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RE: Recap of Experian's position on Bankruptcy SSN truncation

Dear Mark,

Thank you for your time and consideration during our meeting on September 26th. As we discussed, Experian is one of the three major credit reporting agencies. As such, we gather and store consumer credit and public record information. We pride ourselves in our ability to accurately reflect an individual's credit history and take every effort to ensure that the information we provide is accurate, current and complete.

Experian has developed a complex 'search and match' system to ensure that we can properly identify a consumer. This system is called 'Find Consumer' and is used both for accessing a consumer's record when requested by a creditor and when updating information on the consumer's file. 'Find Consumer' locates the consumer's record in our database and a credit report can be returned in 1.8 seconds. 'Find Consumer' relies on identification information provided on the input data to properly locate the consumer's record. Name, address and SSN are used to search our database to identify all possible candidate consumers. After all matches are found, a complex and extensive series of edits are performed using various matrixes and any additional identification information supplied on input to eliminate all questionable matches. If Experian's 'Find Consumer' process cannot, to our stringent degree of certainty, assure that the exact consumer is identified, it will not update the database nor return a credit report to a client.

In September we performed a test using 9,906 bankruptcy records. We ran these updates through 'Find Consumer' with and without the SSN

With an SSN, name and full or partial address (some court records were missing city, state or zip information) we were able to accurately match **99.82%** of the records.

Without SSN, **25.71% failed** 'Find Consumer' match. 6.11% were due to an incomplete address/no SSN and an additional 19.60% failed due to the lack of an SSN.

We also did an analysis using the last four digits of the SSN in identifying the correct consumer. Searching our database on only the last 4 digits identifies too many possible false-positive candidate consumers to be evaluated. Therefore we must omit this search option and consequently miss any consumer matches that the 9 digit SSN would provide. Using the 4 digit SSN in our match evaluation was also analyzed. An example of our analysis :

Public Record data – BK 7 for Juan R Gonzales, 100 Chapman Ave, Orange CA SS XXX-XX-4587

On file data Juan **B** Gonzales, 100 Chapman Ave, Orange, CA SS XXX-XX-4587
 Juan R Gonzales, 100 Chapman Ave **Apt 22**, Orange CA SS XXX-XX-4589
 Juan Gonzales, 201 Chapman Ave, Orange, CA SS XXX-XX-4587
 Juan R Gonzales, 100 Chapman Ave, Orange, CA SS XXX-XX-4887

All 4 consumers may or may not be the consumer who filed bankruptcy. All have slight variations in their onfile data, which may be due to common input errors, typos, handwriting anomalies, etc. However, due to the limited data provided in the Public Record, we are unable to ascertain, to our required stringent degree of certainty, if any of the consumers are a match. Having all nine digits of an SSN in the evaluation process allows room for a calculated degree of variation in digits and letters. We therefore cannot consider the 4 digit SSN a reliable identification factor.

Another alternative is using the Pacer system. This system will, when presented with an array of SSNs, confirm which SSN is associated with a bankruptcy. Our Find Consumer matching system does not solely rely on an SSN for a final match decision. It is only part of the complex identification process, therefore the SSN cannot be isolated for access by the Pacer system. Pursuant to our discussion, we agreed that this is not a viable solution.

Our conclusion is that as of December 2003, our database will not be accurately reflecting 25% of consumers who have newly filed bankruptcies. This is a great disservice to both our clients as well as to the consumer and a step backwards in presenting accurate credit information.

In addition, it is now our required practice to display certain client reported bankruptcy data only when we already have the public record information on our file. Since up to 25% of the bankruptcy data will not be on our file, we will be masking accurate information due to our inability to match the public record item to the proper consumer.

Based on our position, we strongly urge that the rules regarding access to the SSN on bankruptcy data be amended to permit an exclusion for Credit reporting Agencies to have direct access to the full SSN.

Janet Slane

Director, Product Infrastructure