motion Carried.

Trade and Consumer Protection Report: Bill Oemichen updated the board on a recent pyramid scam. Millions of dollars have been traded by this scam. In Waukesha County, 60 percent of the community has become involved. The Board viewed a video regarding a living trust scam against the elderly. Oemichen also reported on the settlement from U.S. Cellular and Tires Plus. Due to Consumer Protection efforts last year, a total of \$5.7 million was returned to consumers. So far this year, \$5 million has been returned to Wisconsin consumers.

DATCP Biennial Budget Request: Sue Buroker, Administrator for the Division of Management Services, and Barb Knapp updated the Board issues regarding the biennial budget issues, sharing an overview on the various department programs requesting funds. Knapp also reported no new positions would be asked for in this budget, in accordance with DOA guidelines.

Information Technology Report: Sue Buroker and Kate Nolan updated the Board about the accomplishments, unmet goals, opportunities, threats and trends in the IT department. Since last year, the department has upgraded its back-up capability, social security numbers have been encoded and internal communications have greatly improved.

Wisconsin Veterinary Diagnostic Laboratory Report: Dr. Clarence Siroky updated the Board on variances in Johnnes testing. He also updated the Board about the WVDL new facility timeline. The next WVDL Board meeting is on August 30.

Rabies and Humane Program Report: Dr. Clarence Siroky and Dr. Yvonne Bellay, Division of Animal Health, updated the Board about ways to keep your pets healthy and distributed information "People Connection" produced. She also reported on Zonioc disease and rabies programs (there have been 6 cases of rabies in Wisconsin through July).

Ag Chemical Cleanup Program Report: Nick Neher, Administrator for the Division of Agriculture Resource Management, and Paul Morrison presented the Board with a brief history of the Agricultural Chemical Clean-up Program. Morrison then reported on components which make up ACCP. There are 225 active long-term release cases and 278 closed cases. These cases are expensive and take a long time to close.

ADD Grants: Mike Bandli, Division of Marketing, updated the Board by explaining the purpose and history of the Agricultural Development and Diversification grant program. Bandli explained that the ADD grants are industry driven and discussed the future direction of ADD grant program.

State Fair Report: Secretary Brancel and Stan Shaw, Administrator for the Division of Marketing updated the Board on the Wisconsin State Fair and noted how much the department's participation has increased in the last two years. Over 45,000 department brochures were selected and distributed during the fair, the veggie races were successful, and the biggest issue at the fair this year was food safety. It was suggested that next August's Board meeting be during state fair.

Miscellaneous Business: Bill Geary asked the Board to approve his trip to the United States Animal Health Association Conference held in Alabama, August 19-26. Geary stated he would stay for 2 nights/3 days. Bev Anderson made a motion to approve reimbursement to Bill for the trip to Alabama. Mike Dummer second. **Motion carried**

Board Schedule: Next ATCP Board Meeting will be held on September 27th in the Warrens area.

Adjournment: By unanimous consent, the meeting adjourned at 4:10 p.m.

Signed

Mike Dummer, Secretary

Approved

John Malchine, Chair



State of Wisconsin Legal Notices

Reasonable accommodation, including the provision of informational material in an alternative format, will be provided for qualified individuals with disabilities upon request.

<http://www.madison.com>

General Notices

STATE OF WISCONSIN)
DEPARTMENT OF AGRICULTURE,)
TRADE & CONSUMER PROTECTION)
**CERTIFICATION: Emergency Rule Relating to
Residential Rental Practices**

I, Joseph E. Tregoning, Deputy Secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection, and custodian of the official records of the department, hereby certify that the department issued the attached order adopting emergency rules on 11th July, 2000.

I further certify that I have compare the attached copy with the original on file with the department, and that the attached copy is a complete and accurate copy of the original.

Signed and sealed at Madison, Wisconsin, this 11th day of July, 2000.

By: /s/ Joseph E. Tregoning, Deputy Secretary

EMERGENCY ORDER

**OF THE STATE OF WISCONSIN DEPARTMENT
OF AGRICULTURE, TRADE AND CONSUMER
PROTECTION**

ADOPTING RULES

The state of Wisconsin department of agriculture, trade and consumer protection hereby adopts the following emergency rule to repeal ATCP 134.06(3)(c)(note) and to create ATCP 134.06(3)(d), relating to residential rental practices.

**Analysis prepared by the Department
of Agriculture, Trade and Consumer
Protection**

Statutory authority: ss. 227.26(2)(b), 93.07, 100.20(2), Stats.

Statutes interpreted: s. 100.20, Stats.

The Department of Agriculture, Trade and Consumer Protection (DATCP) administers state landlord-tenant rules contained in ch. ATCP 134, Wis. Adm. Code. These rules affect over 1.5 million Wisconsin residents.

This emergency rule modifies current residential rental practices rules related to security deposit withholding. Under current rules, a landlord may not withhold a security deposit for normal wear and tear, or for other damages or losses for which the tenant cannot reasonably be held responsible.

A "note" to s. ATCP 134.06(3)(c) also states that a landlord may not withhold from a tenant's security deposit for routine painting or carpet cleaning, where there is no unusual damage caused by tenant neglect.

On June 21, 2000, the Legislature's Joint Committee for Review of Administrative Rules (JCRAR) found that the "note" to s. ATCP

134.06(3)(c) is actually a rule and directed DATCP to adopt the "note" as an emergency rule. According to s. 227.26(2)(b), Stats., DATCP must promulgate the emergency rule under s. 227.24(1)(a), Stats., within 30 days after the JCRAR directs DATCP to do so. Because the JCRAR has directed DATCP to adopt this emergency rule, DATCP is required to make any other finding of emergency.

EMERGENCY RULEMAKING ORDER

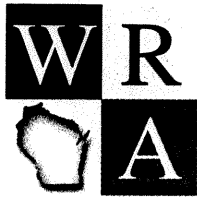
SECTION 1. ATCP 134.06(3)(c) is repealed.

SECTION 2. ATCP 134.06(3)(d) is created to read: ATCP 134.06(3)(d) A landlord may not withhold from a tenant's security deposit for routine painting or cleaning, where there is no unusual damage caused by tenant abuse.

EFFECTIVE DATE. The emergency rule contained in this order shall take effect upon publication, and shall remain in effect for 150 days. The department may seek to extend this emergency rule as provided in s. 227.24, Stats.

Dated this 11th day of July, 2000.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION
/s/ Joseph E. Tregoning, Deputy Secretary
(WSJ #143729)



WISCONSIN REALTORS' ASSOCIATION
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Joan Seramur, CRB, CRS, GRI, President
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William Malkasian, CAE, Executive Vice President
E-mail: wem@wra.org

TO: Joint Committee on Review of Administrative Rules
FROM: Michael Theo and Debra Peterson Conrad
DATE: November 16, 2000
RE: ATCP Rules 134.06 – Emergency Rules on Carpet Cleaning

Action Requested

The Wisconsin REALTORS Association (WRA) supports an extension of existing emergency rules regarding ATCP 134.06, pertaining to deducting the costs of carpet cleaning from tenant security deposits.

The current emergency rules are set to expire in December. The extension will provide the additional time necessary to conclude current discussions between the Department and representatives of landlord and tenant groups. We are hopeful that these discussions will result in a proposed permanent rule before this emergency rule extension expires.

Background

From May 1, 1980 until to January 1, 1999, landlords were permitted under Wis. Admin. Code § ATCP 134.06 to deduct the costs carpet cleaning from the security deposit at the end of a tenancy provided they met specific conditions. These conditions were delineated in negotiated, non-form provisions agreed to by both the landlord and the tenant. If a tenant failed to engage a professional carpet cleaner to clean the carpet before vacating the premises pursuant to the earlier agreement, the landlord could legally deduct the carpet cleaning charge from the tenant's security deposit.

Effective January 1, 1999, Chapter ATCP 134 was revised. As part of these revisions landlords were allowed to specify additional reasons for security deposit withholding in NONSTANDARD RENTAL PROVISIONS. However, the reasons for which they may withhold were limited under the revised rule. The revised rules added a footnote that provides that charges for routine painting or carpet cleaning, in situations where there has been no unusual damage caused by the tenant, cannot be withheld from the security deposit.



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DATCP interprets the footnote to mean that landlords cannot deduct for routine carpet cleaning, even if the tenant agrees to it in a nonstandard rental provision. The footnote was added by DATCP without any discussion before the Advisory Committee. This is a major change in DATCP policy, especially when contrasted to the language in the prior version of the *Wisconsin Way* that states: "However, routine across-the-board deductions for cleaning or carpet shampooing, unrelated to any abuse, waste or neglect by the tenant, is prohibited in the absence of a clear and separately negotiated written agreement, entered into at the time of initial rental."

