

### APPENDIX A Notice To Users Of Consumer Reports: Obligations of Users Under FCRA

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All users of consumer reports must comply with all applicable regulations, including regulations promulgated after this notice was first prescribed in 2004. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

The Fair Credit Reporting Act (FCRA), 15 USC §1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the **Consumer Financial Protection Bureau's website**, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore). At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Bureau's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

#### I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

##### A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

Section 604 contains a list of the permissible purposes under the law. These are as follows:

- As ordered by a court or a federal grand jury subpoena, see Section 604 (a)(1);
- As instructed by the consumer in writing, see Section 604 (a)(2);
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account, see Section 604(a)(3)(A);
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission, see Sections 604(a)(3)(B) and 604(b);
- For the underwriting of insurance as a result of an application from a consumer, see Section 604(a)(3)(C);
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer, see Section 604(a)(3)(F)(i);
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account, see Section 604(a)(3)(F)(ii);
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status, see Section 604(a)(3)(D);

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- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation, see Section 604(a)(3)(E); or
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof, see Sections 604(a)(4) and 604(a)(5).

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making “prescreened” unsolicited offers of credit or insurance. Section 604(c). The particular obligations of users of “prescreened” information are described in Section VII below.

### **B. Users Must Provide Certifications**

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

### **C. Users Must Notify Consumers When Adverse Actions Are Taken**

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA — such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

#### **1. Adverse Actions Based on Information Obtained From a CRA**

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report;
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days;
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

#### **2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies**

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

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### 3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

#### D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files

When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer

reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

#### E. Users Have Obligations When Notified of an Address Discrepancy

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed, which will be issued by the Consumer Financial Protection Bureau and the banking and credit union regulators. The Consumer Financial Protection Bureau regulations will be available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

#### F. Users Have Obligations When Disposing of Records

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. Federal regulations have been issued that cover disposal.

## II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the CFPB.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant").

**III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES**

**A. Employment Other Than in the Trucking Industry**

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- Before taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2). The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

**B. Employment in the Trucking Industry**

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

**IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED**

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation).
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.

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- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

### V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

### VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes — or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) — the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or as permitted by statute, regulation, or order).

### VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. See Sections 603(1), 604(c), 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer’s CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.



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In addition, Consumer Financial Protection Bureau has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The relevant regulation is 12 CFR 1022.54.

### VIII. OBLIGATIONS OF RESELLERS

#### A. Disclosure and Certification Requirements

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
  1. the identity of all end-users;
  2. certifications from all users of each purpose for which reports will be used; and
  3. certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

#### B. Reinvestigations by Resellers

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

#### C. Fraud Alerts and Resellers

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

### IX. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619.

The CFPB (Consumer Financial Protection Bureau) website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore), has more information about the FCRA.

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1618 et seq.:

Section 602	15 U.S.C. 1681	Section 615	15 U.S.C. 1681m
Section 603	15 U.S.C. 1681a	Section 616	15 U.S.C. 1681n
Section 604	15 U.S.C. 1681b	Section 617	15 U.S.C. 1681o
Section 605	15 U.S.C. 1681c	Section 618	15 U.S.C. 1681p
Section 605A	15 U.S.C. 1681cA	Section 619	15 U.S.C. 1681q
Section 605B	15 U.S.C. 1681cB	Section 620	15 U.S.C. 1681r
Section 606	15 U.S.C. 1681d	Section 621	15 U.S.C. 1681s
Section 607	15 U.S.C. 1681e	Section 622	15 U.S.C. 1681s-1
Section 608	15 U.S.C. 1681f	Section 623	15 U.S.C. 1681s-2
Section 609	15 U.S.C. 1681g	Section 624	15 U.S.C. 1681t
Section 610	15 U.S.C. 1681h	Section 625	15 U.S.C. 1681u
Section 611	15 U.S.C. 1681i	Section 626	15 U.S.C. 1681v
Section 612	15 U.S.C. 1681j	Section 627	15 U.S.C. 1681w
Section 613	15 U.S.C. 1681k	Section 628	15 U.S.C. 1681x
Section 614	15 U.S.C. 1681l	Section 629	15 U.S.C. 1681y

### APPENDIX A-2 Notice To Furnishers Of Information: Obligations Of Furnishers Under FCRA

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All furnishers of consumer reports must comply with all applicable regulations, including regulations promulgated after this notice was first prescribed in 2004. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

The federal Fair Credit Reporting Act (FCRA), 15 USC §1681-1681y, imposes responsibilities on all persons who furnish information to consumer reporting agencies (CRAs). These responsibilities are found in Section 623 of the FCRA, 15 U.S.C. § 1681s-2. State law may impose additional requirements on furnishers. The text of information to CRAs should become familiar with the applicable laws and may want to consult with their counsel to ensure that they are in compliance. All users of consumer reports must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the **Consumer Financial Protection Bureau's website**, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore). At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Bureau's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

Section 623 imposes the following duties:

#### **Accuracy Guidelines**

The banking and credit union regulators and the CFPB will promulgate guidelines and regulations dealing with the accuracy of information provided to CRAs by furnishers. The regulations and guidelines issued by the CFPB will be available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) when they are issued. Section 623(e).

#### **General Prohibition on Reporting Inaccurate Information**

The FCRA prohibits information furnishers from providing information to a CRA that they know or have reasonable cause to believe is inaccurate. However, the furnisher is not subject to this general prohibition if it clearly and conspicuously specifies an address to which consumers may write to notify the furnisher that certain information is inaccurate. Sections 623(a)(1)(A) and (a)(1)(C).

#### **Duty to Correct and Update Information**

If at any time a person who regularly and in the ordinary course of business furnishes information to one or more CRAs determines that the information provided is not complete or accurate, the furnisher must promptly provide complete and accurate information to the CRA. In addition, the furnisher must notify all CRAs that received the information of any corrections, and must thereafter report only the complete and accurate information. Section 623(a)(2).

#### **Duties After Notice of Dispute from Consumer**

If a consumer notifies a furnisher, at an address specified by the furnisher for such notices, that specific information is inaccurate, and the information is, in fact, inaccurate, the furnisher must

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thereafter report the correct information to CRAs. Section 623(a)(1)(B). If a consumer notifies a furnisher that the consumer disputes the completeness or accuracy of any information reported by the furnisher, the furnisher may not subsequently report that information to a CRA without providing notice of the dispute. Section 623(a)(3).

The federal banking and credit union regulators and the CFPB will issue regulations that will identify when an information furnisher must investigate a dispute made directly to the furnisher by a consumer. Once these regulations are issued, furnishers must comply with them and complete an investigation within 30 days (or 45 days, if the consumer later provides relevant additional information) unless the dispute is frivolous or irrelevant or comes from a “credit repair organization.” The CFPB regulations will be available at [www.consumerfinance.gov](http://www.consumerfinance.gov). Section 623(a)(8).

### **Duties After Notice of Dispute from Consumer Reporting Agency**

If a CRA notifies a furnisher that a consumer disputes the completeness or accuracy of information provided by the furnisher, the furnisher has a duty to follow certain procedures. The furnisher must:

- Conduct an investigation and review all relevant information provided by the CRA, including information given to the CRA by the consumer. Sections 623(b)(1)(A) and (b)(1)(B).
- Report the results to the CRA that referred the dispute, and, if the investigation establishes that the information was, in fact, incomplete or inaccurate, report the results to all CRAs to which the furnisher provided the information that compile and maintain files on a nationwide basis. Sections 623(b)(1)(C) and (b)(1)(D).
- Complete the above steps within 30 days from the date the CRA receives the dispute (or 45 days, if the consumer later provides relevant additional information to the CRA). Section 623(b)(2).
- Promptly modify or delete the information, or block its reporting. Section 623(b)(1)(E).

### **Duty to Report Voluntary Closing of Credit Accounts**

If a consumer voluntarily closes a credit account, any person who regularly and in the ordinary course of business furnishes information to one or more CRAs must report this fact when it provides information to CRAs for the time period in which the account was closed. Section 623(a)(4).

### **Duty to Report Dates of Delinquencies**

If a furnisher reports information concerning a delinquent account placed for collection, charged to profit or loss, or subject to any similar action, the furnisher must, within 90 days after reporting the information, provide the CRA with the month and the year of the commencement of the delinquency that immediately preceded the action, so that the agency will know how long to keep the information in the consumer’s file. Section 623(a)(5).

Any person, such as a debt collector, that has acquired or is responsible for collecting delinquent accounts and that reports information to CRAs may comply with the requirements of Section 623(a)(5) (until there is a consumer dispute) by reporting the same delinquency date previously reported by the creditor. If the creditor did not report this date, they may comply with the FCRA by establishing reasonable procedures to obtain and report delinquency dates, or, if a delinquency



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date cannot be reasonably obtained, by following reasonable procedures to ensure that the date reported precedes the date when the account was placed for collection, charged to profit or loss, or subjected to any similar action. Section 623(a)(5).

### Duties of Financial Institutions When Reporting Negative Information

Financial institutions that furnish information to “nationwide” consumer reporting agencies, as defined in Section 603(p), must notify consumers in writing if they may furnish or have furnished negative information to a CRA. Section 623(a)(7). The Consumer Financial Protection Bureau has prescribed model disclosures, 12 CFR Part 1022, App. B.

### Duties When Furnishing Medical Information

A furnisher whose primary business is providing medical services, products, or devices (and such furnisher’s agents or assignees) is a medical information furnisher for the purposes of the FCRA and must notify all CRAs to which it reports of this fact. Section 623(a)(9). This notice will enable CRAs to comply with their duties under Section 604(g) when reporting medical information.

### Duties when ID Theft Occurs

All furnishers must have in place reasonable procedures to respond to notifications from CRAs that information furnished is the result of identity theft, and to prevent refurnishing the information in the future. A furnisher may not furnish information that a consumer has identified as resulting from identity theft unless the furnisher subsequently knows or is informed by the consumer that the information is correct. Section 623(a)(6). If a furnisher learns that it has furnished inaccurate information due to identity theft, it must notify each consumer reporting agency of the correct information and must thereafter report only complete and accurate information. Section 623(a)(2). When any furnisher of information is notified pursuant to the procedures set forth in Section 605B that a debt has resulted from identity theft, the furnisher may not sell, transfer, or place for collection the debt except in certain limited circumstances. Section 615(f).

The **Consumer Financial Protection Bureau** website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore), has more information about the FCRA.

### Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:

Section 602	15 U.S.C. 1681	Section 615	15 U.S.C. 1681m
Section 603	15 U.S.C. 1681a	Section 616	15 U.S.C. 1681n
Section 604	15 U.S.C. 1681b	Section 617	15 U.S.C. 1681o
Section 605	15 U.S.C. 1681c	Section 618	15 U.S.C. 1681p
Section 605A	15 U.S.C. 1681c-1	Section 619	15 U.S.C. 1681q
Section 605B	15 U.S.C. 1681c-2	Section 620	15 U.S.C. 1681r
Section 606	15 U.S.C. 1681d	Section 621	15 U.S.C. 1681s
Section 607	15 U.S.C. 1681e	Section 622	15 U.S.C. 1681s-1
Section 608	15 U.S.C. 1681f	Section 623	15 U.S.C. 1681s-2
Section 609	15 U.S.C. 1681g	Section 624	15 U.S.C. 1681t
Section 610	15 U.S.C. 1681h	Section 625	15 U.S.C. 1681u
Section 611	15 U.S.C. 1681i	Section 626	15 U.S.C. 1681v
Section 612	15 U.S.C. 1681j	Section 627	15 U.S.C. 1681w
Section 613	15 U.S.C. 1681k	Section 628	15 U.S.C. 1681x
Section 614	15 U.S.C. 1681l	Section 629	15 U.S.C. 1681y

### APPENDIX A-3 A Summary of Your Rights Under the Fair Credit Reporting Act

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***Para informacion en espanol, visite [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20006.***

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20006.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
  - a person has taken adverse action against you because of information in your credit report;
  - you are the victim of identify theft and place a fraud alert in your file;
  - your file contains inaccurate information as a result of fraud;
  - you are on public assistance;
  - you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit- worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

**Consumer reporting agencies may not report outdated negative information.** In most cases,

a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.

- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
  - **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).
  - **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-567-8688.
- The following FCRA right applies with respect to nationwide consumer reporting agencies:

### CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE

**You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization.** The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:**

TYPE OF BUSINESS:	CONTACT:
1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates  b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB:	a. Consumer Financial Protection Bureau 1700 G Street NW Washington, DC 20552  b. Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue NW Washington, DC 20580 (877) 382-4357
2. To the extent not included in item 1 above: a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks  b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act.  c. Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations  d. Federal Credit Unions	a. Office of the Comptroller of the Currency Customer Assistance Group P.O. Box 53570 Houston, TX 77052  b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480  c. Division of Depositor and Consumer Protection National Center for Consumer and Depositor Assistance Federal Deposit Insurance Corporation 1100 Walnut Street, Box #11 Kansas City, MO 64106  d. National Credit Union Administration Office of Consumer Financial Protection 1775 Duke Street Alexandria, VA 22314
3. Air carriers	Assistant General Counsel for Office of Aviation Consumer Protection Department of Transportation 1200 New Jersey Avenue SE Washington, DC 20590
4. Creditors Subject to the Surface Transportation Board	Office of Public Assistance, Governmental Affairs, and Compliance Surface Transportation Board 395 E Street SW Washington, DC 20423
5. Creditors Subject to the Packers and Stockyards Act, 1921	Nearest Packers and Stockyards Division Regional Office
6. Small Business Investment Companies	Associate Administrator, Office of Capital Access United States Small Business Administration 409 Third Street SW, Suite 8200 Washington, DC 20416
7. Brokers and Dealers	Securities and Exchange Commission 100 F Street NE Washington, DC 20549
8. Institutions that are members of the Farm Credit System	Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090
9. Retailers, Finance Companies, and All Other Creditors Not Listed Above	Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue NW Washington, DC 20580 (877) 382-4357

### **APPENDIX B** **Prohibited Businesses and Industries**

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#### ***ENTITIES THAT CANNOT BE PROVIDED INFORMATION***

- Adult entertainment services of any kind
- A business that operates out of an apartment or unrestricted location within a residence (unless approved by repository).
- Attorneys or Law offices, except Bankruptcy Attorneys for bankruptcy filing purposes.
- Bail Bondsman
- Check cashing establishment
- Credit counseling (unless 501c3)
- Credit repair clinic
- Dating Service
- Financial counseling
- Genealogical or heir research firm
- Massage Services
- Customer that locates missing children
- Pawn shop
- Private Detectives, detective agencies or investigative companies
- Individual seeking information for their private use
- Customer that handles third-party repossession
- Customer or individual involved in spiritual counseling
- Subscriptions (magazines, book clubs, record clubs, etc.)
- Tattoo service
- Insurance claims
- Internet locator services
- Asset location services
- Future services (i.e., health clubs, timeshare, continuity clubs, etc.)
- News agencies or journalists
- Law enforcement (except for employment screening purposes)
- Any Customer or individual who is known to have been involved in credit fraud or other unethical business practices
- Companies listed on repository alert report notifications



**APPENDIX C**  
**LexisNexis® Requirements**

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1. Generally. Company shall not use the Services for marketing purposes or resell or broker the Services to any third party and shall not use the Services for personal (non-business) purposes. Company shall not use the Services to provide data processing services to third parties or evaluate the data of or for third parties. Company agrees that if Xactus determines or reasonably suspects that continued provision of the Services to Company entails a potential security risk, or that Company is engaging in marketing activities, reselling, brokering or processing or evaluating the data of or for third parties, or using the Services for personal (non-business) purposes or using the Services' information, programs, computer applications, or data, or is otherwise violating any provision of this Addendum or the Agreement, or any of the laws, regulations, or rules described herein, Xactus may take immediate action, including, without limitation, terminating the delivery of, and the license to use, the Services. Company shall not access the Services from Internet Protocol addresses located outside of the United States and its territories without Xactus' prior written approval. Company may not use the Services to create a competing product. Company shall comply with all laws, regulations and rules which govern the use of the Services and information provided therein. Xactus may at any time mask or cease to provide Company access to the Services or portions thereof which Xactus may deem, in Xactus' sole discretion, to be sensitive or restricted information.

2. GLBA Data. Some of the information contained in the Services is "nonpublic personal information," as defined in the Gramm-Leach-Bliley Act (15 U.S.C. § 6801, et seq.) and related state laws, (collectively, the "GLBA"), and is regulated by the GLBA ("GLBA Data"). Company shall not obtain and/or use GLBA Data through the Services, in any manner that would violate GLBA, or any similar state or local laws, regulations and rules. Company acknowledges and agrees that it may be required to certify its permissible use of GLBA Data falling within an exception set forth in the GLBA at the time it requests information in connection with certain Services and will recertify upon request by Xactus. Company certifies with respect to GLBA Data received through the Services that it complies with the Interagency Standards for Safeguarding Customer Information issued pursuant to the GLBA.

3. Copyrighted and Trademarked Materials. Company shall not remove or obscure any trademarks, copyright notices or other notices contained on materials accessed through the Services.

4. Retention of Records. For uses of GLB Data, as described above, Company shall maintain for a period of five (5) years a complete and accurate record (including consumer identity, purpose and, if applicable, consumer authorization) pertaining to every access to such data.

5. Economic Sanctions Laws. Company shall comply with all economic sanction laws of the United States, including but not limited to those enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"). Company shall not provide access to the Services to any individuals identified on OFAC's list of Specially Designated Nationals ("SDN List"). Company shall not take any action which would place Xactus in a position of non-

compliance with any such economic sanctions laws.

6. Security. Company acknowledges that the information available through the Services may include personally identifiable information and it is Company's obligation to keep all such accessed information confidential and secure. Accordingly, Company shall (a) restrict access to the Services to those employees who have a need to know as part of their official duties; (b) ensure that none of its employees shall (i) obtain and/or use any information from the Services for personal reasons, or (ii) transfer any information received through the Services to any party except as permitted hereunder; (c) keep all user identification numbers, and related passwords, or other security measures (collectively, "Company IDs") confidential and prohibit the sharing of Company IDs; (d) immediately deactivate the Company ID of any employee who no longer has a need to know, or for terminated employees on or prior to the date of termination; (e) in addition to any obligations hereunder, take all commercially reasonable measures to prevent unauthorized access to, or use of, the Services or data received therefrom, whether the same is in electronic form or hard copy, by any person or entity; (f) maintain and enforce data destruction procedures to protect the security and confidentiality of all information obtained through the Services as it is being disposed; (g) unless otherwise required by law, purge all information received through the Services and stored electronically or on hard copy by Company within ninety (90) days of initial receipt; (h) be capable of receiving the Services where the same are provided utilizing "secure socket layer," or such other means of secure transmission as is deemed reasonable by Xactus; (i) not access and/or use the Services via mechanical, programmatic, robotic, scripted or other automated search means, other than through batch or machine-to-machine applications approved by Xactus; and (j) take all steps to protect their networks and computer environments, or those used to access the Services, from compromise. Company agrees that on at least a quarterly basis it will review searches performed by its Company IDs to ensure that such searches were performed for a legitimate business purpose and in compliance with all terms and conditions herein. Company will implement policies and procedures to prevent unauthorized use of Company IDs and the Services and will immediately notify Xactus, in writing to Xactus if Company suspects, has reason to believe or confirms that a Company ID or the Services (or data derived directly or indirectly therefrom) is or has been lost, stolen, compromised, misused or used, accessed or acquired in an unauthorized manner or by any unauthorized person, or for any purpose other than legitimate business reasons. Company shall remain solely liable for all costs associated therewith and shall further reimburse Xactus for any expenses it incurs due to Company's failure to prevent such impermissible use or access of Company IDs and/or the Services, or any actions required as a result thereof. Furthermore, in the event that the Services provided to the Company include personally identifiable information (including, but not limited to, social security numbers, driver's license numbers or dates of birth), the following shall apply: Company acknowledges that, upon unauthorized acquisition or access of or to such personally identifiable information, including but not limited to that which is due to use by an unauthorized person or due to unauthorized use (a "Security Event"), Company shall, in compliance with law, notify the individuals whose information was potentially accessed or acquired that a Security Event has occurred, and shall also notify any other parties (including but not limited to regulatory entities and credit reporting agencies) as may be required in Xactus' reasonable discretion. Company agrees that such notification shall not reference Xactus or the product through which the data was provided, nor shall Xactus be otherwise identified or referenced in connection with the

## Appendices

Security Event, without Xactus' express written consent. Company shall be solely responsible for any other legal or regulatory obligations which may arise under applicable law in connection with such a Security Event and shall bear all costs associated with complying with legal and regulatory obligations in connection therewith. Company shall remain solely liable for claims that may arise from a Security Event, including, but not limited to, costs for litigation (including attorneys' fees), and reimbursement sought by individuals, including but not limited to, costs for credit monitoring or allegations of loss in connection with the Security Event, and to the extent that any claims are brought against Xactus, shall indemnify Xactus from such claims. Company shall provide samples of all proposed materials to notify consumers and any third parties, including regulatory entities, to Xactus for review and approval prior to distribution. In the event of a Security Event, Xactus may, in its sole discretion, take immediate action, including suspension or termination of Company's account, without further obligation or liability of any kind.

7. Performance. Company accepts all information "AS IS." Company acknowledges and agrees that Xactus obtains its data from third-party sources, which may or may not be completely thorough and accurate, and that Company shall not rely on Xactus for the accuracy or completeness of information supplied through the Services. Company understands that Company may be restricted from accessing certain Services which may be otherwise available. Xactus reserves the right to add materials and features to, and to discontinue offering any of the materials and features that are currently a part of, the Services.

8. Intellectual Property; Confidentiality. Company agrees that Company shall not reproduce, retransmit, republish, or otherwise transfer for any commercial purposes the Services' information, programs or computer applications. Company acknowledges that Xactus (and/or its third-party data providers) shall retain all right, title, and interest under applicable contractual, copyright, patent, trademark, Trade Secret and related laws in and to the Services and the data and information that they provide. Company shall use such materials in a manner consistent with Xactus' interests and the terms and conditions herein and shall notify Xactus of any threatened or actual infringement of Xactus' rights. Company and Xactus acknowledge that they each may have access to confidential information of the disclosing party ("Disclosing Party") relating to the Disclosing Party's business including, without limitation, technical, financial, strategies and related information, computer programs, algorithms, know-how, processes, ideas, inventions (whether patentable or not), schematics, Trade Secrets (as defined below) and other information (whether written or oral), and in the case of Xactus' information, product information, pricing information, product development plans, forecasts, data contained in Services, and other business information ("Confidential Information"). Confidential Information shall not include information that: (i) is or becomes (through no improper action or inaction by the Receiving Party (as defined below)) generally known to the public; (ii) was in the Receiving Party's possession or known by it prior to receipt from the Disclosing Party; (iii) was lawfully disclosed to Receiving Party by a third party and received in good faith and without any duty of confidentiality by the Receiving Party or the third party; or (iv) was independently developed without use of any Confidential Information of the Disclosing Party by employees of the Receiving Party who have had no access to such Confidential Information. "Trade Secret" shall be deemed to include any information which gives the Disclosing Party an advantage over competitors who do not have access to such information as well as all information that fits the definition of "trade secret" set forth in the Official Code of Georgia Annotated § 10-1-761(4). Each receiving party ("Receiving Party") agrees not to divulge any Confidential Information or information derived therefrom to any third party and shall protect the confidentiality of the Confidential Information with the same degree of care it uses to protect the confidentiality of its own confidential information and trade secrets, but in no event less than a reasonable degree of care. Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information solely to the extent required

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by subpoena, court order or other governmental authority, provided that the Receiving Party shall give the Disclosing party prompt written notice of such subpoena, court order or other governmental authority so as to allow the Disclosing party to have an opportunity to obtain a protective order to prohibit or restrict such disclosure at its sole cost and expense.

Confidential Information disclosed pursuant to subpoena, court order or other governmental authority shall otherwise remain subject to the terms applicable to Confidential Information.

Each party's obligations with respect to Confidential Information shall continue for the term of this Addendum and for a period of five (5) years thereafter, provided however, that with respect to Trade Secrets, each party's obligations shall continue for so long as such Confidential Information continues to constitute a Trade Secret.

