

Billing Code: 6750-01

**FEDERAL TRADE COMMISSION**  
**CHARGES FOR CERTAIN DISCLOSURES**

**AGENCY:** Federal Trade Commission.

**ACTION:** Notice Regarding Charges for Certain Disclosures.

**SUMMARY:** The Federal Trade Commission announces that the current \$9.00 ceiling on allowable charges under Section 612(f) of the Fair Credit Reporting Act (“FCRA”) will remain unchanged for 2003. Under 1996 amendments to the FCRA, the Federal Trade Commission is required to increase the \$8.00 amount referred to in paragraph (1)(A)(i) of Section 612(f) on January 1 of each year, based proportionally on changes in the Consumer Price Index (“CPI”), with fractional changes rounded to the nearest fifty cents. The CPI increased 14.89 percent between September 1997, the date the FCRA amendments took effect, and September 2003. This increase in the CPI and the requirement that any increase be rounded to the nearest fifty cents results in no change in the current maximum allowable charge of \$9.00.

**EFFECTIVE DATE:** January 1, 2004.

**ADDRESSES:** Federal Trade Commission, Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Keith B. Anderson, Bureau of Economics, Federal Trade Commission, Washington, DC 20580, 202-326-3428.

## **SUPPLEMENTARY INFORMATION:**

Section 612(f)(1)(A) of the Fair Credit Reporting Act, which became effective in 1997, provides that a consumer reporting agency may charge a consumer a reasonable amount for making a disclosure to the consumer pursuant to Section 609 of the Act, in those cases where the FCRA does not require the disclosure to be made without charge.<sup>1</sup> The law states that, where a consumer reporting agency is permitted to impose a reasonable charge on a consumer for making a disclosure to the consumer pursuant to Section 609, the charge shall not exceed \$8 and shall be indicated to the consumer before making the disclosure. Section 612(f)(2) goes on to state that the Federal Trade Commission (“the Commission”) shall increase the \$8.00 maximum amount on January 1 of each year, based proportionally on changes in the Consumer Price Index, with fractional changes rounded to the nearest fifty cents.

The Commission considers the \$8 amount referred to in paragraph (1)(A)(i) of Section 612(f) to be the baseline for the effective ceiling on reasonable charges dating from the effective date of the amended FCRA, i.e., September 30, 1997. Each year the Commission calculates the proportional increase in the Consumer Price Index (using the most general CPI, which is for all urban consumers, all items) from September 1997 to September of the current year. The Commission then determines what modification, if any, from the original base of \$8 should be

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<sup>1</sup> This provision, originally Section 612(a), was added to the FCRA in September 1996 and became effective in September 1997. It was relabeled Section 612(f) by Section 211(a) of the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”), Public Law 108-159, which was signed into law on December 4, 2003. Because Section 211(a) of the FACT Act provides for free annual disclosures, assessment of this charge will be less frequent, but will still apply to a consumer who has already received a free annual disclosure and doesn’t otherwise qualify for an additional free disclosure. The charge will also be permitted until the free annual disclosure requirement becomes effective.

made effective on January 1 of the subsequent year, given the requirement that fractional changes be rounded to the nearest fifty cents.

Between September 1997 and September 2003, the Consumer Price Index for all urban consumers and all items increased by 14.89 percent – from an index value of 161.2 in September 1997 to a value of 185.2 in September 2003. An increase of 14.89 percent in the \$8.00 base figure would lead to a new figure of \$9.19. However, because the statute directs that the resulting figure be rounded to the nearest \$0.50, the allowable charge should be \$9.00.

The Commission therefore determines that the allowable charge for the year 2004 will remain unchanged at \$9.00.

By direction of the Commission.

Donald S. Clark,

Secretary