Landlords throughout Wisconsin, who had been using non-form provisions for this purpose under the original rule, have found this footnote to be a substantial detriment to their business operations. Most landlords and tenants want to have a freshly cleaned carpet waiting when a new tenant moves into a unit -- deducting carpet-cleaning charges from the security deposit has proved over the years to be the most efficient way for this to be handled.

The many landlords who testified before the Joint Committee for Review of Administrative rules on April 11, 2000, clearly indicated that they want the rule to be changed so that they may deduct for carpet cleaning charges if the tenant agrees in a nonstandard rental provision. The apartment owners want to be able to deduct the actual charge for professional carpet cleaning, but only if the tenant does not have the carpet cleaned by a professional carpet cleaning service and only if the unit carpet is actually cleaned by a professional.

The WRA will continue to work diligently and in good faith with DATCP and tenant representatives to construct language on this matter that satisfies all concerns, for review by this committee.

FOLEY & LARDNER

ATTORNEYS AT LAW

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(414) 297-5877

EMAIL ADDRESS
jjanik@foleylaw.com

CLIENT/MATTER NUMBER
039905-0101

December 31, 1997

VIA HAND DELIVERY

Dave Domres
Firstar Development Corporation
Juneau Square, 4 South
Milwaukee, Wisconsin 53202

Re: Program Review for Compliance with FCRA

Dear Dave:

You asked us to review the policies, procedures and documentation of Landlord Information Service, Inc. (LIS) for compliance with the revised Fair Credit Reporting Act (FCRA). It is my understanding that LIS provides information to subscribing landlords concerning prospective residential tenants. In order to subscribe to LIS, landlords must be a member of the Apartment Association of Southeastern Wisconsin, Inc., complete a subscriber application, and sign the Service Agreement. The information furnished to the subscribing landlords includes credit reports obtained from Trans Union, public record information obtained by LIS from courthouses (such as evictions and certain criminal convictions) and tenant history information obtained by LIS from prior landlords. For purposes of the FCRA, therefore, LIS is both a reseller of consumer reports (with respect to the Trans Union reports) and a consumer reporting agency (with respect to the courthouse and tenant history information).

My comments are organized into five categories: I. Gathering Information from Courthouses and Prior Landlords; II. Verifying Permissible Purpose of Subscribers; III. Furnishing Reports to Landlords; IV. Resolving Disputes as to the Accuracy of Reports; and V. Miscellaneous.

Dave Domres
December 31, 1997
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I. Gathering Information from Courthouses and Prior Landlords

Old Information. LIS should not include in its report any public record or tenant history information that is more than 7 years old. FCRA § 605(a). I have revised the Tenant Card to include the date on which the adverse tenant history occurred so that LIS can monitor when tenant history information becomes obsolete.

Procedures to Assure Accuracy of Report. LIS must establish and follow reasonable procedures to assure maximum possible accuracy of the information contained in its reports. FCRA § 607(b). The FCRA does not require error free consumer reports. For example, if LIS accurately transcribes information received from a source that it reasonably believes to be reputable, and which is credible on its face, LIS will not violate the FCRA simply by reporting information which turns out to be inaccurate. The FCRA does require, however, a consumer reporting agency to improve its procedures as inaccuracies are discovered. LIS's procedure manual currently sets forth thorough procedures for how information relating to evictions, criminal convictions and landlord complaints should be gathered. In addition to the tenant's name, LIS should try to use other methods to identify a tenant, such as a date of birth or social security number, in order to avoid inaccuracies related to consumers with similar names. The FCRA requires LIS to take any steps it can to improve the accuracy of its reports at a reasonable cost. If LIS learns of errors in its reports that may indicate systematic problems (such as the issuance of a report pertaining to a consumer other than the one on whom the report was requested or a report containing information on multiple consumers), it must review its procedures for assuring accuracy. Comment 607-3.A. If LIS questions the reliability of the accuracy of information from one of its sources, LIS should maintain procedures to verify the information from that source.

Reporting of Past Due Rent. The Tenant Card provides a spot for landlords to note that a tenant is past due on rent. LIS should implement and maintain procedures to learn promptly from these landlords when the tenant has paid the delinquent rent. Comment 607-3.F.(1). Once the past due rent has been paid, the consumer report must accurately reflect that the tenant currently is current in his rent payments, but the report may still note that the tenant had been late in making rent payments.

Notices to Furnishers of Information. A prescribed notice must be sent to any person who regularly and in the ordinary course of business furnishes information to LIS with respect to any consumer. FCRA § 607(d)(1)(A). The notice is attached hereto as Appendix B. LIS should send this notice to each of the landlords who provide tenant history information about a consumer. Under the revised FCRA, furnishers of information have increased duties regarding the accuracy of the information they furnish. Please let me know if you would like me to draft or review the cover letter LIS will be using to send the prescribed notice to landlords who furnish information to LIS.

Dave Domres
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II. Verifying Permissible Purpose of Subscribers

Procedures to Verify Permissible Purpose. Reporting agencies may only furnish reports to entities who have "permissible purpose" for the information. FCRA § 604(a)(3)(F)(1). In the case of LIS, this means that LIS's subscribers must have a legitimate business need¹ for the information, namely that the subscribers will only order and use reports to evaluate prospective tenants who have expressed an interest in renting from the subscriber². The FCRA requires LIS to establish and comply with reasonable procedures to ensure that the report will only be used for this permissible purpose. FCRA § 607(a). Specifically, LIS should comply with the procedures listed below to verify the permissible purpose of a subscriber.

1. Subscribers to LIS must also be a member of The Apartment Association of Southeastern Wisconsin, Inc. (AASEW). The application for membership to AASEW requires the applicant to provide its name, its address, the number of residential units owned or managed, the address of at least one unit, and the zip codes of all rental properties owned.
2. Subscribers must represent to LIS that: (1) the subscriber is in the business of leasing residential real property; (2) reports will be requested only about individuals who have applied to lease specific residential property (or commercial property located within a primarily residential unit) from the subscriber; (3) the reports will be used solely to evaluate the individual as a prospective tenant; (4) the subscriber is not a private detective or a detective agency; and (5) the subscriber will not resell or disclose the information to any third party or use the information for other than a legitimate business purpose. I have revised the Service Agreement to include these representations.
3. If the subscriber is an attorney, the subscriber must additionally certify that the subscriber is not seeking the information on behalf of a client or otherwise in connection with the practice of law and must identify in writing the specific address of the residential property for which the prospective tenant is being evaluated. I have added this certification to the Service Agreement.

¹ Comment 604(3)(E)-3. As an example of a "legitimate business need", a consumer report may be obtained on a consumer who applies to rent an apartment.

² If the consumer gives written authorization for a subscriber to obtain that consumer's report, no further permissible purpose is required. Comment 604(2)-1. Although the Service Agreement requires subscribers to obtain written authorization to obtain reports, I am assuming that in reality few subscribers actually receive such written authorization prior to requesting the report from LIS.

Dave Domres
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4. If LIS has not had previous knowledge of or experience with a subscriber, the subscriber must additionally identify in writing the specific address of the residential property for which the prospective tenant is being evaluated each time a report is requested.
5. If LIS learns that a subscriber is not in the business of leasing residential real property, that a subscriber is a private detective or a detective agency, that the subscriber has made any misrepresentation regarding its business or the use of the information, that the subscriber has disclosed the information to third parties, or that the subscriber has used the information for an inappropriate purpose, LIS will immediately cease to provide information to that subscriber.

In addition, the Reseller Agreement with Trans Union requires LIS to take the following steps to verify potential subscribers:

1. Conduct a physical inspection of the potential subscriber's premises to assure that it is a legitimate business facility (not a residence, except with individual landlords) and that the furnishings are commensurate with the size and purported type of business.
2. Confirm that the advertisements or signs are compatible with the purported business.
3. Verify that the company has a business checking account and that the account balance is compatible with the size and nature of the company.
4. Verify business references to ensure that the potential subscriber has clientele which would support a residential property leasing business.
5. Verify business phone numbers by checking the phone directory or other phone records.
6. If the potential subscriber is an individual and not a company, instead of doing items #1-5, LIS can obtain written documentation that the landlord owns rental property (such as obtaining the deed or previous years' tax bill for at least one unit of property whose address is listed in the application) and obtain a copy of the rental application.

Reseller Requirements. In order for LIS to obtain consumer reports from Trans Union, the subscriber using the report will need to (1) identify each end user of the resold report (which should be the subscriber requesting the report), (2) certify each purpose for which the report will be used, (3) certify that the report will be used for no other purpose. LIS will need to make reasonable efforts to verify these identifications and certifications of the subscriber. FCRA § 607(e)(2). The certifications required in (2) and (3) are made in the revised Service Agreement.³ Comment 607-2.C clarifies that the subscriber's certifications

³ Please note that I revised the Service Agreement to delete employment purposes as a permissible use. The revised FCRA added new procedures if a report will be used for (Continued)

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need not be made each time a report is requested if the subscriber typically has a permissible purpose. If a subscriber is an attorney, however, LIS should obtain new certifications of items (2) and (3) above each time a report is requested. The procedures identified above under "Procedures to Verify Permissible Purpose" should be sufficient to comply with the "reasonable efforts" required for resellers under FCRA § 607(e)(2)(B).