9. WARRANTIES/ LIMITATION OF LIABILITY. LexisNexis shall not be liable to Company (or to any person claiming through Company to whom Company may have provided data from the Services) for any loss or injury arising out of or caused in whole or in part by Xactus' acts or omissions in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the Services or Company's misuse of said Services. If, notwithstanding the foregoing, liability can be imposed on LexisNexis, then Company agrees that LexisNexis' aggregate liability for any and all losses or injuries arising out of any act or omission in connection with anything to be done or furnished under this Addendum, regardless of the cause of the loss or injury, and regardless of the nature of the legal or equitable right claimed to have been violated, shall never exceed One Hundred Dollars (\$100.00). LexisNexis does not make and hereby disclaims any warranty, express or implied with respect to the Services; and does not guarantee or warrant the correctness, completeness, merchantability, or fitness for a particular purpose of the Services or information provided therein. Due to the nature of public record information, the public records and commercially available data sources used in the Services may contain errors. Source data is sometimes reported or entered inaccurately, processed poorly or incorrectly, and is generally not free from defect. The Services are not the source of data, nor are they a comprehensive compilation of the data. Before relying on any data, it should be independently verified.

10. Employee Training. Company shall train new employees prior to allowing access to the Services on Company's obligations under this Addendum, including, but not limited to, the licensing requirements and restrictions and the security requirements contained herein and in the Addendum. Company shall conduct a similar review of its obligations hereunder and under the Addendum with existing employees who have access to the Services no less than annually. Company shall keep records of such training.

11. Privacy Principles. With respect to personally identifiable information regarding consumers, the parties further agree as follows: Lexis has adopted the Lexis Data Privacy Principles ("Principles"), which may be modified from time to time, recognizing the importance of appropriate privacy protections for consumer data, and Company agrees that Company (including its directors, officers, employees or agents) will comply with the Principles or Company's own comparable privacy principles, policies, or practices. The Principles are available at: <https://www.lexisnexis.com/en-us/privacy/data-privacy-principles.page>

### APPENDIX D Equifax Requirements

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Company, in order to receive consumer credit information from Equifax Information Services, LLC, through Xactus agrees to comply with the following conditions required by Equifax, which may be in addition to those outlined in the Agreement and Appendices.

- Company understands and agrees that Equifax's delivery of information to Company via Xactus is specifically conditioned upon Company's agreement with the provisions set forth in this Agreement.
  - Company understands and agrees that these requirements pertain to all of its employees, managers and owners and that all persons having access to Equifax consumer credit information, whether existing or future employees, will be trained to understand and comply with these obligations.
1. Any information services and data originating from Equifax (the "**Equifax Information Services**" or "**Equifax Information**") will be requested only for Subscriber's exclusive use and held in strict confidence except to the extent that disclosure to others is required or permitted under the last sentence of this Paragraph. Only designated representatives of Company will request Equifax Information Services on Company's employees, and employees are forbidden to obtain consumer reports on themselves, associates or any other persons except in the exercise of their official duties. Company will not disclose Equifax Information to the subject of the report except as permitted or required by law, but will refer the subject to Equifax.
  2. Company will hold Equifax and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of Equifax Information by Company, its employees or agents contrary to the conditions of Paragraph 1 or applicable law.
  3. Recognizing that information for the Equifax Information Services is secured by and through fallible human sources and that, for the fee charged, Equifax cannot be an insurer of the accuracy of the Equifax Information Services, Company understands that the accuracy of any Equifax Information Service received by Company is not guaranteed by Equifax, and Company releases Equifax and its affiliate companies, agents, employees, and independent contractors from liability, even if caused by negligence, in connection with the Equifax Information Services and from any loss or expense suffered by Company resulting directly or indirectly from Equifax Information.
  4. Company will be charged for the Equifax Information Services by XACTUS, which is responsible for paying Equifax for the Equifax Information Services.
  5. Written notice by either party to the other will terminate these Terms and Conditions after the date of that notice, but the obligations and agreements set forth in Paragraphs 1, 2, 3, 6, 7, and 8 herein will remain in force.
  6. Company certifies that it will order Equifax Information Services that are consumer reports, as defined by the federal Fair Credit Reporting Act, 15 U.S.C. 1681 et seq. ("**FCRA**"), only when Company intends to use that consumer report information: (a) in accordance with



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the FCRA and all state law counterparts; and (b) for one of the following permissible purposes: (i) in connection with a credit transaction involving the consumer on whom the consumer report is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; (ii) in connection with the underwriting of insurance involving the consumer; (iii) as a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; (iv) when Company otherwise has a legitimate business need for the information either in connection with a business transaction that is initiated by the consumer, or to review an account to determine whether the consumer continues to meet the terms of the accounts; or (v) for employment purposes; provided, however, that COMPANY IS NOT AUTHORIZED TO REQUEST OR RECEIVE CONSUMER REPORTS FOR EMPLOYMENT PURPOSES UNLESS COMPANY HAS AGREED IN WRITING TO THE TERMS AND CONDITIONS OF THE EQUIFAX PERSONA SERVICE. Company will comply with applicable federal and state laws, rules and regulations relating to such party's performance of its obligations under these Terms and Conditions including, but not limited to, all applicable consumer financial protection laws. In addition, Company shall not engage in any unfair, deceptive, or abusive acts or practices. Company will use each consumer report ordered under these Terms and Conditions for one of the foregoing purposes and for no other purpose.

7. It is recognized and understood that the FCRA provides that anyone "who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18, United States Code, imprisoned for not more than two (2) years, or both." Equifax may periodically conduct audits of Company regarding its compliance with these Terms and Conditions, including, without limitation, the FCRA, other certifications and security provisions in these Terms and Conditions. Audits will be conducted by mail whenever possible and will require Company to provide documentation as to permissible use of particular consumer reports. Company gives its consent to Equifax to conduct such audits and agrees that any failure to cooperate fully and promptly in the conduct of any audit, or Company's material breach of these Terms and Conditions, constitute grounds for immediate suspension of service or termination of these Terms and Conditions, notwithstanding Paragraph 5 above. If Equifax terminates these Terms and Conditions due to the conditions in the preceding sentence, Company (i) unconditionally releases and agrees to hold Equifax harmless and indemnify it from and against any and all liabilities of whatever kind or nature that may arise from or relate to such termination, and (ii) covenants it will not assert any claim or cause of action of any kind or nature against Equifax in connection with such termination. Company hereby agrees to comply with all current and future policies and procedures instituted by Xactus and required by Equifax. Xactus will give Company as much notice as possible prior to the effective date of any such new policies, required in the future; but does not guarantee that reasonable notice will be possible. Company may terminate access to Equifax information at any time after notification of a change in policy in the event Company deems such compliance as not within its best interest.
8. California Law Certification. Company will comply with **Exhibit G-1**, and Company agrees to comply with all applicable provisions of the California Credit Reporting Agencies Act.

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9. Vermont Certification. Company will refer to **Exhibit G-2**, and Company agrees to comply with all applicable provisions under Vermont law and Applicable Vermont rules, as referenced in **Exhibit G-2**.
10. Company Security.
  - 10.1. This Paragraph 10 applies to any means through which Company orders or accesses the Equifax Information Services including, without limitation, system-to-system, personal computer or the Internet.

For the purposes of this Paragraph 10, the term “**Authorized User**” means a Company employee that Company has authorized to order or access the Equifax Information Services and who is trained on Company’s obligations under these Terms and Conditions with respect to the ordering and use of the Equifax Information Services including Company’s FCRA and other obligations with respect to the access and use of consumer reports.
  - 10.2. Company will, with respect to handling Equifax Information:
    - (a) ensure that only Authorized Users can order or have access to the Equifax Information Services and take all necessary measures to prevent unauthorized ordering of or access to the Equifax Information Services by any person other than an Authorized User for permissible purposes, including, without limitation, limiting the knowledge of the Company security codes, member numbers, User IDs, and any passwords Company may use to those individuals with a need to know. In addition, the User IDs must be unique to each person, and the sharing of User IDs or passwords is prohibited,
    - (b) ensure that Authorized Users are trained not to order consumer reports for personal reasons or provide consumer reports to third parties except as permitted by this Agreement and that any unauthorized access or use of consumer reports may subject them to civil and criminal liability under the FCRA, punishable by fines and imprisonment,
    - (c) ensure that secure authentication practices are utilized when accessing the Equifax Information Services , including but not limited to restricting access based on Authorized User location and only permitting access to the Equifax Information Services through Company approved devices,
    - (d) ensure that Equifax Information is encrypted in transit with Advanced Encryption Standard (AES)-256 or an equivalent or better National Institute of Standards and Technology (NIST) approved cypher,
    - (e) use commercially reasonable efforts to secure Equifax Information at rest, including: (i) encrypting all Equifax Information at rest in accordance with industry accepted encryption standards; (ii) separating Equifax Information from the Internet or other public networks by firewalls configured to meet industry accepted best practices; (iii) protecting Equifax Information through multiple layers of network security, including but not limited to, industry-recognized firewalls, routers, and intrusion detection/prevention devices (IDS/IPS), (iv) securing access (both physical and network) to systems storing Equifax Information; and (v) patching servers on a timely basis with appropriate security-specific system patches, as they are available,
    - (f) ensure that: (i) all hard copy Equifax Information is stored in a secure manner; (ii) Equifax Information, including electronic and hard copy information, is securely destroyed when no longer needed for the Equifax Information Services; and (iii) maintain documented policies to ensure compliance with the foregoing,
    - (g) not allow Equifax Information to be displayed via the Internet unless utilizing, at a minimum, a three-tier architecture configured in accordance with industry best practices,
    - (h) use commercially reasonable efforts to establish procedures and logging mechanisms for systems and networks that will allow tracking and analysis in the event there is a compromise, and maintain an audit trail history,
    - (i) provide prompt notification to Equifax of any change in address or office location where Equifax Information Services are or will be accessible, which location is subject to an onsite visit of the new location by Equifax or its designated representative, and

## Appendices

- (j) in the event Company has a Security Incident involving Equifax Information, Company will notify Equifax as soon as possible, but in no event more than twenty-four (24) hours following the Security Incident, and: (i) fully cooperate with Equifax in a security assessment process; (ii) promptly remediate any finding; and (iii) take all necessary actions to prevent a recurrence. For purposes of this Section “Security Incident” means any suspected or actual breach, theft or unauthorized access, use, misuse, theft, vandalism, modification or transfer of or to Equifax Information Services or Equifax Information.
11. Company may access, use and store Equifax Credit Information only at or from locations within the territorial boundaries of the United States, Canada, and the United States territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U. S. Virgin Islands (the “**Permitted Territory**”). Company may not access, use or store Equifax Credit Information at or from, or send it to any location outside of the Permitted Territory without first obtaining Equifax’s prior written consent and entering into such written agreements as Equifax may require. Notwithstanding the foregoing, Company is prohibited from Processing Equifax Information from an Embargoed Country. “**Embargoed Country**” means any country or geographic region subject to comprehensive economic sanctions or embargoes administered by OFAC or the European Union.

**Appendix D-2**  
**Equifax Information Services**

This Appendix D-2 supplements the service agreement ("Agreement") under which Company receives, as part of its service from Xactus, consumer credit report information available from Equifax Information Services LLC ("Equifax").

This Appendix contains additional information services available from Equifax, described below, that may be provided to Company subject to the terms and conditions of the Agreement, and additional terms and conditions that apply to such additional information services.

The following shall apply if Company receives any of the services listed below.

**1.0 BEACON<sup>SM</sup>** is a consumer report credit scoring service based on a model developed by Fair Isaac and Equifax that ranks consumers in the Equifax consumer credit database relative to other consumers in the database with respect to the likelihood of those consumers paying their accounts as agreed ("Score").

**2.0 Pinnacle<sup>SM</sup>** is a credit scoring algorithm developed by Fair, Isaac and Equifax that evaluates the likelihood that consumers will pay their existing and future credit obligations, as agreed, based on the computerized consumer credit information in the Equifax consumer reporting database.

**2.1 Disclosure of Scores:** Company will hold all information received from Equifax in connection with any Score received from Equifax under this Agreement in strict confidence and will not disclose that information to the consumer or to others except in accord with the following sentence or as required or permitted by law.

- Company may provide the principal factors contributing to the Score to the subject of the report when those principal factors are the basis of Company's adverse action against the subject consumer.
- Company must describe the principal factors in a manner which complies with Regulation B of the ECOA.

