

Appendix B - The Fair and Accurate Credit Transactions Act (FACTA) Notification

The Fair and Accurate Credit Transactions Act of 2003. Also known as the FACT Act, was signed into law on December 4, 2003. In general, the Act amends the Fair Credit Reporting Act ("FCRA"). The Act contains a number of provisions intended to combat consumer fraud and related crimes, including identity theft, and to assist its victims. Specifically the act requires the destruction of PAPERS CONTAINING CONSUMER INFORMATION.

The FACTA (Fair and Accurate Credit Transaction Act) Disposal Rule applies to every U.S. business or employer that uses consumer information, from Fortune 500 corporations to the mom-and-pop property management company. It's clearly a major step forward in the fight to give consumers greater control over their personal information and how it is used — or abused.

FACTA represents a big change in the way many small and medium-sized companies do business. Some of them may be in for a serious shock.

FACTA could be the MOST financially damaging act to businesses signed into law in recent years. With Identity Theft reaching epidemic proportions, the new FACTA law has taken aim at “any person who maintains or otherwise possesses consumer (Applicant) or employee information for business purpose.”

The Facts on FACTA (Disposal Rule)

- 1) Designed to reduce the risk of consumer fraud and identity theft applies to every business in the US.
- 2) Requires businesses to destroy ALL personal information on consumers (customers, applicants, employees, clients etc.) before discarding it. Access to this personal information is strictly limited by other Federal Laws (HIPPA, Gramm, Leach, Blilley etc.)
- 3) States that every person and/or business MUST protect against unauthorized access to or use of the information in connection with its disposal.
- 4) Allows for Civil liability should an employees identity be stolen due to an employers failure to act.
- 5) Consumers (Applicants) may be entitled to recover actual damages sustained as a result of a FACTA violation. (Financial losses and work hours lost).
- 6) Courts are authorized to award punitive damages and attorney’s fees, in an individual or a class action suit.
- 7) State and Federal fines may be imposed on the business or employer per breach of personal information. Those fines are up to but not to exceed \$1,000 and \$2,500 respectively.

We understand our requirements under the FACTA Act.

By: _____ Date: _____