Procedures to Avoid Abuse. If LIS ever doubts that a report is being used for a permissible purpose, LIS must take steps to insure compliance with the Service Agreement and the FCRA, such as requiring a separate, advance certification for each report it furnishes that subscriber or auditing that subscriber to verify that it is obtaining reports only for permissible purposes. LIS must cease furnishing reports to subscribers who repeatedly request reports for impermissible purposes. Comment 607-2.D. The commentary to the FCRA also encourages consumer reporting agencies randomly to verify that the certifications made by users of reports are accurate in an effort to avoid abuse.

III. Furnishing Reports to Landlords

Notices to Users of Information. LIS will need to send a prescribed notice to any person to whom a credit report is provided. The notice is attached hereto as Appendix C. Presumably, the credit bureau will attach a copy of this notice to each credit report it provides to LIS, and LIS will merely have to double check that the notice is included with the information conveyed to the landlord requesting the report. FCRA § 607(d)(1)(B).

Adverse Action Notices. As discussed in our letter dated September 25, landlords who refuse to rent to an applicant based in whole or in part on a consumer report must send the applicant an adverse action notice. FCRA §§ 603(k) and 615(a). In late September, LIS sent a sample adverse action notice to its subscribers and explained when an adverse action notice must be given to a rental applicant. You should be aware that LIS is not responsible under the FCRA for ensuring that its subscribers provide the required adverse action notice letters. Comment 607-8.

Disclosure of Reports to Consumer. If a landlord takes an adverse action against a consumer, LIS may not prohibit the landlord from disclosing the contents of the report to the consumer. FCRA § 607(c). I have revised item #5 under "Subscriber Agrees" in the Service Agreement to remove the provision which forbids the subscriber from sharing the report with the consumer.

employment purposes. Since it was my understanding that subscribers were not using the reports for employment purposes, I deleted employment purposes from the Service Agreement in an effort to simplify LIS's procedures. Please let me know if you would like me to advise you regarding the use of reports for employment purposes.

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IV. Resolving Disputes as to the Accuracy of Reports

Notice to Consumers. Upon the consumer's written request and upon furnishing proper identification, LIS must disclose to the consumer: (1) all information in the consumer's file at the time of the request, (2) the sources of the information, (3) the recipients of any consumer report on the consumer during the prior year (including the name or trade name, and upon request by the consumer, the address and telephone number), (4) the dates, original payees and amounts of any checks upon which is based any adverse characterization of the consumer, and (5) a record of all inquiries received by LIS during the preceding 1-year period that identified the consumer in connection with a credit or insurance transaction that was not initiated by the consumer⁴. In addition to the above information, LIS must provide to the consumer a prescribed notice, attached hereto as Appendix A. FCRA § 609. The disclosures to the consumer should generally be provided to the consumer in writing; however, if the consumer requests, the disclosures can be made in person at LIS during normal business hours and on reasonable notice (and the consumer can bring one other person), by telephone if requested in writing, by electronic means if available from LIS, or by any other means available to LIS. FCRA § 610. LIS must provide trained personnel to explain to the consumer any information contained in the report. LIS may charge the consumer \$8 for the disclosures in this section, provided that the charge shall be indicated to the consumer before furnishing such information and provided that the consumer is not requesting the report after it has received a notice of adverse action from the user of the report, is not unemployed, is not a recipient of welfare, or does not have reason to believe that the disputed information is a result of fraud. FCRA § 612(a).

Reinvestigation Required. If a consumer notifies LIS that it disputes any information in the consumer's file, LIS must reinvestigate the disputed information free of charge and, if appropriate, delete the item from the file within 30 days of receiving notice of the dispute. The 30-day reinvestigation period may be extended for an additional 15 days if LIS receives information from the consumer during the 30-day period which is relevant to the reinvestigation; provided, however, that the 15-day extension does not apply if LIS determines during the 30-day period that the disputed information is inaccurate or cannot be verified. FCRA § 611(a)(1). The reinvestigation must be a good faith effort to determine the accuracy of the disputed items. At a minimum, LIS should contact the original sources of the information, inform them of the consumer's position, and ask them to confirm or qualify the information. Comment 611-2.

⁴ In order for LIS's subscribers to have a permissible purpose under the FCRA, the consumer must express interest in renting from the subscriber. Therefore, disclosure #5 should not be applicable to LIS since all of the prospective rental transactions must be initiated by the consumer.

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Notice of Dispute to Furnisher of Information. Within 5 days of receiving notice of the dispute, LIS must provide notification of the dispute to any person who furnished LIS with the disputed information. Any information provided by the consumer during the 30-day reinvestigation period must also be provided to the furnishers of the disputed information. FCRA § 611(a)(2).

Procedure If Dispute Is Frivolous. If LIS determines that a dispute is frivolous or irrelevant (including if the consumer fails to provide sufficient information to investigate the disputed information), LIS may cease its reinvestigation and must provide notice to the consumer within 5 business days of such determination. The notice must contain: (1) the reasons why LIS determined that the dispute was frivolous or irrelevant and (2) what information LIS would need to investigate the disputed information. FCRA § 611(a)(3).

Treatment of Inaccurate or Unverifiable Information. If LIS determines after its investigation that the disputed information is either inaccurate or unverifiable, LIS must promptly delete or amend the disputed information, as appropriate. LIS must maintain reasonable procedures to prevent the reappearance of any deleted information. If any information that is deleted after a reinvestigation is later reinserted into the consumer's report, LIS must: (1) obtain a certification from the furnisher of the information as to the accuracy and completeness of the information and (2) within 5 business days after the reinsertion, send a notice to the consumer which includes (a) a statement that the disputed information has been reinserted, (b) the business name, address, and telephone number of any furnisher of information contacted by LIS in connection with the reinsertion and (c) a notice that the consumer has a right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information. FCRA § 611(a)(5).

Notifying the Consumer of the Results of the Reinvestigation. Within 5 business days after the completion of the reinvestigation, LIS must send the consumer the following: (1) a statement that the reinvestigation is completed, (2) a consumer report that is based upon the consumer's file as revised as a result of the reinvestigation, (3) a notice that, if requested by the consumer, LIS will provide to the consumer a description of the procedure used to determine the accuracy and completeness of the information, including the business name and address (and telephone number, if reasonably available) of any furnisher of information contacted in connection with such information, (4) a notice that the consumer has a right to add a statement to the consumer's file disputing the accuracy or completeness of the information, and (v) a notice that the consumer has the right, following the deletion of information which is found to be inaccurate or incomplete, to request LIS to furnish notification that the item has been deleted to anyone who obtained the report containing the deleted information within the past 6 months. FCRA § 611(a)(6). LIS must provide the description in item #3 above within 15 days after receiving a request from the consumer for that description. FCRA § 611(a)(7).

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Expedited Dispute Resolution. If LIS resolves a dispute by deleting the disputed item within 3 business days after receiving notice of the dispute from the consumer, LIS will not need to notify the furnishers of information or notify the consumer of the results of the reinvestigation as set forth above. Instead, LIS can: (1) provide prompt notice of the deletion to the consumer by telephone, (2) provide written notice that the consumer has the right, following the deletion of information which is found to be inaccurate or incomplete, to request LIS to furnish notification that the item has been deleted to anyone who obtained the report containing the deleted information within the past 6 months, and (3) provide within 5 business days after making the deletion written confirmation of the deletion and a copy of the consumer's report after the deletion. FCRA § 611(a)(8).

Reporting of Disputed Information. If the reinvestigation does not resolve the consumer's dispute, the consumer may file a brief statement setting forth the nature of the dispute. LIS may limit such statements to not more than 100 words if LIS provides the consumer with assistance in writing a clear summary of the dispute. If such a statement is filed, unless there are reasonable grounds to believe that it is frivolous or irrelevant, LIS must clearly note in each consumer report that includes the disputed information that such information is disputed by the consumer and provide either the consumer's statement or a clear and accurate summary thereof. FCRA § 611(b) and (c).

Notifying Prior Users of Reports of Corrections. Following any deletion of information that is inaccurate or cannot be verified or following the filing of a consumer's statement of continuing dispute after reinvestigation, and at the request of the consumer, LIS must send a notice of such deletion or statement to anyone who obtained the report (containing the deleted or disputed information) within the past 6 months. FCRA § 611(d). LIS may charge for these notifications an amount not to exceed the charge that LIS would normally impose on each designated recipient for a consumer report, provided that the charge shall be indicated to the consumer before furnishing such information and provided that the consumer is not unemployed, is not a recipient of welfare, or does not have reason to believe that the disputed information is a result of fraud. FCRA § 612(a).