**2.2 ECOA Statements:** Equifax reasonably believes that, subject to validation by Company on its own records, the scoring algorithms used in the computation of the Score are empirically derived from consumer credit information from Equifax's consumer credit reporting database, and are demonstrably and statistically sound methods of rank ordering candidate records from the Equifax consumer credit database for the purposes for which the Score was designed particularly, and it is intended to be an "empirically derived, demonstrably and statistically sound credit scoring system" as defined in Regulation B, with the understanding that the term "empirically derived, demonstrably and statistically sound," is defined only in a general manner by Regulation B, and has not been the subject of any significant interpretation; and the scoring algorithms comprising the Score, except as permitted, do not use a "prohibited basis," as such phrase is defined in Regulation B. Company must validate the Score on its own records. Company will be responsible for meeting its requirements under the ECOA and Regulation B.

**2.3 Release:** Equifax does not guarantee the predictive value of the Score with respect to any individual, and does not intend to characterize any individual as to credit capability. Neither Equifax nor its directors, officers, employees, agents, subsidiary and affiliated companies, or any third-party contractors, licensors or suppliers of Equifax will be liable to Company for any damages, losses, costs or expenses incurred by Company resulting from any failure of a Score to accurately predict the credit worthiness of Company's applicants or Company. In the event the Score is not correctly applied by Equifax to any credit file,

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Equifax's sole responsibility will be to reprocess the credit file through the Score at no additional charge.

- 2.4 Audit of Models: Company may audit a sample of the Scores and principal factors and compare them to the anonymous underlying credit reports in accordance with Equifax's audit procedures. If the Scores and principal reasons are not substantiated by the credit files provided for the audit, Equifax will review programming of the model and make corrections as necessary until the Scores and principal reasons are substantiated by the audit sample credit reports. After that review and approval, Company will be deemed to have accepted the resulting Score and principal factors delivered. It is Company's sole responsibility to validate all scoring models on its own records and performance.
- 2.5 Confidentiality: Company will hold all Scores received from Equifax under this Agreement in strict confidence and will not disclose any Score to the consumer or to others except as required or permitted by law. Company may provide the principal factors contributing to the Score to the subject of the report when those principal factors are the basis of Company's adverse action against the subject consumer. Company must describe the principal factors in a manner which complies with Regulation B of the ECOA. Further, Company acknowledges that the Score and factors are proprietary and that, Company will not provide the Score to any other party without Equifax's and Fair, Isaac's prior written consent except for disclosure to the subject consumer if Company has taken adverse action against such consumer based in whole or in part on the consumer report with which the Score was delivered or as required by law.
- 2.6 LIMITED LIABILITY: THE COMBINED LIABILITY OF EQUIFAX AND FAIR, ISAAC ARISING FROM ANY PARTICULAR SCORE PROVIDED BY EQUIFAX AND FAIR, ISAAC SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF MONEY RECEIVED BY EQUIFAX FROM COMPANY WITH RESPECT TO THAT PARTICULAR SCORE DURING THE PRECEDING TWELVE (12) MONTHS PRIOR TO THE DATE OF THE EVENT THAT GAVE RISE TO THE CAUSE OF ACTION.
- 2.7 Adverse Action: Company shall not use a Score as the basis for an "Adverse Action" as defined by the Equal Credit Opportunity Act or Regulation B, unless score factor codes have been delivered to Company along with the Score.

### 3.0 SAFESCAN®

- 3.1 SAFESCAN is an on-line warning system containing information that can be used to detect possible fraudulent applications for credit. Some of the information in the SAFESCAN database is provided by credit grantors. SAFESCAN is a registered trademark of Equifax.
- 3.2 Permitted Use. SAFESCAN is not based on information in Equifax's consumer reporting database and is not intended to be used as a consumer report. Company will not use a SAFESCAN alert or warning message in its decision-making process for denying credit or any other FCRA permissible purpose, but will use the message as an indication that the consumer's application information should be independently verified prior to a credit or other decision. Company understands that the information supplied by SAFESCAN may or may not apply to the consumer about whom Company has inquired.

### 4.0 PERSONA® and PERSONA PLUS®

- 4.1 PERSONA® and PERSONA PLUS® - are consumer reports, from the Equifax consumer credit database, consisting of limited identification information, credit file inquiries, public record information, credit account trade lines, and employment information.
- 4.2 FCIP Certification: Company will notify Equifax whenever a consumer report will be used



for employment purposes.

- 4.2.1 Company certifies that, before ordering each consumer report to be used in connection with employment purposes, it will clearly and conspicuously disclose to the subject consumer, in a written document consisting solely of the disclosure, that Company may obtain a consumer report for employment purposes, and will also obtain the consumer's written authorization to obtain or procure a consumer report relating to that consumer.
- 4.2.2 Company further certifies that it will not take adverse action against the consumer based in whole or in part upon the consumer report without first providing to the consumer to whom the consumer report relates a copy of the consumer report and a written description of the consumer's rights as prescribed by the Federal Trade Commission ("FTC") under Section 609(c)(3) of the FCRA, and will also not use any information from the consumer report in violation of any applicable federal or state equal employment opportunity law or regulation.
- 4.2.3 Company acknowledges that it has received from Equifax a copy of the written disclosure form prescribed by the FTC.

**APPENDIX E**  
**Experian Requirements**

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Company, in order to receive consumer credit information from Experian Information Solutions, Inc., agrees to comply with the following conditions required by Experian, which may be in addition to those outlined in the Company Service Agreement (“Agreement”), of which these conditions are made a part. Company understands and agrees that Experian’s delivery of information to Company via Xactus is specifically conditioned upon Company’s agreement with the provisions set forth in this Agreement. Company understands and agrees that these requirements pertain to all of its employees, managers and owners and that all persons having access to Experian credit information, whether existing or future employees, will be trained to understand and comply with these obligations.

- 1.0 Company hereby agrees to comply with all current and future policies and procedures instituted by Xactus and required by Experian. Xactus will give Company as much notice as possible prior to the effective date of any such new policies required in the future, but does not guarantee that reasonable notice will be possible. Company may terminate this agreement at any time after notification of a change in policy in the event Company deems such compliance as not within its best interest.
- 2.0 Company agrees that Experian shall have the right to audit records of Company that are relevant to the provision of services set forth in this Agreement and to verify, through audit or otherwise, that Company is in compliance with applicable law and the provisions of this Agreement and is, in fact, the end user of the credit information with no intention to resell or otherwise provide or transfer the credit information in whole or in part to any other person or entity. Company authorizes Xactus to provide to Experian, upon Experian’s request, all materials and information relating to its investigations of Company. Company further agrees that it will respond within the requested time frame indicated for information requested by Experian regarding Experian consumer credit information. Company understands that Experian may require Xactus to suspend or terminate access to Experian information in the event Company does not cooperate with any such an investigation or in the event Company is not in compliance with applicable law or this Agreement. Company shall remain responsible for the payment for any services provided to Company by Xactus prior to any such discontinuance.
- 3.0 Company certifies that it is not a reseller of the information, a private detective agency, bail bondsman, attorney, credit counseling firm, financial counseling firm, credit repair clinic, pawn shop (except companies that do only Title pawn), check cashing Company, genealogical or heir research firm, dating service, massage or tattoo service, asset location service, a Company engaged in selling future services (health clubs, etc.), news agency, business that operates out of an apartment or a residence, an individual seeking information for his private use, an adult entertainment service of any kind, a Company that locates missing children, a Company that handles third party repossession, a Company seeking information in connection with time shares or subscriptions, a Company or individual involved in spiritual counseling or a person or entity that is not an end-user or decision-maker, unless approved in writing by Experian.
- 4.0 Company certifies that in the event it uses the Experian Verify Prequalification report, that Company will use the report for verification of current employer, current wage and year-to-date income through pre-qualification prior to the closing of a mortgage loan. In the event Company is required to obtain a full Experian Verify premium report for purposes of Desktop Underwriting (DU)/Loan Product Advisor (LP) validation through Fannie Mae or Freddie Mac, or Day1Certainty eligibility. Company understands that it will be restricted from closing or funding a loan with the Experian Verify Prequalification product.

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- 5.0 Company agrees that it will maintain proper access security procedures consistent with industry standards and that if a data breach occurs, or is suspected to have occurred, in which Experian information is compromised or is potentially compromised, Company will take the following action:
- 5.1 Company will notify Xactus within 24 hours of a discovery of a breach of the security of consumer reporting data if the personal information of consumers was, or is reasonably believed to have been, acquired by an unauthorized person. Further, Company will actively cooperate with and participate in any investigation conducted by Xactus or Experian that results from Company's breach of Experian consumer credit information.
  - 5.2 In the event that Experian determines that the breach was within the control of Company, Company will provide notification to affected consumers that their personally sensitive information has been or may have been compromised. Experian will have control over the nature and timing of the consumer correspondence related to the breach when Experian information is involved.
  - 5.3 In such event, Company will provide to each affected or potentially affected consumer, credit history monitoring services for a minimum of two (2) years, in which the consumer's credit history is monitored and the consumer receives daily notification of changes that may indicate fraud or ID theft, from at least one (1) national consumer credit reporting bureau.
  - 5.4 Company understands and agrees that if the root cause of the breach is determined by Experian to be under the control of the Company (i.e., employee fraud, misconduct or abuse; access by an unqualified or improperly qualified user; improperly secured website, etc.), Company may be assessed an expense recovery fee.
- 6.0 Company understands that if a change of control or ownership should occur, the new owner of the Company business must be re-credentialed as a permissible and authorized user of Experian products and services. A third party physical inspection at the new address will be required if Company changes location.
- 7.0 If Company is an authorized residential Company, the following additional requirements and documentation must be supplied:
- 7.1 Experian must be notified for tracking and monitoring purposes;
  - 7.2 Company must maintain a separate business phone line listed in the name of the business;
  - 7.3 A separate subscriber code for Company must be maintained for compliance monitoring; and
  - 7.4 An annual physical inspection of the office is required by Experian, for which a reasonable fee may be required.
- 8.0 Company agrees to hold harmless Experian and its agents from and against any and all liabilities, damages, losses, claims, costs and expenses, including reasonable attorney's fees, which may be asserted against or incurred by Experian, arising out of or resulting from the use, disclosure, sale or transfer of the consumer credit information by Company, or Company's breach of this Agreement.
- 8.1 Company further understands and agrees that the accuracy of any consumer credit information is not guaranteed by Experian and releases Experian and its agents from liability for any loss, cost, expense or damage, including attorney's fees, suffered by Company resulting directly or indirectly from its use of consumer credit information from Experian.
- 9.0 Experian will not, for the fee charged for credit information, be an insurer or guarantor of the accuracy or reliability of the information.
- 9.1 EXPERIAN DOES NOT GUARANTEE OR WARRANT THE ACCURACY, TIMELINESS,

## Appendices

COMPLETENESS, CURRENTNESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE INFORMATION AND SHALL NOT BE LIABLE TO COMPANY FOR ANY LOSS OR INJURY ARISING OUT OF OR CAUSED IN WHOLE OR IN PART BY EXPERIAN'S ACTS OR OMISSIONS, WHETHER NEGLIGENT OR OTHERWISE, IN PROCURING, COMPILING, COLLECTING, INTERPRETING, REPORTING, COMMUNICATING OR DELIVERING THE INFORMATION.

