

From: Beverley Rutherford <beverley.rutherford@vacu.org> on 07/16/2004 09:31:36 AM

Subject: Prescreened Solicitations

We appreciate the opportunity to respond to your request for information on prescreened solicitations or firm offers of credit or insurance. I am responding on behalf of a state chartered credit union in Virginia with over 150,000 members.

We offer the following comments related to prescreened solicitations:

* As mentioned in your request for comment, consumers may now direct consumer reporting agencies (CRAs) to exclude their name and address from lists provided by CRAs to creditors/insurers for solicitation purposes. In addition, we voluntarily allow members to contact us if they do not wish to receive any prescreened offers. We honor that request until notified otherwise. Because of this, we feel there are adequate measures in place to prevent unwanted solicitations. Further, we have found that out of over 150,000 members, less than 100 have actually contacted us and asked to be eliminated from prescreened offers and other solicitations. Our members have enjoyed the convenience of prescreened solicitations and we typically have a high response rate to our offers.

* Consumers can benefit from these prescreened solicitations in a couple of ways. By receiving offers, the consumer may make an informed decision about which offer of credit is best for them in terms of rate and features of the credit. Also, being prescreened allows the consumer to receive their credit proceeds in a more expedient manner as the credit documentation process is more streamlined.

* With respect to whether prescreened solicitations contribute to identity theft or fraud, we have found that our members have not been able to pinpoint from where the identify theft or fraud originated and believe this is true for many consumers who are victims. After further discussion with the member in these cases, we found the member's information may have been compromised in any number of ways, such as placing personal information on their computer and not having a firewall in place, to providing personal information over the phone without first verifying the caller.

I trust that these comments will be of benefit to you in this study. If you need further information, please feel free to contact me.

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