V. Miscellaneous

Record Retention. Under the terms of the Reseller Agreement with Trans Union, the documentation relating to the verification of subscribers should be maintained by LIS for a period of two years after the subscriber maintains access to LIS. These records must be made available to Trans Union on request. The FCRA contains no specific provision regarding record retention. Under the FCRA, a consumer may generally bring legal action within 2 years from the date on which liability arises; however, where a defendant has materially and willfully misrepresented any information required under the FCRA, legal action may be brought any time within 2 years *after discovery* by the individual of the misrepresentation. Because a consumer may not discover a misrepresentation for years after a report has been issued, there is no clear period for how long LIS should retain its records.

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Please let me know if permanent retention of the records would be too burdensome for LIS. If so, we should discuss what practical steps LIS can take to minimize its risk with respect to record retention.

Charges. LIS may not charge for any of the disclosures required by the FCRA, except as specifically noted above. FCRA § 612(d).

Civil Liability for Violations of FCRA. For willful noncompliance with the FCRA, civil liability damages include actual damages (of not less than \$100 and not more than \$1,000), punitive damages and reasonable attorney's fees. For negligent noncompliance with the FCRA, civil liability damages include actual damages plus reasonable attorney's fees. Criminal sanctions (fines and imprisonment up to 2 years) are available against any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses. Various administrative enforcement penalties are also available to the Federal Trade Commission and state enforcement agencies. FCRA §§ 616, 617, 619, and 621.

State Law. Although Wisconsin does not have any applicable laws regulating consumer reporting agencies, please note that many other states may impose additional requirements on LIS as a consumer reporting agency. If LIS expands its business outside of Wisconsin, it would be prudent for LIS to have an attorney review the credit reporting laws of such states.

If you have any questions, please do not hesitate to call me.

Very truly yours,



Julia A. Janik

Enclosure(s)

cc: Emory Ireland

Landlord Information Service, Inc.

Subscriber Information Application PLEASE PRINT OR TYPE and COMPLETE OTHER SIDE

Company Name (if applicable): _____
Company is: Individual Partnership Corporation LLC
Year started: _____ ID# _____

Owner/Officer Name: _____

Address (street): _____

(NO P.O. Box Number)

City, State, Zip: _____

Mailing/Billing address: _____

(If different from above or P.O. Box Number)

City, State, Zip: _____

Daytime Telephone: _____

Evening Telephone: _____

Are you a member of the Apartment Association of Southeastern Wisconsin, Inc.? Yes/No (circle one)

PRIMARY BANK REFERENCE

Name: _____ Telephone: _____

Address: _____ City, State, Zip: _____

VENDOR REFERENCE (if applicable)

Name: _____ Telephone: _____

Address: _____ City, State, Zip: _____

I/We the undersigned ("Subscriber"), confirm that all information as stated herein is true and correct to the best of my knowledge. I also authorize the references listed above to verbally release additional information required by Landlord Information Service, Inc. ("LIS") to extend services to me. In addition, I accept and agree to the terms and conditions of the Service Agreement which I/we have completed and included with this application form. I/We understand that Landlord Information Service, Inc. may deny providing service until such time as this Subscriber Information Application and Service Agreement have been fully completed, executed, received and approved by Landlord Information Service, Inc.

Authorized Signature

Title

Date

Landlord Information Service, Inc. Use Only

Landlord Information Service, Inc. _____

Authorized Signature

11/96

Client Account # _____

Landlord Information Service, Inc.

Service Agreement

In order to obtain confidential credit, court, bad check, employment and residence information, the undersigned ("Subscriber") and Landlord Information Service, Inc. ("LIS") enter into the following agreement:

SUBSCRIBER WARRANTS AND REPRESENTS:

- 1) Subscriber is in the business of leasing residential real property.
- 2) Reports will be requested only about individuals who have applied to lease specific residential property (or commercial property located within a primarily residential unit) from Subscriber.
- 3) The reports will be used solely to evaluate the individual as a prospective tenant.
- 4) Subscriber is not a private detective or a detective agency.
- 5) Subscriber will not resell or disclose the information in the reports to any third party or use the information for other than a legitimate business purpose.

SUBSCRIBER AGREES:

- 1) To comply with all provisions of the Fair Credit Reporting Act and to incorporate the requirements of said Act into this Service Agreement, and comply with all applicable local and state laws.
- 2) To obtain prior written permission from any individual or entity upon whom reports are ordered.
- 3) That the reports will be used only for the following permissible purposes: to review or extend credit for real estate, rental or leasing transactions or to review for collection purposes. Employees of Subscriber are forbidden to obtain reports on themselves, associates, or any other persons except in the exercise of their official duties. If Subscriber is an attorney, Subscriber will not use the information on behalf of a client or otherwise in connection with the practice of law.
- 4) That reports will be used for no other purpose than as specified above, or as otherwise allowed by the Fair Credit Reporting Act.
- 5) To hold the information as confidential and not to disclose it to any third parties. Subscriber shall indemnify, defend and hold LIS, its directors, officers, employees and agents harmless from and against any and all costs and liabilities, including reasonable attorney's fees, which may be asserted against LIS based upon the improper use by Subscriber of information furnished to Subscriber by LIS. In no event will LIS be held liable for any incidental or consequential damages, however arising.
- 6) To pay upon receipt of statement for the services rendered (including "no record" responses) during the previous period. Subscriber agrees to pay a past due charge of 1.5% per month for any amounts outstanding more than 20 days. LIS reserves the right to require Subscribers to prepay. If collection efforts are required, Subscriber shall pay all costs of collection, including but not limited to reasonable attorney's fees.

LIS AGREES:

- 1) To use good faith in attempting to obtain information from sources deemed reliable and shall supply such information to Subscriber as it becomes available from local, state and national sources, but LIS does not guarantee the accuracy of information reported, and in no event shall LIS be held liable in any manner whatsoever for any loss or injury to Subscriber resulting from the obtaining or furnishing of such information.

IT IS MUTUALLY AGREED:

- A) This agreement shall continue in force without any fixed date of termination. LIS and Subscriber may terminate this Agreement upon written notice at least 10 days prior to the end of any given month. This Agreement sets forth the entire understanding and agreement between LIS and Subscriber, and shall not be altered, varied, or enlarged upon by any verbal promises, statements, or representations not expressed herein. The terms of items (5) under "SUBSCRIBER AGREES" and (1) under "LIS AGREES" shall survive the termination of this agreement for whatever reason, and continue for as long as any liability may accrue. This Agreement shall be interpreted in accordance with laws of the State of Wisconsin.
- B) An annual affiliate membership fee with the Apartment Association of Southeastern Wisconsin, Inc. shall be paid by any Subscriber that is not a member of the Apartment Association of Southeastern, Wisconsin, Inc.

Dated at Milwaukee, Wisconsin this ____ day of _____, 19 ____.

Subscriber please print all information below completely and legibly.

Subscriber Signature:

Subscriber Name: _____

Company Name (if applicable): _____

Street Address (NO P.O. Box No.): _____

City, State, Zip: _____

Daytime Telephone Number: _____

COMPLETE OTHER SIDE

Dear Property Owner:

It is important that you fill-in this card as quickly and accurately as possible so that other property owners won't suffer a loss from the tenant(s) whose name(s) you have submitted.

We understand that noisy tenants, pet problems, uncleanliness, etc. are truly irritants, but please limit your use of these cards to tenants which have caused you a financial loss.

- Do not enter eviction on this card.
- We will not use this card until after the tenant(s) have vacated.
- Keep accurate records of all the information that you supplied on this card.

When you need more cards, just give us a call or stop in -- they're free.

Thank You,
Landlord Information Service

TENANT CARD

Please Print!

These names should be in YOUR files:

- 1.) _____
- 2.) _____
- 3.) _____
- 4.) _____

Address where loss occurred:

Street _____
City _____
State _____ Zip _____

<u>Date</u>	<u>Reason for Report</u>
_____	Rent Owed
_____	Skip
_____	Stolen Property
_____	Bad Check
_____	Damage Beyond Normal Wear & Tear
_____	Other _____

\$ _____ TOTAL FINANCIAL LOSS

Your Name _____
Street _____
City _____
State _____ Zip _____
Phone _____ Date _____
Client _____ Yes-Client# _____
_____ No
SIGN _____
(please read reverse side)

Landlord Information Service, Inc.