**APPENDIX E-2**  
**Experian FICO® Score Notice**

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1. Based on an agreement with Experian and Fair Isaac Corporation ("Fair Isaac") ("Reseller Agreement"), Xactus has access to a unique and proprietary statistical credit scoring service jointly offered by Experian and Fair Isaac which evaluates certain information in the credit reports of individual consumers from Experian's data base ("Classic") and provides a score which rank orders consumers with respect to the relative likelihood that United States consumers will repay their existing or future credit obligations satisfactorily over the twenty four (24) month period following scoring (the "Classic Score").
2. Company, from time to time, may desire to obtain Classic Scores from Experian via an on-line mode in connection with consumer credit reports.
3. Company has represented on through the Agreement and Application that it has a permissible purpose for obtaining consumer reports, as defined by Section 604 of the Federal Fair Credit Reporting Act (15 USC 1681b) including, without limitation, all amendments thereto ("FCRA").
4. Company certifies that it will request Classic Scores pursuant to procedures prescribed by Xactus from time to time only for the permissible purpose certified above and will use the Classic Scores obtained for no other purpose.
5. Company will maintain copies of all written authorizations for a minimum of three (3) years from the date of inquiry.
6. Company agrees that it shall use each Classic Score only for a one-time use and only in accordance with its permissible purpose under the FCRA.
7. With just cause, such as delinquency or violation of the terms of this contract or a legal requirement, Xactus may, upon its election, discontinue serving the Company and cancel this Agreement, in whole or in part (e.g., the services provided under this Addendum only) immediately.
8. Company recognizes that factors other than the Classic Score may be considered in making a credit decision. Such other factors include, but are not limited to, the credit report, the individual account history, and economic factors.
9. Experian and Fair Isaac shall be deemed third party beneficiaries of the Agreement.
10. Up to five score reason codes, or if applicable, exclusion reasons, are provided to Company with Classic Scores. These score reason codes are designed to indicate the reasons why the individual did not have a higher Classic Score, and may be disclosed to consumers as the reasons for taking adverse action, as required by the Equal Credit Opportunity Act ("ECOA") and its implementing Regulation ("Reg. B"). However, the Classic Score itself is proprietary to Fair Isaac, may not be used as the reason for adverse action under Reg. B and, accordingly, shall not be disclosed to credit applicants or any other third party, except:
  - a. To credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes; or
  - b. As clearly required by law. Company will not publicly disseminate any results of the validations or other reports derived from the Classic Scores without Fair Isaac and Experian's prior written consent.



**APPENDIX F**  
**Trans Union Requirements**

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Company, in order to receive consumer credit information from Trans Union, LLC, through Xactus, agrees to comply with the following conditions required by Trans Union, which may be in addition to those outlined in the Company Service Agreement (“Agreement”). Company understands and agrees that Trans Union’s delivery of information to Company via Xactus is specifically conditioned upon Company’s agreement with the provisions set forth in this Agreement. Company understands and agrees that these requirements pertain to all of its employees, managers and owners and that all persons having access to Trans Union consumer credit information, whether existing or future employees, will be trained to understand and comply with these obligations.

1. Company hereby agrees to comply with all current and future policies and procedures instituted by XACTUS and required by Trans Union. Xactus will give Company as much notice as possible prior to the effective date of any such new policy required in the future, but does not guarantee that reasonable notice will be possible. Company may terminate this agreement at any time after notification of a change in policy in the event Company deems such compliance as not within its best interest.

2. Company certifies that it is not: a reseller of the information, a private detective, bail bondsman, attorney, credit counseling firm, financial counseling firm, credit repair clinic, pawn shop (except companies that do only Title pawn), check cashing Company, genealogical or heir research firm, dating service, massage or tattoo service, business that operates out of an apartment, an individual seeking information for his private use, an adult entertainment service of any kind, a Company that locates missing children, a Company that handles third party repossession, a Company seeking information in connection with time shares or subscriptions, a Company or individual involved in spiritual counseling or a person or entity that is not an end-user or decision-maker, unless approved in writing by Trans Union.

3. Company agrees that Trans Union shall have the right to audit records of Company that are relevant to the provision of services set forth in this agreement. Company authorizes Xactus to provide to Trans Union, upon Trans Union’s request, all materials and information relating to its investigations of Company and agrees that it will respond within the requested time frame indicated for information requested by Trans Union regarding Trans Union information. Company understands that Trans Union may require Xactus to suspend or terminate access to Trans Union’s information in the event Company does not cooperate with any such an investigation. Company shall remain responsible for the payment for any services provided to Company prior to any such discontinuance.

4. Company agrees that Trans Union information will not be forwarded or shared with any third party unless required by law or approved by Trans Union. If approved by Trans Union and authorized by the consumer, Company may deliver the consumer credit information to a third party, secondary, or joint user with which Company has an ongoing business relationship for the permissible use of such information. Company understands that Trans Union may charge a fee for the subsequent delivery to secondary users.

5. Trans Union shall use reasonable commercial efforts to obtain, assemble and maintain credit information on individuals as furnished by its subscribers or obtained from other available sources.

6. THE WARRANTY SET FORTH IN THE PREVIOUS SENTENCE IS THE SOLE WARRANTY MADE BY TRANS UNION CONCERNING THE CONSUMER REPORTS, INCLUDING, BUT NOT LIMITED TO THE TU SCORES. TRANS UNION MAKES NO OTHER REPRESENTATIONS OR WARRANTIES INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATIONS OR



Advancing the Modern Mortgage

## Appendices

WARRANTIES REGARDING THE ACCURACY, COMPLETENESS, OR BOTH, OF ANY AND ALL OF THE AFOREMENTIONED PRODUCTS AND SERVICES THAT MAY BE PROVIDED TO XACTUS. THE WARRANTY SET FORTH IN THE FIRST SENTENCE OF THIS PARAGRAPH IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED (INCLUDING, BUT NOT LIMITED TO, WARRANTIES THAT MIGHT BE IMPLIED FROM A COURSE OF PERFORMANCE OR DEALING OR TRADE USAGE). THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**APPENDIX F-2**  
**Trans Union Requirements Regard Credit Scoring Services**

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REGARDING CREDIT SCORING SERVICES

CLASSIC<sup>SM</sup> CREDIT RISK SCORE SERVICES

**(Required Terms for Addendum to Subscriber Agreement for Consumer Reports between Reseller and its Company)**

1. Based on an agreement with Trans Union LLC ("Trans Union") and Fair Isaac Corporation ("Fair Isaac") ("Reseller Agreement"), Xactus has access to a unique and proprietary statistical credit scoring service jointly offered by Trans Union and Fair Isaac which evaluates certain information in the credit reports of individual consumers from Trans Union's data base ("Classic") and provides a score which rank orders consumers with respect to the relative likelihood that United States consumers will repay their existing or future credit obligations satisfactorily over the twenty four (24) month period following scoring (the "Classic Score").
2. Company, from time to time, may desire to obtain Classic Scores from Trans Union via an on-line mode in connection with consumer credit reports.
3. Company has represented on through the Agreement and Application that it has a permissible purpose for obtaining consumer reports, as defined by Section 604 of the Federal Fair Credit Reporting Act (15 USC 1681b) including, without limitation, all amendments thereto ("FCRA").
4. Company certifies that it will request Classic Scores pursuant to procedures prescribed by Xactus from time to time only for the permissible purpose certified above and will use the Classic Scores obtained for no other purpose.
5. Company will maintain copies of all written authorizations for a minimum of three (3) years from the date of inquiry.
6. Company agrees that it shall use each Classic Score only for a one-time use and only in accordance with its permissible purpose under the FCRA.
7. With just cause, such as delinquency or violation of the terms of this contract or a legal requirement, Xactus may, upon its election, discontinue serving the Company and cancel this Agreement, in whole or in part (e.g., the services provided under this Addendum only) immediately.
8. Company recognizes that factors other than the Classic Score may be considered in making a credit decision. Such other factors include, but are not limited to, the credit report, the individual account history, and economic factors.
9. Trans Union and Fair Isaac shall be deemed third party beneficiaries of the Agreement.
10. Up to five score reason codes, or if applicable, exclusion reasons, are provided to Company with Classic Scores. These score reason codes are designed to indicate the reasons why the individual did not have a higher Classic Score, and may be disclosed to consumers as the reasons for taking adverse action, as required by the Equal Credit Opportunity Act ("ECOA") and its implementing Regulation ("Reg. B"). However, the Classic Score itself is proprietary to Fair Isaac, may not be used as the reason for adverse action under Reg. B and, accordingly, shall not be disclosed to credit applicants or any other third party, except:
  - (a) To credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes; or

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- (b) As clearly required by law. Company will not publicly disseminate any results of the validations or other reports derived from the Classic Scores without Fair Isaac and Trans Union's prior written consent.

11. In the event Company intends to provide Classic Scores to any agent, Company may do so provided, however, that Company first enters into a written agreement with such agent that is consistent with Company's obligations under this Agreement. Moreover, such agreement between Company and such agent shall contain the following obligations and acknowledgments of the agent:

- (a) Such agent shall utilize the Classic Scores for the sole benefit of Company and shall not utilize the Classic Scores for any other purpose including for such agent's own purposes or benefit;
- (b) That the Classic Score is proprietary to Fair Isaac and, accordingly, shall not be disclosed to the credit applicant or any third party without Trans Union and Fair Isaac's prior written consent except:
  - (i) to credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes; or
  - (ii) as clearly required by law;
- (c) Such Agent shall not use the Classic Scores for model development, model validation, model benchmarking, reverse engineering, or model calibration;
- (d) Such agent shall not resell the Classic Scores; and
- (e) Such agent shall not use the Classic Scores to create Classic Scores to create or maintain a database for itself or otherwise.

12. Company acknowledges that the Classic Scores provided under this Agreement which utilize an individual's consumer credit information will result in an inquiry being added to the consumer's credit file.

13. Company shall be responsible for compliance with all applicable federal or state legislation, regulations and judicial actions, as now or as may become effective including, but not limited to, the FCRA, the ECOA, and Reg. B, to which it is subject.

14. The information including, without limitation, the consumer credit data, used in providing Classic Scores under this Agreement were obtained from sources considered to be reliable. However, due to the possibilities of errors inherent in the procurement and compilation of data involving a large number of individuals, neither the accuracy nor completeness of such information is guaranteed. Moreover, in no event shall Trans Union, Fair Isaac, nor their officers, employees, affiliated companies or bureaus, independent contractors or agents be liable to Customer for any claim, injury or damage suffered directly or indirectly by Customer as a result of the inaccuracy or incompleteness of such information used in providing Classic Scores under this Agreement and/or as a result of Company's use of Classic Scores and/or any other information or serviced provided under this Agreement.

15. Fair Isaac, the developer of Classic, warrants that the scoring algorithms as delivered to Trans Union and used in the computation of the Classic Score ("Models") are empirically derived from Trans Union's credit data and are a demonstrably and statistically sound method of rank-ordering candidate records with respect to the relative likelihood that United States consumers will repay their existing or future credit obligations satisfactorily over the twenty four (24) month period following scoring when applied to the population for which they were developed, and that no scoring algorithm used by Classic uses a "prohibited basis" as that term is defined in the Equal

Credit Opportunity Act (ECOA) and Regulation B promulgated there under.

- (a) Classic provides a statistical evaluation of certain information in Trans Union's files on a particular individual, and the Classic Score indicates the relative likelihood that the consumer will repay their existing or future credit obligations satisfactorily over the twenty four (24) month period following scoring relative to other individuals in Trans Union's database. The score may appear on a credit report for convenience only, but is not a part of the credit report nor does it add to the information in the report on which it is based.

THE WARRANTIES SET FORTH IN SECTION 15.1 ARE THE SOLE WARRANTIES MADE UNDER THIS ADDENDUM CONCERNING THE CLASSIC SCORES AND ANY OTHER DOCUMENTATION OR OTHER DELIVERABLES AND SERVICES PROVIDED UNDER THIS AGREEMENT; AND NEITHER FAIR ISAAC NOR TRANS UNION MAKE ANY OTHER REPRESENTATIONS OR WARRANTIES CONCERNING THE PRODUCTS AND SERVICES TO BE PROVIDED UNDER THIS AGREEMENT OTHER THAN AS SET FORTH IN THIS ADDENDUM. THE WARRANTIES AND REMEDIES SET FORTH IN SECTION 15.1 ARE IN LIEU OF ALL OTHERS, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, WARRANTIES THAT MIGHT BE IMPLIED FROM A COURSE OF PERFORMANCE OR DEALING OR TRADE USAGE). THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

16. IN NO EVENT SHALL ANY PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES INCURRED BY THE OTHER PARTIES AND ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF GOOD WILL AND LOST PROFITS OR REVENUE, WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, INDEMNITY, OR OTHERWISE, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

17. THE FOREGOING NOTWITHSTANDING, WITH RESPECT TO CUSTOMER, IN NO EVENT SHALL THE AFORESTATED LIMITATIONS OF LIABILITY, SET FORTH ABOVE IN SECTION 16, APPLY TO DAMAGES INCURRED BY TRANS UNION AND/OR FAIR ISAAC AS A RESULT OF GOVERNMENTAL, REGULATORY OR JUDICIAL ACTION(S) PERTAINING TO VIOLATIONS OF THE FCRA AND/OR OTHER LAWS, REGULATIONS AND/OR JUDICIAL ACTIONS TO THE EXTENT SUCH DAMAGES RESULT FROM CUSTOMER'S BREACH, DIRECTLY OR THROUGH CUSTOMER'S AGENT(S), OF ITS OBLIGATIONS UNDER THIS AGREEMENT.

