To: Loan Brokers

From: David M. Leach, Principal Examiner

 Maine Bureau of Consumer Credit Protection

**Re: 1) Your responsibilities Under Fair Credit Reporting Act**

 **2) Requirement for having Creditor’s Denial in your files**

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 1. **Fair Credit Reporting Act Responsibilities.** For those of you who have a credit terminal in your office, and for those of you who utilize credit reports in making your own decisions about your clients, Maine’s Fair Credit Reporting Act places certain responsibilities upon you. If you review a credit report on a consumer and then stop the application process because the report contains unfavorable credit references, you must send a notice similar to the one I have attached to this memo, letting the consumer know the name, address and telephone number of the credit reporting agency which provided the report. The consumer can then check the report for accuracy. Even if you don’t have a credit terminal in your business, if you request copies of the consumer’s report, and if an unfavorable report causes the application process to stop at that time, you must send the attached notice.

 2. **Keep a copy of Creditor’s Denial Form in each file.** If you assist a consumer in attempting to obtain a loan and the consumer is denied credit by the creditor, request that the creditor provide you with a denial notice. All creditors must provide such notice of denial to the consumers. Ask that the creditor send you a copy at the same time for your files. Maine law requires that you maintain records of all consumer credit transactions in a manner to enable this Office to determine whether you have complied with the law’s requirements. What this means is that your file will not be considered complete unless it contains a copy of the creditor’s notice of denial to the consumer (unless a loan **was** obtained, in which case the file should contain written proof that a closing occurred or is scheduled).

Enclosure: Credit Reporting Agency Denial Form