1442 North Farwell Avenue, Suite 102, Milwaukee, Wisconsin 53202
(414) 276-7378 Fax (414) 276-7493



TRANS UNION

Wisconsin Division
P.O. Box 27907
Milwaukee, Wisconsin 53227-0907
Telephone: (414) 328-9820

Dear Customer:

Thank you for your interest in membership with Trans Union LLC. As you know, access to consumer credit reports is strictly regulated by the Federal Fair Credit Reporting Act. For this reason, we need specific information in order to process your request for membership. The items we require are:

- A letter on your company letterhead stating the nature of your business, your intended use for consumer reports, your anticipated monthly volume of reports, and whether you anticipate that your access will be primarily local, regional or national;
- An on-site visit to your premises by one of our representatives.
- A completed *Bank and Trade Reference Form* (enclosed) and a completed *Release Form* (enclosed); OR a copy of your Annual Report (from within the last 12 months); OR a copy of a reputable listing in which you are listed;
- A completed *Membership Application* form (enclosed);
- An executed *Texas Sales Tax* Form (enclosed); and
- A completed *Billing Information Form* (enclosed)
- A copy of your business license, articles of incorporation, or certificate of authority or good standing from the state in which you are incorporated or doing business;

Additionally, the following items are required for new business (2 years or less):

- A copy of your office lease;
- A copy of a recent bank statement;
- A copy of a recent utility bill;

We will process your application as quickly as possible, and look forward to serving you.

Sincerely,

Trans Union Marketing



TRANS UNION

Membership Application

Company Name: _____		Doing Business As: _____		
Contact Name: _____		Title: _____		
Company Main Phone #: (____) _____		Answering Service: Yes <input type="checkbox"/> No <input type="checkbox"/>		
Physical Address:				
Street	City	State	County	Zip
Billing Address (if different):				
Street/PO Box	City	State	County	Zip

Nature of Business: _____ Date Established: _____ year/month

Intended Use of Product(s): _____

- Is the company exempt from sales taxes? Yes No
 If "Yes", please provide the appropriate resale or exemption certificate(s).
- Is the applicant entitled to participate under a Federal General Services Administration (GSA) contract? Yes No
 If "Yes", please see the current SOP on Government Agencies for additional instructions.
- Is the applicant engaged in the underwriting of insurance? Yes No
- Is the company licensed or providing service as an attorney or detective/investigative agency? Yes No
 If "Yes", indicate which: _____
- Does the company intend to resell or release information from the consumer credit report to a third party? Yes No
- Does the company provide credit repair or credit consulting services for a fee? Yes No
- Will the company, or does the company have an Internet Web Site address? Yes No
 If "Yes" please list site address _____

Complete for Sole Proprietor or Partnership (circle which):

Owner Name: _____				
Residence: _____				
Street	City	State	Zip	
Social Security #:	Signature: _____			
Owner Name: _____				
Residence: _____				
Street	City	State	Zip	
Social Security #:	Signature: _____			

Complete for Corporation:

Officer Name: _____	Title: _____
Officer Name: _____	Title: _____
Officer Name: _____	Title: _____
Fed Tax I/D#: _____	

I certify that the information provided on this application is true. I understand that by signature above, Trans Union LLC may pull a personal credit report on owners of this company in connection with approval of this application.

Signature: _____ Date: _____
 Print Name: _____ Title: _____



TRANS UNION

Texas Sales Tax Form

Texas Regulation §3.343 states that Texas sales tax is due and must be collected on the charge for credit reporting services when: (a) the address of the credit applicant (the subject of the credit report) at the time of the request for a report is located in Texas, and (b) the person requesting the credit report is located in or is doing business in Texas.

Does your business:

- Maintain, occupy or use in Texas permanently, temporarily, directly, or indirectly or through a subsidiary or agent by whatever name, an office, place of distribution, sales or sample room or place, warehouse, storage place, or any other place of business? Yes No
- Have a representative, agent, salesman, canvasser, or solicitor operating in the State of Texas under the authority of the retailer or its subsidiary for the purpose of selling or delivering or the taking of orders for a taxable item? Yes No
- Derive rentals from a lease of tangible personal property situated in the State of Texas? Yes No
- Engage in regular or systematic solicitation of sales of taxable items in the State of Texas by the distribution of catalogs, periodicals, advertising flyers, or other advertising, by means of print, radio, or television media, or by mail, telegraphy, telephone, computer database, cable, optic, microwave, or other communication system for the purpose of effecting sales of taxable items? Yes No
- Solicit orders for taxable items by mail or through other media and under federal law is subject to or permitted to be made subject to the jurisdiction of the State of Texas for purposes of collecting taxes? Yes No
- Have a franchisee or licensee operating under your trade name if the franchisee or licensee is required to collect the tax? Yes No
- Otherwise do business in the State of Texas? Yes No

If you answered yes to any of the items above, does your business operate in multiple states? Yes No

If yes, please complete the following:

- Are Trans Union's products used to support a separate, identifiable segment of your business (other than general administrative or operation of the business)? Yes No
- a. If Yes, is that part of the business conducted in multiple states? Yes No
- i. If Yes, is any part of the business conducted in Texas? Yes No
- ii. If No, in what state is this part of the business conducted?

- b. If No, in what state is your principle place of business (i.e. the place from which the trade or business is directed or managed)?

If you answered Yes to the first question, part of the business is conducted in Texas and you are purchasing our products for the benefit of both within Texas and without Texas locations, please issue Trans Union an exemption certificate asserting a multistate benefit. Otherwise, tax will be collected on the entire charge for services with a billing or physical address within Texas. You will then be responsible for calculating the appropriate Texas sales tax and remitting tax directly to the State of Texas.

Company Name: _____

Print Name: _____

Signature: _____

Date: _____



TRANS UNION

Bank and Trade References Form

Company Name: _____

Date: _____

Bank Information

Bank Name: _____

Address: _____
Street City State Zip

Telephone #: _____

Business Account #: _____ Business Account #: _____

Trade Information

Please list three trade references below. Do not include any utility companies that may compete directly with Trans Union.

1. Company Name: _____ Account #: _____

Address: _____
Street City State Zip

2. Company Name: _____ Account #: _____

Address: _____
Street City State Zip

3. Company Name: _____ Account #: _____

Address: _____
Street City State Zip



TRANS UNION

Release Form

I (we) are applying for membership with Trans Union LLC. As part of the qualification process, Trans Union will need to obtain a rating on my (our) bank account and trade references. By signature below, I (we) hereby authorize this information to be released to a representative of Trans Union.

Company Name: _____

Authorized Signature

Co-Applicant Signature

Printed Name

Printed Name

Date

Date

***** FOR OFFICE USE ONLY – DO NOT WRITE IN THIS BOX*****

Bank/Trade Name: _____

Account #: _____

BANK

Date Account Opened: _____

Rating: _____

Current Balance: _____

Average Balance: _____

Verified By: _____

Date: _____

TRADE

Date Account Opened: _____

Rating: _____

Current Balance: _____ High Credit: _____

Terms: _____

Manner of Payment: _____

Current Status: _____

Verified By: _____

Date: _____

Please Return Completed Form to:

Trans Union LLC

Address: _____

Telephone: _____

Fax: _____

Attention: _____



TRANS UNION

Billing Information Form

Do you have a parent corporation? Yes No

If Yes, who would pay your Trans Union Invoice? Your Company Your Parent Company

If Yes, please provide the following information:

Parent Company Name: _____

Parent Address: _____

Contact Name: _____ Phone Number: _____

Please provide the following contact information for your company's Accounts Payable Department:

Contact Name: _____ Title: _____

Phone Number: _____ Fax Number: _____

If you have **10 or more** locations, would you like a recap report generated each month that shows the name, city, state, current activity, net other items, and total amount due for each of your subscriber numbers?

Yes No

If "Yes" what is the address and attention name that you would like the recap and invoices sent to?

Contact Name: _____

Address: _____

If you have multiple locations, do you pay each office's bills separately or by one check?

Separate checks per location One check



Notice to Furnishers of Information: Obligations of Furnishers Under the FCRA

The federal Fair Credit Reporting Act (FCRA), as amended, imposes responsibilities on all persons who furnish information to consumer reporting agencies (CRAs). These responsibilities are found in Section 623 of the FCRA. State law may impose additional requirements. All furnishers of information to CRAs should become familiar with the law and may want to consult with their counsel to ensure that they are in compliance. The FCRA, 15 U.S.C §§1681-1681u, is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>). Section 623 imposes the following duties:

General Prohibition on Reporting Inaccurate Information:

The FCRA prohibits information furnishers from providing information to a consumer reporting agency (CRA) that they know (or consciously avoid knowing) 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. *Section 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 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)*



TRANS UNION

Notice to Trans Union Subscribers on Data Reporting and Inquiry Input Guidelines

Trans Union is committed to maintaining a database of the highest quality in the industry, with accurate and reliable data. To meet this goal, we encourage all Trans Union subscribers to obtain full identifying information from your applicants and customers and, whenever possible, provide full identifying information when requesting consumer reports from Trans Union and when reporting your data to Trans Union. By "full identifying information", we mean:

- ✓ Complete first and last name
- ✓ Middle initial
- ✓ Any generational designator (such as Jr., Sr., or III)
- ✓ Complete date of birth
- ✓ Social security number
- ✓ Complete address (including zip code)
- ✓ Phone number

By providing us with full identifying information when requesting consumer reports from Trans Union, locating the consumer on the database is faster and much more accurate. By providing us with full identifying information when reporting your data to Trans Union, you help us improve the quality and accuracy of the credit files that we maintain on your customers.