18. ADDITIONALLY, NEITHER TRANS UNION NOR FAIR ISAAC SHALL BE LIABLE FOR ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS ADDENDUM BROUGHT MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED. IN NO EVENT SHALL TRANS UNION'S AND FAIR ISAAC'S AGGREGATE TOTAL LIABILITY, IF ANY, UNDER THIS AGREEMENT, EXCEED THE AGGREGATE AMOUNT PAID, UNDER THIS ADDENDUM, BY CUSTOMER DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING ANY SUCH CLAIM, OR TEN THOUSAND DOLLARS (\$10,000.00), WHICHEVER AMOUNT IS LESS.

19. This Addendum may be terminated automatically and without notice: (a) in the event of a breach of the provisions of this Addendum by Company; (b) in the event the agreement(s) related to Classic between Trans Union, Fair Isaac and XACTUS are terminated or expire; (c) in the event the requirements of any law, regulation or judicial action are not met, (d) as a result of changes in laws, regulations or regulatory or judicial action, that the requirements of any law, regulation or judicial action will not be met; and/or (e) the use of the Classic Service is the subject of litigation or threatened litigation by any governmental entity.



### **APPENDIX F-3 Trans Union Score Disclosure**

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1. Company will request Scores only for Company's exclusive use.
  - a. Company may store Scores solely for Company's own use in furtherance of Company's original purpose for obtaining the Scores.
  - b. Company shall not use the Scores for model development or model calibration and shall not reverse engineer the Score.
2. All Scores provided hereunder will be held in strict confidence and may never be sold, licensed, copied, reused, disclosed, reproduced, revealed or made accessible, in whole or in part, to any Person, except:
  - a. To those employees of Company with a need to know and in the course of their employment;
  - b. To those third party processing agents and other contractors of Company who have executed an agreement that limits the use of the Scores by the third party only to the use permitted to Company and contains the prohibitions set forth herein regarding model development, model calibration, reverse engineering and confidentiality;
  - c. When accompanied by the corresponding reason codes, to the consumer who is the subject of the Score;
  - d. To government regulatory agencies; or
  - e. As required by law.

**APPENDIX F-4**  
**Trans Union Requirements Regarding FICO®SCORE MORTGAGE SIMULATOR SERVICES**

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**REGARDING FICO® SCORE MORTGAGE SIMULATOR SERVICES**

Prior to and as a condition of providing Company's Authorized User access to FICO® Score Mortgage Simulator ("**FSMS**"), Company (also referred to herein as "Company") agrees to the following terms and conditions:

1. From time to time, Company may request that Xactus provide access to FSMS, and solely for the Company's Authorized Users (as defined hereinafter) to access FSMS through Xactus' front-end technology infrastructure ("**Xactus Infrastructure**"), solely for the Authorized User's internal Permitted Use of FSMS to generate certain output generated through the use of FSMS, including any simulated score or score delta, content generated from simulation scenarios, action plans based on simulations, or other information or content ("**FSMS Output**") solely during the 120-day period commencing on the date of the first Credit Report pull associated with any Credit Report data in a particular Order (the "**Active Order Period**" or "**Output Use Period**") for its "**Permitted Use**" (defined hereinafter) of the FSMS Output (and any information related thereto or created from the use thereof) during the applicable Output Use Period and not for any other purpose, including, but not limited to, establishing a consumer's eligibility for credit or insurance or otherwise for any credit or insurance decisioning (e.g., credit or insurance prequalification, prescreening, origination, underwriting, pricing, collections, account review), credit repair activities, initiating or removing a dispute, or requesting or making changes to, a consumer report and at all times in accordance with applicable law.
2. "**Permitted Use**" means Company's (i) internal use of FSMS, during the Term, to generate FSMS Output (in "read only" format) during the Active Order Period, and use of such FSMS Output (and any information related thereto or created from the use thereof) during the Output Use Period, solely for the Authorized User's internal informational purposes with respect to the simulated potential credit outcomes illustrated (and any potential action plan generated by the Authorized User corresponding with such outcomes ("**Action Plan**")) as part of such FSMS Output resulting from the FSMS's simulation scenarios selected by the Authorized User based on the Credit Report (defined hereinafter) or other data that is obtained and used by Company related to the individual that is a prospective or current mortgage applicant ("**Mortgage Applicant**"), and (ii) sharing of the Action Plan with the Mortgage Applicant during the Output Use Period, solely for the Mortgage Applicant's own personal educational and informational use and not for any other use.
3. "**Authorized User**" means an employee of Company that (i) is a mortgage lender, mortgage loan officer, mortgage originator, mortgage broker, or other mortgage professional that qualifies as a "creditor," and, for clarity, is not a "credit repair organization" or "consumer reporting agency," as defined under applicable law, (ii) has all necessary rights and consents, including, as applicable, a "permissible purpose" as defined under applicable law, to obtain, provide, and use any single consumer report about a Mortgage Applicant generated by data from a single XACTUS ("**Credit Report**") or other information and/or FSMS Output as part of the Permitted Use, (iii) is authorized to use FSMS for and on

behalf of Company, for whom Company is responsible, is bound by the confidentiality and other obligations under the Agreement, and (iv) has been issued a valid user identification number and/or password by Company for use of FSMS.

4. Company acknowledges and agrees that FSMS and FSMS Output (including any actual or simulated FICO® Scores) are proprietary to Fair Isaac and that Fair Isaac retains all intellectual property rights in and to FSMS and FSMS Output. Company will only permit use of FSMS (and any FSMS Output) by its employees that are Authorized Users, and represents and warrants that it (and each Authorized User) has all necessary rights and consents, including, as applicable, a “permissible purpose” as defined under applicable law, to obtain, provide, and use any Credit Report or other information and FSMS Output in connection with use of FSMS. Company shall not (and shall not permit any third party to) (i) in any way use FSMS (or any FSMS Output or Documentation) other than for the license rights and permitted use expressly granted, including permitting or attempting to gain access to FSMS or data contained therein other than through Authorized Users, (ii) in any way disclose, alter, change, modify, adapt, translate, or make derivative works of FSMS (or any FSMS Output or Documentation), and for clarity, no FSMS Output may be disclosed to a consumer or other third party unless Fair Isaac provides written consent in advance of such disclosure, (iii) with respect to FSMS (or any underlying model, scores, FSMS Output, or other Fair Isaac property), actually or attempt to reverse engineer, decompile, disassemble, reconstruct, discover, or reduce any object code to human perceivable form, or modify, or create any derivative works (iv) sublicense or operate FSMS (or any FSMS Output, documentation, or other Fair Isaac property) for timesharing, rental, outsourcing, or service bureau operations, or otherwise on behalf of any third party, (v) create, disclose to any third party, or publish, performance benchmarking of FSMS (or any underlying model, scores, FSMS Output, or other Fair Isaac property) or comparisons of FSMS (or any underlying model, scores, FSMS Output, or other Fair Isaac property) with respect to any other product or service, (vi) use FSMS or any model, scores, FSMS Output, or other Fair Isaac property) to create or assist others in creating any product or service that is competitive with FSMS or any other Fair Isaac product or service, or to create FSMS Output using any score other than a FICO® Score as an FSMS input, (vii) use for any benchmarking, calibration (including attempting to calibrate or align a non-Fair Isaac model or product to a non-Fair Isaac model or product), or for any purpose that may result in the replacement of or reduced or discontinued use of any Fair Isaac product or service, (viii) remove any proprietary notices from the FSMS (or any FSMS Output or Documentation), (ix) transmit to or through FSMS material containing software viruses or other harmful or deleterious computer code, routines, files, scripts, agents, or programs that may damage, intercept or expropriate any data or system, or containing content that may be unlawful, immoral, libelous, tortious, infringing, defamatory, false, or harmful to others or to interfere with or disrupt the integrity or performance of FSMS or data contained therein, (x) disparage Fair Isaac, FSMS, or any of Fair Isaac’s products or services, or (xi) use FSMS (or any FSMS Output or Documentation) in any manner or for any purpose that infringes, misappropriates, or otherwise violates any Intellectual Property or other right of any person, or that violates any Applicable Law.

5. WARRANTY DISCLAIMER. Commercially reasonable efforts will be made to provide FSMS in accordance with its Documentation in all material respects. Company must report any breach of this warranty within thirty (30) days after such breach to assert a claim under this section. For any breach of this warranty, the exclusive remedy, and Fair Isaac's entire liability, shall be at Fair Isaac's option to use commercially reasonable efforts to (a) re-perform the applicable service at no additional fee, or (b) modify FSMS to substantially conform to the Documentation. Except as expressly provided herein, ALL FSMS PRODUCTS, OUTPUT, AND FSMS SERVICES ARE PROVIDED ON AN "AS IS" BASIS WITHOUT ANY WARRANTY, EITHER EXPRESS OR IMPLIED, AND FAIR ISAAC HEREBY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, PERFORMANCE OF SERVICES, AND ANY WARRANTY ARISING FROM A COURSE OF DEALING, USAGE, TRADE PRACTICE OR ANY REPRESENTATION REGARDING ANY RESULTS TO BE ACHIEVED, OR ANY PRODUCT OR SERVICE PROVIDED HEREUNDER. FAIR ISAAC DOES NOT GUARANTEE THAT ANY PRODUCT OR SERVICE WILL PERFORM ERROR-FREE OR UNINTERRUPTED. Fair Isaac is not responsible for problems or errors caused by: (a) use of any product, service or deliverable provided by Fair Isaac outside the scope of these terms and conditions or not used in compliance with applicable documentation; (b) any modification to a product, service or deliverable not made by Fair Isaac; (c) any change in or modification to the operating characteristics of any system or component thereof that is inconsistent with the product or services documentation or specification; or (d) use of any product, service or deliverable with hardware or software that is not indicated in the applicable documentation to be interoperable with the same. Company acknowledges and agrees that Fair Isaac is not a credit repair organization as defined under applicable law, and Fair Isaac, FSMS (including any FSMS Output), and any other Fair Isaac product or service, does not provide or perform any "credit repair" service, or advice or assistance, regarding, or for the express or implied purpose of, "rebuilding" or "improving" any credit score, credit record, credit history or credit rating. Company is solely responsible for any results, and its use of any FSMS Output, obtained from the use of FSMS and for conclusions drawn therefrom, and Company shall acknowledge that Company is responsible for the selection of FSMS features (e.g. simulations scenarios) and FSMS Output to achieve Company's intended results.

6. In no event shall FAIR ISAAC be liable for any consequential, incidental, indirect, special, or punitive damages incurred by ANY PARTY And arising out of this AGREEMENT, including but not limited to loss of good will and lost profits or revenue, whether or not such loss or damage is based in contract, warranty, tort, negligence, strict liability, indemnity, or otherwise, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF SUCH DAMAGES WERE REASONABLY FORESEEABLE. IN NO EVENT SHALL FAIR ISAAC'S COMBINED AGGREGATE TOTAL LIABILITY FOR THE FSMS OUTPUT EXCEED THE AMOUNTS PAID DURING THE PRECEDING TWELVE (12) MONTHS FOR THE FSMS (OR FSMS OUTPUT) THAT IS THE SUBJECT OF THE CLAIM(S) OR TEN THOUSAND DOLLARS (\$10,000.00), WHICHEVER AMOUNT IS LESS. ADDITIONALLY, FAIR ISAAC SHALL NOT BE LIABLE FOR ANY CLAIM ARISING OUT OF OR IN CONNECTION WITH THE FSMS OUTPUT BROUGHT MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

**APPENDIX G**  
**State Compliance Matters**

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**CERTIFICATION OF COMPLIANCE California Civil Code § 1785.14(a)**

Section 1785.14(a), as amended, states that a consumer credit reporting agency does not have reasonable grounds for believing that a consumer credit report will only be used for a permissible purpose unless all of the following requirements are met:

Section 1785.14(a)(1) states: “If a prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the consumer credit reporting agency shall, with a reasonable degree of certainty, match at least three categories of identifying information within the file maintained by the consumer credit reporting agency on the consumer with the information provided to the consumer credit reporting agency by the retail seller. The categories of identifying information may include, but are not limited to, first and last name, month and date of birth, driver’s license number, place of employment, current residence address, previous residence address, or social security number. The categories of information shall not include mother’s maiden name.”