We appreciate your cooperation in helping us deliver the highest possible quality products and services to you, our customers. If you have any questions about this notice, please contact your local bureau representative.



TRANS UNION

Notice to Users of Consumer Reports: Obligations of Users Under the FCRA

The federal Fair Credit Reporting Act (FCRA) requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. This first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. The FCRA, 15 U.S.C §§1681-1681u, is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>).

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 of the FCRA contains a list of the permissible purposes under the law. These are:

- As ordered by a court or federal grand jury subpoena. *Section 604 (a) (1)*
- As instructed by the consumer in writing. *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. *Section 604 (a) (3) (A)*
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. *Section 604 (a) (3) (B) and 604 (b)*
- For the underwriting of insurance as a result of an application from a consumer. *Section 604 (a) (3) (C)*
- When there is legitimate business need, in connection with a business transaction that is initiated by the consumer. *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. *Section 604 (a) (3) (F) (ii)*
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. *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. *Section 604 (a) (3) (E)*
- For use by state or local officials in connection with the determination of child support payments, or modifications and enforcement thereof. *Sections 604 (a) (4) and 604 (a) (5)*

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

B. **Users Must Provide Certifications**

Section 604 (f) of the FCRA prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA (by a general or specific certification, as appropriate) 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 of the FCRA. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact – such as unfavorably changing credit or contract terms or conditions, denying or canceling credit or insurance, offering credit on less favorable terms than requested, or denying employment or promotion.

1. **Adverse Actions Based on Information Obtained From a CRA**

If a user takes any type of adverse action that is based at least in part on information contained in a consumer report, the user is required by Section 615 (a) of the FCRA 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 requests the report within 60 days.
- 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 house-hold 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) of the FCRA requires that the user clearly and accurately disclose to the consumer his or her right to obtain disclosure of the nature of the information that was relied upon by making 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 notification 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. (Information that is obtained directly from an affiliated entity relating solely to its transactions or experiences with the consumer, and information from a consumer report obtained from an affiliate are not covered by Section 615 (b) (2).)

II. Obligations Of Users When Consumer Reports Are Obtained For Employment Purposes

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604 (b) of the FCRA. The 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 prior written authorization from the consumer.
- 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, provide a copy of the report to the consumer as well as the summary of the consumer's rights. (The user should receive this summary from the CRA, because Section 604 (b) (1) (B) of the FCRA requires CRAs to provide a copy of the summary with each consumer report obtained for employment purposes.)

III. Obligations Of Users Of Investigative Consumer Reports

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. 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 of the FCRA requires the following:

- The 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 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 must include the summary of consumer rights required by Section 609 of the FCRA. (The user should be able to obtain a copy of the notice of consumer rights from the CRA that provided the consumer report).
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure below.
- Upon 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 that was requested. 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 the later time.

IV. Obligations Of Users Of Consumer Reports Containing Medical Information

Section 604 (g) of the FCRA prohibits consumer reporting agencies from providing consumer reports that contain medical information for employment purposes, or in connection with credit or insurance transactions, without the specific prior consent of the consumer who is the subject of the report. In the case of medical information being sought for employment purposes, the consumer must explicitly consent to the release of the medical information in addition to authorizing the obtaining of a consumer report generally.

V. 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. *Section 603 (l), 604 (c), 604 (e), and 615 (d)* This practice is known as "prescreening" and typically involves obtaining a list of consumers from a CRA who meet certain preestablished 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 bearing 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. This statement must include the address and the toll-free telephone number of the appropriate notification system.

VI. Obligations of Resellers

Section 607 (e) of the FCRA 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 purposes for which reports will be used; and (3) certifications 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.

VII. Liability For Violations Of The FCRA

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

ON-LINE SERVICE AGREEMENT

In order to obtain CONFIDENTIAL credit information, the undersigned (hereinafter referred to as "Subscriber") requests Trans Union LLC (hereinafter referred to as "Trans Union") for the use of its services, under terms and conditions outlined below, and in consideration of the mutual benefits, Subscriber and Trans Union enter into the following Agreement.

A. THE SUBSCRIBER AGREES:

1. To comply with all applicable federal, state and local laws, including the Fair Credit Reporting Act, as amended by the Consumer Credit Reporting Reform Act of 1996, 15 USC 1681 ("FCRA").
2. That the nature of its business is _____
_____.
3. To request information only for the Subscriber's exclusive use, and the Subscriber certifies that inquiries will be made only for the following purposes that are checked and no other purpose:
 - In connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of the consumer; or
 - In connection with the underwriting of insurance involving the consumer; or
 - In connection with a business transaction initiated by the consumer, and the Subscriber agrees to identify to TRANS UNION each request for this purpose at the time such report is ordered, and to specify the business purpose for such report.

Reports on employees will be requested only by the Subscriber's designated representatives. Employees will be forbidden to attempt to obtain reports on themselves, associates, or any other person except in the exercise of their official duties.

(THE FCRA PROVIDES THAT ANY PERSON WHO KNOWINGLY AND WILLFULLY OBTAINS INFORMATION ON A CONSUMER FROM A CONSUMER REPORTING AGENCY UNDER FALSE PRETENSES SHALL BE FINED UNDER TITLE 18, OR IMPRISONED NOT MORE THAN TWO YEARS, OR BOTH.)

4. To hold in strict confidence the consumer report received by Subscriber and not to distribute a copy to any other party, except as required by any law or other

lawful order. However, this restriction shall not prohibit Subscriber from discussing with the subject of the report, who is the subject of an adverse action, the content of the report as it relates to the reasons for the adverse action.

5. To pay TRANS UNION upon receipt of the statement for the services rendered during the previous 30-day period, and the initial/annual/monthly membership fee(s) and the minimum monthly billing amount according to the current rate schedule in effect. All payments shall be due ten days after receipt of the invoice. Past due amounts shall accrue interest at the rate of 1.5% per month. If collection efforts are required, Subscriber shall pay all costs of collection including reasonable attorneys' fees.
6. If Subscriber is a retailer who uses consumer reports in connection with in-person credit applications, subject to the California Consumer Credit Reporting Agencies Act, as amended by California AB 156 effective July 1, 1998, then:
 - A. Subscriber agrees to instruct its employees responsible for receiving in-person credit applications from California consumers, including point of sale applications, to inspect the applicant's photo identification prior to requesting a consumer report.
 - B. Subscriber will identify to Trans Union, either by subscriber code or by flag on the affected inquiry, when it requests a report for an in-person credit application.

B. TRANS UNION AGREES

1. To maintain credit information on individuals as furnished by its subscribers or obtained from other available sources.
2. To provide the Subscriber a credit reporting service on individuals. TRANS UNION reserves the right to change the schedule of services and charges from time to time, but no change in such schedule shall become effective as to the Subscriber earlier than 30 days after written notice thereof shall have been given by TRANS UNION to the Subscriber.
3. To make available other credit services as may be deemed by TRANS UNION to be beneficial to the Subscriber and which are complementary to the normal TRANS UNION function.

C. IT IS MUTUALLY AGREED:

1. TRANS UNION SHALL USE GOOD FAITH IN ATTEMPTING TO OBTAIN CREDIT INFORMATION FROM SOURCES DEEMED RELIABLE, BUT DOES NOT GUARANTEE THE ACCURACY OF INFORMATION REPORTED, AND IN NO EVENT SHALL TRANS UNION BE HELD LIABLE IN ANY MANNER WHATSOEVER FOR ANY LOSS OR INJURY TO SUBSCRIBER RESULTING FROM THE OBTAINING OR FURNISHING OF SUCH INFORMATION; and further that Subscriber agrees to hold TRANS UNION harmless and indemnify it from any and all claims, losses, and damages arising out of alleged liability or failure of the Subscriber to keep and perform any of its obligations described herein.
2. There shall be no refunds or rebates of the annual Subscriber fee under this Agreement. All Subscriber fees are compensation for supplying service and carrying the account.
3. This Agreement shall remain in force and effect for one year from the date hereof, and thereafter, from year to year, on the same basis as set forth herein except that either party may cancel this Agreement or any ancillary service provided hereunder, at any time upon written notice at least 10 days prior to the end of the current monthly payment period.
4. It is further agreed, however, that with just cause, such as delinquency or violation of the terms of this contract or a legal requirement, TRANS UNION may, upon its election, discontinue serving the Subscriber and cancel this Agreement immediately.
5. The parties hereto agree that this instrument is the full and complete Agreement between them regarding the furnishing of credit information, and is not to be altered, varied or enlarged upon by any verbal promises, statements, or representations not expressed herein. This Agreement shall not be binding on either party until accepted by TRANS UNION.

D. HAWK:

1. Trans Union has established a database of information provided by its subscribers, other third parties, and independently assembled, that consists of address, telephone number, Social Security Number and other data as may from time to time be added, used or potentially useable in unsatisfactory credit experiences (hereinafter called "Hawk"). Trans Union agrees to make Hawk available to Subscriber under the terms and conditions set forth herein.

2. If Subscriber elects at any time during the term of this Agreement to use Hawk, it may receive Hawk by notifying Trans Union. Subscriber agrees all matches to the Hawk database will be reverified and no applications for credit will be denied solely based on Hawk. Trans Union does not guarantee the accuracy or reliability of Hawk, and a match, or lack of a match, is not intended, in itself, to guarantee reliability. Accordingly, Subscriber agrees to use such information at its own risk. In no event shall Trans Union be held liable in any manner whatsoever for any loss or injury to Subscriber resulting from the obtaining or furnishing of such information; and further Subscriber agrees to hold Trans Union harmless and indemnify it from any and all claims, losses, and damages arising out of alleged liability or failure of the Subscriber to keep and perform any of its obligations described herein.

TRANS UNION LLC

Firm Name of Subscriber

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Address:

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Code Number Assigned: _____

ON-LINE SERVICE AGREEMENT

In order to obtain CONFIDENTIAL credit information, the undersigned (hereinafter referred to as "Subscriber") requests Trans Union LLC (hereinafter referred to as "Trans Union") for the use of its services, under terms and conditions outlined below, and in consideration of the mutual benefits, Subscriber and Trans Union enter into the following Agreement.

A. THE SUBSCRIBER AGREES:

1. To comply with all applicable federal, state and local laws, including the Fair Credit Reporting Act, as amended by the Consumer Credit Reporting Reform Act of 1996, 15 USC 1681 ("FCRA").
2. That the nature of its business is _____
_____.
3. To request information only for the Subscriber's exclusive use, and the Subscriber certifies that inquiries will be made only for the following purposes that are checked and no other purpose:
 - In connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of the consumer; or
 - In connection with the underwriting of insurance involving the consumer; or
 - In connection with a business transaction initiated by the consumer, and the Subscriber agrees to identify to TRANS UNION each request for this purpose at the time such report is ordered, and to specify the business purpose for such report.

Reports on employees will be requested only by the Subscriber's designated representatives. Employees will be forbidden to attempt to obtain reports on themselves, associates, or any other person except in the exercise of their official duties.

(THE FCRA PROVIDES THAT ANY PERSON WHO KNOWINGLY AND WILLFULLY OBTAINS INFORMATION ON A CONSUMER FROM A CONSUMER REPORTING AGENCY UNDER FALSE PRETENSES SHALL BE FINED UNDER TITLE 18, OR IMPRISONED NOT MORE THAN TWO YEARS, OR BOTH.)

4. To hold in strict confidence the consumer report received by Subscriber and not to distribute a copy to any other party, except as required by any law or other

lawful order. However, this restriction shall not prohibit Subscriber from discussing with the subject of the report, who is the subject of an adverse action, the content of the report as it relates to the reasons for the adverse action.

5. To pay TRANS UNION upon receipt of the statement for the services rendered during the previous 30-day period, and the initial/annual/monthly membership fee(s) and the minimum monthly billing amount according to the current rate schedule in effect. All payments shall be due ten days after receipt of the invoice. Past due amounts shall accrue interest at the rate of 1.5% per month. If collection efforts are required, Subscriber shall pay all costs of collection including reasonable attorneys' fees.
6. If Subscriber is a retailer who uses consumer reports in connection with in-person credit applications, subject to the California Consumer Credit Reporting Agencies Act, as amended by California AB 156 effective July 1, 1998, then:
 - A. Subscriber agrees to instruct its employees responsible for receiving in-person credit applications from California consumers, including point of sale applications, to inspect the applicant's photo identification prior to requesting a consumer report.
 - B. Subscriber will identify to Trans Union, either by subscriber code or by flag on the affected inquiry, when it requests a report for an in-person credit application.

B. TRANS UNION AGREES

1. To maintain credit information on individuals as furnished by its subscribers or obtained from other available sources.
2. To provide the Subscriber a credit reporting service on individuals. TRANS UNION reserves the right to change the schedule of services and charges from time to time, but no change in such schedule shall become effective as to the Subscriber earlier than 30 days after written notice thereof shall have been given by TRANS UNION to the Subscriber.
3. To make available other credit services as may be deemed by TRANS UNION to be beneficial to the Subscriber and which are complementary to the normal TRANS UNION function.

C. IT IS MUTUALLY AGREED:

1. TRANS UNION SHALL USE GOOD FAITH IN ATTEMPTING TO OBTAIN CREDIT INFORMATION FROM SOURCES DEEMED RELIABLE, BUT DOES NOT GUARANTEE THE ACCURACY OF INFORMATION REPORTED, AND IN NO EVENT SHALL TRANS UNION BE HELD LIABLE IN ANY MANNER WHATSOEVER FOR ANY LOSS OR INJURY TO SUBSCRIBER RESULTING FROM THE OBTAINING OR FURNISHING OF SUCH INFORMATION; and further that Subscriber agrees to hold TRANS UNION harmless and indemnify it from any and all claims, losses, and damages arising out of alleged liability or failure of the Subscriber to keep and perform any of its obligations described herein.
2. There shall be no refunds or rebates of the annual Subscriber fee under this Agreement. All Subscriber fees are compensation for supplying service and carrying the account.
3. This Agreement shall remain in force and effect for one year from the date hereof, and thereafter, from year to year, on the same basis as set forth herein except that either party may cancel this Agreement or any ancillary service provided hereunder, at any time upon written notice at least 10 days prior to the end of the current monthly payment period.
4. It is further agreed, however, that with just cause, such as delinquency or violation of the terms of this contract or a legal requirement, TRANS UNION may, upon its election, discontinue serving the Subscriber and cancel this Agreement immediately.
5. The parties hereto agree that this instrument is the full and complete Agreement between them regarding the furnishing of credit information, and is not to be altered, varied or enlarged upon by any verbal promises, statements, or representations not expressed herein. This Agreement shall not be binding on either party until accepted by TRANS UNION.

D. HAWK:

1. Trans Union has established a database of information provided by its subscribers, other third parties, and independently assembled, that consists of address, telephone number, Social Security Number and other data as may from time to time be added, used or potentially useable in unsatisfactory credit experiences (hereinafter called "Hawk"). Trans Union agrees to make Hawk available to Subscriber under the terms and conditions set forth herein.

2. If Subscriber elects at any time during the term of this Agreement to use Hawk, it may receive Hawk by notifying Trans Union. Subscriber agrees all matches to the Hawk database will be reverified and no applications for credit will be denied solely based on Hawk. Trans Union does not guarantee the accuracy or reliability of Hawk, and a match, or lack of a match, is not intended, in itself, to guarantee reliability. Accordingly, Subscriber agrees to use such information at its own risk. In no event shall Trans Union be held liable in any manner whatsoever for any loss or injury to Subscriber resulting from the obtaining or furnishing of such information; and further Subscriber agrees to hold Trans Union harmless and indemnify it from any and all claims, losses, and damages arising out of alleged liability or failure of the Subscriber to keep and perform any of its obligations described herein.

TRANS UNION LLC

Firm Name of Subscriber

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Address:

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Code Number Assigned: _____

AGREEMENT FOR ATLAS

Trans Union LLC (hereinafter referred to as "Trans Union") and the undersigned Subscriber hereby make the following Agreement.

1. Trans Union has access to a data base of individual address and telephone number information (ATLAS), and Subscriber desires to have access to such information.
2. Subscriber may access such information and obtain the reports listed in Exhibit 1 attached hereto pursuant to the terms and conditions hereof. If additional data or reports become available, access thereto shall be subject to the terms and conditions of this Agreement.
3. Subscriber shall pay to Trans Union the fees and prices for ATLAS stated in Exhibit 1. Such fees and prices may be changed by Trans Union at any time upon a prior thirty (30) day notice. Additional reports may be made available at prices to be established by Trans Union.
4. Trans Union shall use its best efforts to perform its obligations hereunder, but makes no guarantees as to timeliness of performance of the accuracy or reliability of the information provided, and shall in no event be liable to Subscriber for any direct or indirect losses, costs, expenses or claims based on Subscriber use of ATLAS or its obligations under this Agreement.
5. Subscriber shall be responsible for compliance with all laws and regulations to which it is subject, and agrees to indemnify and hold Trans Union harmless from any claims, costs, losses or liabilities based on its use of ATLAS.
6. This Agreement states the entire understanding of the parties as to the subject matter hereof, supersedes all prior correspondence, documentation or representations, and may not be amended except by written agreement signed by both. However, this Agreement does not supersede any other Agreement that may be in effect between the parties relating to credit reporting.
7. This Agreement shall be in effect for one year from the date hereof, and thereafter shall be automatically renewed, except that either party may terminate this Agreement at any time upon a prior thirty (30) day notice to the other, or immediately in the event of nonpayment, or violation of any law, or misuse of data.