Section 1785.14(a)(2) states: “If the prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the retail seller must certify, in writing, to the consumer credit reporting agency that it instructs its employees and agents to inspect a photo identification of the consumer at the time the application was submitted in person. This paragraph does not apply to an application for credit submitted by mail.”

Section 1785.14(a)(3) states: “If the prospective user intends to extend credit by mail pursuant to a solicitation by mail, the extension of credit shall be mailed to the same address listed on the solicitation unless the prospective user verifies any address change by, among other methods, contacting the person to whom the extension of credit will be mailed.”

In compliance with Section 1785.14(a) of the California Civil Code, Company hereby certifies to Consumer Reporting Agency that Company IS NOT a retail seller, as defined in Section 1802.3 of the California Civil Code (“Retail Seller”) and issues credit to consumers who appear in person on the basis of applications for credit submitted in person (“Point of Sale”).

Company also certifies that if Company is a Retail Seller who conducts Point of Sale transactions, Company will, beginning on or before July 1, 1998, instruct its employees and agents to inspect a photo identification of the consumer at the time an application is submitted in person.

Company also certifies that it will only use the appropriate Company code number designated by Consumer Reporting Agency for accessing consumer reports for California Point of Sale transactions conducted by Retail Seller.

If Company is not a Retail Seller who issues credit in Point of Sale transactions, Company agrees that if it, at any time hereafter, becomes a Retail Seller who extends credit in Point of Sale transactions, Company shall provide written notice of such to Consumer Reporting Agency prior to using credit reports with Point of Sale transactions as a Retail Seller, and shall comply with the requirements of a Retail Seller conducting Point of Sale transactions, as provided in this certification.

**APPENDIX G-2  
State Compliance Matters**

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**VERMONT FAIR CREDIT REPORTING STATUTE, 9 V.S.A §2480E (1999)**

Company acknowledges that it subscribes to receive various information serviced from Xactus in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the "VFCRA") and the Federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. Seq., as amended (the "FCRA") and its other state law counterparts.

In connection with Company's continued use of Xactus provided information services in relation to Vermont consumers, Company hereby certifies that it will comply with applicable provisions under Vermont law. In particular, Company certifies that it will order information services relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Company has received prior consumer consent in accordance with VFCRA § 2480e and applicable Vermont Rules.

**§2480e. Consumer consent**

- (a) A person shall not obtain the credit report of a consumer unless:
  - (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
  - (2) the person has secured the consent of the consumer and the report is used for the purpose consented to by the consumer.
- (b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.
- (c) Nothing in this section shall be construed to affect:
  - (1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer, permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
  - (2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

**VERMONT RULES \*\*\* CURRENT THROUGH JUNE 1999 \*\*\***

**AGENCY 06. OFFICE OF THE ATTORNEY  
GENERAL SUB-AGENCY 031. CONSUMER  
PROTECTION DIVISION**

**CHAPTER 012. Consumer Fraud — Fair Credit  
Reporting RULE CF 112 FAIR CREDIT  
REPORTING**

**CVR 06-031-012, CF 112.03 (1999)  
CF 112.03 CONSUMER CONSENT**

- (d) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the



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consumer or the person required to obtain consumer consent initiates the transaction.

- (e) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.
- (f) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's report has been obtained pursuant to some other form of consent shall not affect the validity of the consent.

### APPENDIX H Death Master File

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Certain data provided by Xactus as part of its service offerings includes information obtained from the Death Master File (“DMF”), made available by the US Department of Commerce National Technical Information Service (NTIS) and subject to regulations found at 15 CFR Part 1110.

Company certifies that it meets the qualifications of a Certified Person under 15 CFR § 1110 and that its access to the DMF is appropriate because:

1. Company has a legitimate fraud prevention interest, or has a legitimate purpose pursuant to a law, governmental rule, regulation or fiduciary duty, and shall specify the purpose for so certifying: and
2. Company has systems, facilities, and procedures in place to safeguard the information received from the DMF; experience in maintaining the confidentiality, security, and appropriate use of the accessed information, pursuant to requirements similar to the requirements of section 6103(p)(4) of the Internal Revenue Code of 1986; and agrees to satisfy the requirements of such section 6103 (p)(4) if such section applies to Company; and
3. Company shall not disclose information derived from the DMF to the consumer or any third party, unless clearly required by law.

Company shall not, with respect to information derived from the DMF:

1. Disclose such deceased Individual’s DMF to any person other than a person who meets the requirements of Section 1 and 2 above;
2. Disclose such deceased individual’s DMF to any person who uses the information for any purpose other than a legitimate fraud prevention interest or a legitimate business purpose pursuant to a law, governmental rule, regulation or fiduciary duty;
3. Disclose such deceased individual’s DMF to any person who further discloses the information to any person other than a person who meets the requirements of a.i.(1) and (2) above;
4. Use any such deceased individual’s DMF for any purpose other than a legitimate fraud prevention purpose or a legitimate business purpose pursuant to a law, governmental rule, regulation, or fiduciary duty.

Company acknowledges its failure to comply with the provisions of 15 CFR § 1110 may result in, among other things, penalties of \$1,000 for each disclosure or use, up to a maximum of \$250,000 in penalties per calendar year.

Company shall indemnify and hold harmless Xactus, its reporting providers, and the US Government/NTIS from all claims, demands, damages, expenses, and losses, whether sounding in tort, contract or otherwise, arising from or in connection with Company’s, or Company’s employees, contractors, or subcontractors, use of the DMF. This provision shall survive termination of the service agreement and will include any and all claims or liabilities arising from intellectual property rights.

Neither Xactus, its reporting providers, nor the US Government/NTIS (a) make any warranty, express or implied, with respect to information provided under this section of the policy, including, but not limited to, implied warranties of merchantability and fitness for any particular use: (b) assume any liability for any direct, indirect or consequential damages incurred from any use of any part of the DMF, including infringement of third party intellectual property rights; and (c) assume any liability for any errors or omissions in the DMF.

Company is aware that the DMF does have inaccuracies and neither NTIS nor the Social Security

## Appendices

Administration (SSA), which provides the DMF to NTIS, guarantee the accuracy of the DMF. SSA does not have a death record for all deceased persons. Therefore, the absence of a particular person on the DMF is not proof that the individual is alive. Further, in rare instances, it is possible for the records of a person who is not deceased to be included erroneously in the DMF.

Company acknowledges that any individual who claims that the SSA has incorrectly listed someone as deceased, or has incorrect dates/data pertaining to an individual on the DMF, will be directed to contact their local SSA office with proof to have the error corrected.

### **APPENDIX I** **Certification for use of CBSV Program**

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Company recognizes and certifies the following obligations pertaining to the use of the SSA-89 verification product (CBSV - Consent Based Social Security Number Verification) will be adhered to:

1. Company agrees that it shall use the verification only for the purpose stated in the Consent Form, and shall make no further use or re-disclosure of the verification; and
2. Company acknowledges that Section 1140 of the Social Security Act authorizes the Social Security Administration to impose civil monetary penalties on any person who uses the words “Social Security” or other program-related words, acronyms, emblems and symbols in connection with an advertisement, solicitation or other communication, “in a manner which such person knows or should know would convey, or in a manner which reasonably could be interpreted or construed as conveying, the false impression that such item is approved, endorsed, or authorized by the Social Security Administration...” 42 U.S.C. § 1320b- 10(a); and
3. Company acknowledges that the Company and its Principals are specifically prohibited from using the words “Social Security” or other program-related words, acronyms, emblems and symbols in connection with an advertisement for “identity verification”; and
4. Company further acknowledges that the Company and its Principals are specifically prohibited from advertising that SSN verification provides or serves as identity verification; and
5. Company acknowledges that the Social Security Administration, or its nominated agent, has the right of access to all Company books and records associated with the CBSV (Consent Based Social Security Number Verification) program at any time.

### APPENDIX J Access Security Requirements

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Company shall implement and maintain a comprehensive Information Security Program written in one or more readily accessible parts that contains administrative, technical, and physical safeguards appropriate to the Company's size and complexity, the nature and scope of its activities, the sensitivity of the information provided to the Company by consumers and the terms of this Security Requirements document.

Such safeguards shall include the elements set forth in 16 C.F.R. § 314.4 and shall be reasonably designed to:

- Insure the security and confidentiality of the information provided by End User
- Protect against any anticipated threats or hazards to the security or integrity of such information
- Protect against unauthorized access or use of such information that could result in substantial harm or inconvenience to any consumer.

The security requirements included in this document represent the minimum security requirements acceptable to Xactus and are intended to ensure that a Third Party (i.e., Company, End User, Service Provider or any other organization engaging with Xactus or accessing Xactus Information) has appropriate controls in place to protect information and systems, including any information that it receives, processes, transfers, transmits, stores, delivers, and / or otherwise accesses on behalf of Xactus or its third-party data providers (such as the credit repositories).

#### DEFINITIONS

"Xactus Information" means highly sensitive information belonging to Xactus or its third-party data providers (such as the credit repositories) including, by way of example and not limitation, data, databases, application software, software documentation, supporting process documents, operation process and procedures documentation, test plans, test cases, test scenarios, cyber incident reports, consumer information, financial records, employee records, and information about potential acquisitions, and such other information that is similar in nature or as mutually agreed in writing, the disclosure, alteration or destruction of which would cause serious damage to Xactus or its third-party data providers' reputation, valuation, and / or provide a competitive disadvantage to Xactus or its third-party data providers.

"Resource" means all Third-Party devices, including but not limited to laptops, PCs, routers, servers, and other computer systems that store, process, transfer, transmit, deliver, or otherwise access the Xactus Information.

#### 1. Information Security Policies and Governance

Third Party shall have Information Security policies and procedures in place that are consistent with the practices described in an industry standard, such as ISO 27002 and / or this Security Requirements document, which is aligned to Experian's Information Security policy.

#### 2. Vulnerability Management

Firewalls, routers, servers, PCs, and all other resources managed by Third Party (including physical, on- premise or cloud hosted infrastructure) will be kept current with appropriate security specific system patches. Third Party will perform regular penetration tests to further assess the security of systems and resources. Third Party will use end-point computer malware detection/scanning services and procedures.

#### 3. Logging and Monitoring

Logging mechanisms will be in place sufficient to identify security incidents, establish individual accountability, and reconstruct events. Audit logs will be retained in a protected state (i.e., encrypted, or locked) with a process for periodic review.

**4. Network Security**

Third Party will use security measures, including anti-virus software, to protect communications systems and networks device to reduce the risk of infiltration, hacking, access penetration by, or exposure to, an unauthorized third-party.

**5. Data Security**

Third Party will use security measures, including encryption, to protect data provided by Xactus or its third- party data providers in storage and in transit to reduce the risk of exposure to unauthorized parties.

**6. Remote Access Connection Authorization**

All remote access connections to Third Party internal networks and/or computer systems will require authorization with access control at the point of entry using multi-factor authentication. Such access will use secure channels, such as a Virtual Private Network (VPN).

**7. Incident Response**

Processes and procedures will be established for responding to security violations and unusual or suspicious events and incidents. Third Party will report actual or suspected security violations or incidents that may affect Experian to Experian within twenty-four (24) hours of Third Party's confirmation of such violation or incident.

**8. Identification, Authentication and Authorization**

Each user of any Resource will have a uniquely assigned user ID to enable individual authentication and accountability. Access to privileged accounts will be restricted to those people who administer the Resource and individual accountability will be maintained. All default passwords (such as those from hardware or software vendors) will be changed immediately upon receipt.

**9. User Passwords and Accounts**

All passwords will remain confidential and use 'strong' passwords which shall be at least 8 characters in length and include uppercase character(s), lowercase character(s), numeric character(s) and special character(s), and that expire after a maximum of 90 calendar days. Accounts will automatically lockout after five (5) consecutive failed login attempts.