8. Neither party may assign its rights or obligations hereunder except with the prior written consent of the other party.

In witness whereof, the parties have executed this Agreement as of the date first written above.

Trans Union LLC

X Subscriber Name: _____

By: _____ X By: _____

Print Name: _____ X Print Name: _____

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Agreement for TRACE, ReTRACE And IDSearch

The undersigned Subscriber, and Trans Union LLC (Trans Union) hereby make the following agreement:

1. Subscriber may obtain from Trans Union any or all of the following:
 - a) Name and address information upon entering a social security number into the Trans Union system (herein called **TRACE**);
 - b) Social security information upon entering a name and address (herein called **ReTRACE**); and
 - c) Name, address and social security number upon entering name, address and social security number or name and social security number (**IDSearch**).
2. The foregoing are referred to herein collectively as "**The Products**". No credit information shall be supplied in response to such an inquiry for any of the products.
3. Additionally, Trans Union has established a database of information provided by its subscribers, other third parties, and independently assembled, that consists of address, telephone number, Social Security Number and other data as may from time to time be added, used or potentially useable in unsatisfactory credit experiences (hereinafter called "**Hawk**"). Trans Union agrees to make **Hawk** available to Subscriber with any of **The Products** upon request under the terms and conditions set forth herein, unless Subscriber elects at any time during the term of this Agreement to not receive **Hawk**. Subscriber agrees all matches to the **Hawk** database will be reverified. Trans Union does not guarantee the accuracy or reliability of **Hawk**, and a match, or lack of a match, is not intended, in itself, to guarantee reliability. Accordingly, Subscriber agrees to use such information at its own risk.
4. The nature of Subscriber's business is: _____.
5. In accordance with the principles of the Individual Reference Services Group ("IRSG"), Subscriber intends to use one or more of **The Products** for the appropriate purpose(s) checked below, and for no other purpose:
 - Verification of customer identification
 - Locating customers/debtors/beneficiaries/policy holders/association members
 - Locating consumer for medical purposes
 - Investigating or preventing actual or potential fraud, fraudulent applications, or fraudulent claims
 - Locating witnesses/suspects/missing persons
 - Other appropriate purpose: _____.
6. Subscriber agrees that it shall use **The Products** only for its exclusive use, and to hold the information in strict confidence and not to disclose it to any third parties. **The Products** will be requested only by the Subscriber's designated and authorized representatives. Employees will be forbidden to attempt to obtain any of **The Products** on themselves, associates, or any other person except in the exercise of their official duties.
7. Subscriber shall pay a fee for each inquiry for any of **The Products**, according to the then current published fee schedule. Additionally, Subscriber agrees to pay to Trans Union any applicable membership fee or monthly minimum according to the published fee schedule.
8. Subscriber agrees to pay Trans Union upon receipt of the statement for the services rendered during the previous thirty (30) day period according to the current rate schedules in effect.

9. Trans Union agrees to maintain information on individuals as furnished by its subscribers or obtained from other available sources.
10. Trans Union reserves the right to change the charges from time to time, but no change in such charges shall become effective as to the Subscriber earlier than thirty (30) days after written notice thereof shall have been given by Trans Union to the Subscriber.
11. Trans Union shall use good faith in attempting to obtain information from sources deemed reliable, but does not guarantee the accuracy of information reported, and in no event shall Trans Union be held liable in any manner whatsoever for any loss or injury to Subscriber resulting from the obtaining or furnishing of such information; and further Subscriber agrees to hold Trans Union harmless and indemnify it from any and all claims, losses, and damages arising out of alleged liability or failure of the Subscriber to keep and perform any of its obligations described herein.
12. There shall be no refunds or rebates of any annual Subscriber fee under this Agreement. All subscriber fees are compensation for supplying service and carrying the account.
13. This Agreement shall remain in force and effect for one year from date hereof, and thereafter, from year to year, on the same basis as set forth herein except that either party may cancel this Agreement at any time upon notice at least ten (10) days prior to the end of the current monthly payment period.
14. It is further agreed, however, that with just cause, such as delinquency or violation of the terms of this Agreement or a legal requirement, Trans Union may, upon its election, discontinue serving the Subscriber and cancel this Agreement immediately.
15. The parties hereto agree that this instrument is the full and complete Agreement between them regarding the furnishing of **The Products**, and is not to be altered, varied, or enlarged upon by any verbal promises, statements, or representations not expressed herein. This Agreement shall be not binding on either party until accepted by Trans Union.

Trans Union LLC

Subscriber: _____

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Address: _____

Date: _____

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TRANSRISK NEW ACCOUNT ON-LINE AGREEMENT

This Agreement is made by and between Trans Union LLC, (hereinafter referred to as "Trans Union"), _____ (hereinafter referred to as "Subscriber").

1. Trans Union is in the business of providing consumer credit information to subscribers who are members, and who have a permissible purpose for receiving such information.
2. Subscriber is a credit grantor who purchases consumer credit reports from Trans Union in connection with consumer credit applications.
3. Trans Union has developed a unique and proprietary statistical credit scoring model from its data base of credit information, which evaluates certain factors in consumer credit reports that serve as a predictor of future credit performance (TransRisk New Account).
4. Subscriber hereby requests that Trans Union process credit reports it purchases against TransRisk New Account and to provide a TransRisk New Account score. Trans Union agrees to perform such processing.
5. TransRisk New Account consists of a comparative statistical analysis, which in the sample based on which it was developed, was statistically predictive of the credit payment performance of the credit files analyzed, at the 0.05 level of significance as measured by the appropriate Kolmogorov-Smirnov Model when applied to two sample groups.
6. Trans Union believes that TransRisk New Account as developed is empirically derived, and demonstrably and statistically sound as defined in Regulation B (Reg. B) promulgated by the United States Federal Reserve Board pursuant to the Equal Credit Opportunity Act. Certain scores achieved on credit reports have a corresponding probability of credit payment performance based on the sample tested. Such scores are opinions only based on TransRisk New Account and the sample scored, and are not intended to convey factual information. The score appears on the credit report for convenience only but is not part of the credit report and is qualitatively different than the other information on the report, which is factual. In addition to the score, Trans Union will provide up to four factors on the credit report that most significantly influenced the score.
7. Trans Union guarantees that the score derived from TransRisk New Account applied to a particular credit report is processed in the same manner as the sample originally tested, and that the sample provides the statistical probabilities stated in Paragraph 5 above, but Trans Union does not guarantee the predictive value of the score as to any particular individual, and does not intend to characterize any individual as to credit capability.
8. Subscriber recognizes that factors other than TransRisk New Account must be considered in making a credit decision, including the credit report, the individual credit application, and economic factors. The factors that are provided by Trans Union as significantly contributing to the score may be disclosed to consumers as the reasons for taking adverse action, as required by Reg. B. However, the score itself is proprietary, may not be used as the reason for adverse action under Reg. B., and, accordingly, shall not be disclosed to credit applicants.

9. Subscriber agrees to pay to Trans Union the annual subscriber fees for the use of TransRisk New Account, stated in Exhibit A, at the time stated therein. In addition, Subscriber agrees to pay the added surcharge stated in Exhibit A for each credit report purchased that uses TransRisk New Account. All fees stated in Exhibit A are due in the same manner and subject to the same terms and conditions as the fees in the Subscriber Agreement in effect between the parties. All fees may be modified by Trans Union at any time upon a prior thirty (30) day notice.

10. Trans Union shall use its best efforts to perform its obligations hereunder, but makes no guarantees other than as described in Paragraph 7, and shall not be liable for any loss, costs or expense of Subscriber resulting from the use of TransRisk New Account.

11. Each party hereto shall be responsible for compliance with all laws and regulations to which it is subject.

12. This Agreement states the entire understanding of the parties as to the subject matter hereof, supersedes all prior correspondence, documentation or representations, and may not be amended except by written agreement signed by both. However, this Agreement does not supersede any other Agreement in effect between the parties relating to credit reporting.

13. This Agreement shall be in effect for one year from the date hereof, and thereafter shall be automatically renewed, except that either party may terminate this Agreement at any time upon a prior thirty (30) day notice to the other.

14. Neither party may assign its rights or obligations hereunder except with the prior written consent of the other party.

15. Nothing contained in this Agreement is intended to create a joint venture or partnership between the parties. Each party shall be fully independent in its business operations.

In witness whereof, the parties have executed this Agreement as of the date first written below.

Trans Union LLC

By: _____

Print Name: _____

Date: _____

Subscriber: _____

By: _____

Print Name: _____

Date: _____