**10. Training and Awareness**

Third Party shall require all Third Party personnel to participate in information security training and awareness sessions at least annually and establish proof of learning for all personnel.

**11. Right to Audit**

Third Party shall be subject to remote and / or onsite assessments of its information security controls and compliance with these Security Requirements.

**12. Bulk Email Communications into Xactus**

Third party will not "bulk email" communications to multiple Xactus employees, or the employees of Xactus' third-party data providers, without the prior written approval of Xactus. Third party shall seek authorization via their Xactus relationship manager or Xactus Sales Support in advance of any such campaign.



**APPENDIX J**  
**ADDITIONAL TERMS AND CONDITIONS FOR FICO®SCORES**

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1. From time to time, Company may order credit risk scores or insurance risk scores of Fair Isaac Corporation (“**Fair Isaac**”) (“**FICO®Scores**”) for, in each case, one of the following of the Company’s internal decisioning purposes requested: (a) in connection with the review of a consumer report it is obtaining from Xactus containing the information of Equifax, Experian, and/or TransUnion; (b) for the review of the portion of its own open accounts and/or closed accounts with balances owing that it designates; (c) as a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; (d) for use as a selection criteria to deliver a list of names to the Company, or the Company’s designated third party processor agent; (e) for transactions not initiated by the consumer for the extension of a firm offer of credit or insurance; or (f) with respect to the insurance risk scores only for use in connection with the underwriting of insurance involving the consumer.
2. Company shall use each such FICO®Score only once and, with respect to FICO®Scores, only in accordance with the permissible purpose under the FCRA for which Company and the Company obtained the FICO®Score.
3. Company acknowledges that the FICO®Scores are proprietary and that Fair Isaac retains all its intellectual property rights in the FICO®Scores and the Models (defined below) used to generate the FICO®Scores. Company shall not attempt to discover or reverse engineer the FICO®Scores, Models or other proprietary information of Fair Isaac, or use the FICO®Scores in any manner not permitted, including, without limitation, for resale to third parties, model development, model validation, model benchmarking, or model calibration. “Model” means Fair Isaac’s proprietary scoring algorithm(s) embodied in its proprietary scoring software.
4. FAIR ISAAC HEREBY DISCLAIMS ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND OTHER WARRANTIES THAT MIGHT BE IMPLIED FROM A COURSE OF PERFORMANCE OR DEALING OR TRADE USAGE. IN NO EVENT SHALL FAIR ISAAC BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES INCURRED BY ANY PARTY AND ARISING OUT OF THE PERFORMANCE HEREUNDER, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF SUCH DAMAGES WERE REASONABLY FORESEEABLE. IN NO EVENT SHALL FAIR ISAAC’S COMBINED AGGREGATE TOTAL LIABILITY HEREUNDER EXCEED THE AMOUNTS PAID HEREUNDER DURING THE PRECEDING TWELVE (12) MONTHS FOR THE FICO®SCORES THAT ARE THE SUBJECT OF THE CLAIM(S) OR TEN THOUSAND DOLLARS (\$10,000.00), WHICHEVER AMOUNT IS LESS.
5. Company acknowledges and agrees that Fair Isaac is a third-party beneficiary hereunder with respect to the Models, FICO®Scores, and other Fair Isaac intellectual property and with fully enforceable rights. Company further acknowledges and agrees that Fair Isaac’s rights with respect to the Models, FICO®Scores, other Fair Isaac intellectual property, and all works derived therefrom are unconditional rights that shall survive the termination for any reason.
6. Xactus and Fair Isaac reasonably believe that, subject to validation by Company on its own records, the scoring algorithms used in the computation of the FICO®Score are empirically derived from consumer credit information from its Licensors’ consumer credit reporting databases, and are demonstrably and statistically sound methods of rank ordering candidate records from the Licensors’ consumer credit database for the purposes from which the FICO®Score was derived, and it is intended to be an “empirically derived, demonstrably and statistically sound credit scoring system” as defined in Regulation B, with the understanding that the term “empirically derived, demonstrably and statistically sound,” is defined only in a

## Appendices

general manner by Regulation B, and has not been the subject of any significant interpretation; and the scoring algorithms comprising the FICO®Score, except as permitted, do not use a "prohibited basis," as such phrase is defined in Regulation B. Company must validate the FICO®Score on its own records. Company will be responsible for meeting its requirements under the ECOA and Regulation B.

7. XACTUS AND FAIR ISAAC DO NOT GUARANTEE THE PREDICTIVE VALUE OF THE FICO®SCORE WITH RESPECT TO ANY INDIVIDUAL, AND DO NOT INTEND TO CHARACTERIZE ANY INDIVIDUAL AS TO CREDIT CAPABILITY. NEITHER XACTUS NOR FAIR ISAAC NOR THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUBSIDIARY AND AFFILIATED COMPANIES, OR ANY THIRD-PARTY CONTRACTORS, LICENSORS OR SUPPLIERS OF XACTUS OR FAIR ISAAC WILL BE LIABLE TO COMPANY FOR ANY DAMAGES, LOSSES, COSTS OR EXPENSES INCURRED BY COMPANY RESULTING FROM ANY FAILURE OF A FICO®SCORE TO ACCURATELY PREDICT THE CREDIT WORTHINESS OF COMPANY'S APPLICANTS OR COMPANYS. IN THE EVENT THE SCORE IS NOT CORRECTLY APPLIED BY XACTUS TO ANY CREDIT FILE, XACTUS' SOLE RESPONSIBILITY WILL BE TO REPROCESS THE CREDIT FILE THROUGH THE SCORE AT NO ADDITIONAL CHARGE.

8. Up to five score reason codes, or if applicable, exclusion reasons, are provided to Company with FICO®Scores. These score reason codes are designed to indicate the reasons why the individual did not have a higher FICO®Score, and may be disclosed to consumers as the reasons for taking adverse action, as required by the Equal Credit Opportunity Act ("ECOA") and its implementing Regulation ("Reg. B"). However, the FICO®Score itself is proprietary to Fair Isaac, may not be used as the reason for adverse action under Reg. B and, accordingly, shall not be disclosed to credit applicants or any other third party, except:

- (a) To credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes; or
- (b) As clearly required by law. Company will not publicly disseminate any results of the validations or other reports derived from the FICO®Scores without Fair Isaac and Xactus' prior written consent.

**APPENDIX K  
ADDITIONAL TERMS AND CONDITIONS FOR VANTAGE SCORES**

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1. Company will request VantageScores only for Company's exclusive use. The VantageScores may be stored solely for Company's use in furtherance of Company's original purpose for obtaining the VantageScores.
2. The Company shall not use the VantageScores for model development or model calibration, except in compliance with the following conditions: (1) the VantageScores may only be used as an independent variable in custom models; (2) only the raw archived VantageScore and VantageScore segment identifier will be used in modeling (*i.e.*, no other VantageScore information including, but not limited to, adverse action reasons, documentation, or VantageScorecards will be used); and (3) Company's depersonalized analytics and/or depersonalized third party modeling analytics performed on behalf of Company, using VantageScores, will be kept confidential and not disclosed to any third party other than as expressly provided for below in subsection (ii), (iv), (v) and/or (vi) of paragraph D below.
3. Company shall not reverse engineer the VantageScore.
4. All VantageScores provided hereunder will be held in strict confidence and may never be sold, licensed, copied, reused, disclosed, reproduced, revealed or made accessible, in whole or in part, to any person or entity, except: (i) to those employees, agents, and independent contractors of Company with a need to know and in the course of their employment; (ii) to those third party processing agents and other contractors of Company who have executed an agreement that limits the use of the VantageScores by the third party only to the use permitted to Company and contains the prohibitions at least as restrictive as those set forth herein; (iii) when accompanied by the corresponding reason codes, to the consumer who is the subject of the VantageScore (provided, that, accompanying reason codes are not required to the extent permitted by law); (iv) to government regulatory agencies; (v) to ratings agencies, dealers, investors and other third parties for the purpose of evaluating assets or investments (e.g., securities) containing or based on obligations of the consumers to which the VantageScores apply (e.g., mortgages, student loans, auto loans, credit cards), provided that, as it relates to this subsection (v), (a) Company may disclose VantageScores only in aggregated formats (e.g., averages and comparative groupings) that do not reveal individual VantageScores, (b) Company shall not provide any information that would enable a recipient to identify the individuals to whom the VantageScores apply, and (c) Company shall enter into an agreement with each recipient that limits the use of the VantageScores to evaluation of such assets or investments; or (vi) as required by law.
5. Company agrees that the trademarks, trade names, product names, brands, logos, and service marks ("**Marks**") for VantageScore credit scores and credit scoring models will remain the sole property of VantageScore Solutions, LLC. Company obtains a limited, non-exclusive, non-transferable, royalty free license to use and display the Marks in connection with the activities solely permitted by this Agreement. The use of the Marks under the preceding license is limited to use only in connection with the Services covered by this Agreement, and the Company agrees not to use the Marks in connection with any products or services not covered by this Agreement. Any use of the Marks is subject to VantageScore Solutions, LLC's prior written authorization. Company further agrees to include the Marks in all advertising and marketing materials which reference the VantageScores or the Vantage models and to comply with the VantageScore Trademark Policy and Brand Guidelines, which may be changed from time to time upon written notice. All use of the Marks will accrue solely to the benefit of VantageScore Solutions, LLC.

6. Xactus and VantageScoreSolutions, LLC reasonably believe that, subject to validation by Company on its own records, the scoring algorithms used in the computation of the FICO®Score are empirically derived from consumer credit information from its Licensor's consumer credit reporting databases, and are demonstrably and statistically sound methods of rank ordering candidate records from the Licensor's consumer credit database for the purposes from which the FICO®Score was derived, and it is intended to be an "empirically derived, demonstrably and statistically sound credit scoring system" as defined in Regulation B, with the understanding that the term "empirically derived, demonstrably and statistically sound," is defined only in a general manner by Regulation B, and has not been the subject of any significant interpretation; and the scoring algorithms comprising the FICO®Score, except as permitted, do not use a "prohibited basis," as such phrase is defined in Regulation B. Company must validate the FICO®Score on its own records. Company will be responsible for meeting its requirements under the ECOA and Regulation B.
7. XACTUS AND VANTAGESCORESOLUTIONS, LLC DO NOT GUARANTEE THE PREDICTIVE VALUE OF THE FICO®SCORE WITH RESPECT TO ANY INDIVIDUAL, AND DO NOT INTEND TO CHARACTERIZE ANY INDIVIDUAL AS TO CREDIT CAPABILITY. NEITHER XACTUS NOR VANTAGESCORESOLUTIONS, LLC NOR THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUBSIDIARY AND AFFILIATED COMPANIES, OR ANY THIRD-PARTY CONTRACTORS, LICENSORS OR SUPPLIERS OF XACTUS OR VANTAGESCORESOLUTIONS, LLC WILL BE LIABLE TO COMPANY FOR ANY DAMAGES, LOSSES, COSTS OR EXPENSES INCURRED BY COMPANY RESULTING FROM ANY FAILURE OF A FICO®SCORE TO ACCURATELY PREDICT THE CREDIT WORTHINESS OF COMPANY'S APPLICANTS OR COMPANYS. IN THE EVENT THE SCORE IS NOT CORRECTLY APPLIED BY XACTUS TO ANY CREDIT FILE, XACTUS' SOLE RESPONSIBILITY WILL BE TO REPROCESS THE CREDIT FILE THROUGH THE SCORE AT NO ADDITIONAL CHARGE.
8. Up to five score reason codes, or if applicable, exclusion reasons, are provided to Company with VantageScores. These score reason codes are designed to indicate the reasons why the individual did not have a higher FICO®Score, and may be disclosed to consumers as the reasons for taking adverse action, as required by the Equal Credit Opportunity Act ("ECOA") and its implementing Regulation ("Reg. B"). However, the FICO®Score itself is proprietary to VantageScoreSolutions, LLC, may not be used as the reason for adverse action under Reg. B and, accordingly, shall not be disclosed to credit applicants or any other third party, except:
  - a. To credit applicants in connection with approval/disapproval decisions in the context of bona fide credit extension transactions when accompanied with its corresponding score reason codes; or
  - b. As clearly required by law. Company will not publicly disseminate any results of the validations or other reports derived from the VantageScores without VantageScoreSolutions, LLC and Xactus' prior written consent.