

2010 NAPBS Annual Conference

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Introduction

- History of Experian's Reseller Compliance
 - ▶ Definition of Reseller per federal Fair Credit Reporting Act (FCRA)
- Reseller Compliance Mission Statement
- Today's Objective – Understanding Tenant Screening Requirements



Topics of Discussion

Experian Policy And Procedures

- End User Investigation Requirements
- Customer Alert List
- Access Security Requirements
- Incident Response Guidelines
- Proper Inquiry Posting and Usage

Vetting Process (Based on Experian's End User Investigation Requirements)

- Membership Application and Contract Requirements
- Business Phone Validation
- Validation of Bona Fide Business
- Physical Inspection Requirements
- Location Type
- Applicable Tenant Screening Requirements
- Identification of Residential End User
- End User Website Validation
- Customer Alert List
- Scoring Agreement Requirement

Topics of Discussion Continued

Additional Experian Requirements

- Reseller Reinvestigation Program (RRP)
- Experian Independent Third Party Assessment (EI3PA)
- Reseller's Documented Policy and Procedures
- Reseller's Employee and End User Training Opportunities
- Reseller Compliance Resource Website

Reseller Compliance Onsite Assessments

- Yearly Onsite Visits
- End User File Review
- Policy and Procedure Review
- Training Opportunities
- Action Plan

Experian Policy and Procedures

End User Investigation Requirements (EUIR)

- End User Investigation Requirements (EUIR)
 - ▶ Vetting requirements have been established for compliance with FCRA and risk mitigation
 - EUIR – Tenant Screening - FCRA Products
 - Additional Business or Product EUIRs



Customer Alert List

- All Resellers must utilize the Customer Alert List for all new end users before allowing access to Experian data.
- All Resellers must monitor all of their existing end users customers against the Customer Alert List not less than monthly.



Access Security Requirements

- The Access Security Requirements were developed to protect consumer information by requiring strong access and network controls, vulnerability management programs, and information security policies. Access Security Requirements
 - ▶ It is your responsibility to incorporate these standards as a key component of your own data and access security policy.
 - ▶ Due to the serious nature of data security, Experian reviews, audits, and investigations closely scrutinize the Reseller's compliance with these access security requirements, including with currently existing end users.
 - ▶ Resellers are required to provide the most recent Access Security Requirements to all new end users. The end user must acknowledge in writing that they will adhere to all of the requirements.



Incident Response Guidelines



- The Incident Response Guidelines were developed to provide a road map for Experian Resellers to comply with Experian’s policies regarding a security breach involving personal sensitive information (PSI).
- Definition of a “breach” is slightly different among the various state and federal laws, but generally means compromise of the security, confidentiality, or integrity of data that results in, or there is a reasonable basis to conclude has resulted in, the unauthorized acquisition of and access to personal sensitive information.

Incident Response Guidelines (continued)

- The definition of personal sensitive information also varies amongst federal and state laws but generally includes:
 - First name, or first initial and last name in combination any one or more of the following data elements, when either the name or data elements are not encrypted:
 - ▲ Social Security Number
 - ▲ Drivers License Number
 - ▲ Account number
 - ▲ Credit or debit card, in combination with any required security code, access code, or password permitting access to an individual's financial account.



Proper Inquiry Posting and Usage

- Experian's contract in compliance with the FCRA, requires that when a person who procures a consumer report for purposes of reselling the report or information in the report must establish and comply with reasonable procedures designed to ensure that the report or information is resold by the person only for a purpose for which the report may be furnished under Section 604, including by requiring that each person to which the report or information is resold and that resells or provides the report or information to any person:
 - ▶ Identifies each end user of the resold report or information
 - ▶ Certifies each purpose for which the report or information will be used



Proper Inquiry Posting and Usage (continued)

- End User
 - ▶ Resellers communicate end user information to Experian by using a keyword or a unique subscriber code assigned to an end user. The following are examples of inappropriate end user entries and must not be used:
 - Initials
 - Client codes
 - All numeric characters
 - Acronyms
 - Run together terms
 - The Reseller's own name
 - ▶ Note: There are three ways that a Reseller may provide end user information to Experian:
 - Manually entered upon inquiry
 - Hard coded into the software
 - Unique subscriber code assigned

Proper Inquiry Posting and Usage (continued)

- Permissible Purpose Type
 - ▶ Permissible purpose information is communicated to Experian by using a keyword
 - If a Reseller is contracted with Experian for more than one permissible purpose, the Reseller's software must be able to accommodate multiple permissible purpose type codes.
 - In order to properly identify the permissible purpose for which the credit report will be used, Resellers must provide the correct type code (T-) on every inquiry.



Vetting Process

Membership Application and Contract Requirements

- Reseller must maintain a completed, dated, and signed membership application and service agreement. The application and service agreement may be separate or combined documents, but must include the requirements listed below for the end user to:
 - ▶ Describe the specific permissible purpose(s) for which the credit information will be used
 - ▶ Describe their type of business (for example: property management company, landlord, etc.)
- Experian requires that end users certify in writing to the following:
 - ▶ Acknowledge end user responsibilities under FCRA
 - ▶ Acknowledge end user responsibilities for Access Security
 - ▶ Certify that the client is the end user and will not further sell the information

Business Phone Validation

- The business telephone number which was provided on the membership application must be verified as accurate with a third party authority that does not rely on self- reported data.
 - ▶ The phone number must be listed in the name of the end user or must be tied to a business owner or an officer matching the entity.
 - ▶ The verification must be documented, including the method of verification, name of verifying entity, date verified and the initials of the person who conducted the verification.
 - ▶ When using a telephone company website for verification, ensure that the website name, website address and information being validated is legible.



Physical Inspection Requirements



- A physical inspection must be performed on each potential end user's business location to validate the legitimacy and location of the business.
- The physical inspection must be performed by an Experian recommended third party vendor.
 - ▶ Use of the Experian recommended physical inspection checklist and three photographs are required for each inspection.
 - The Reseller must review the content of the physical inspection to ensure discrepancies or suspicions are resolved prior to allowing access to Experian data.

Location Type

- Verify and document the end user's business location type, commercial or residential. This can be accomplished by the following:
 - ▶ A completed physical inspection
 - ▶ Leasing Agreement
 - ▶ Local Zoning
 - ▶ Experian Business Credit Report



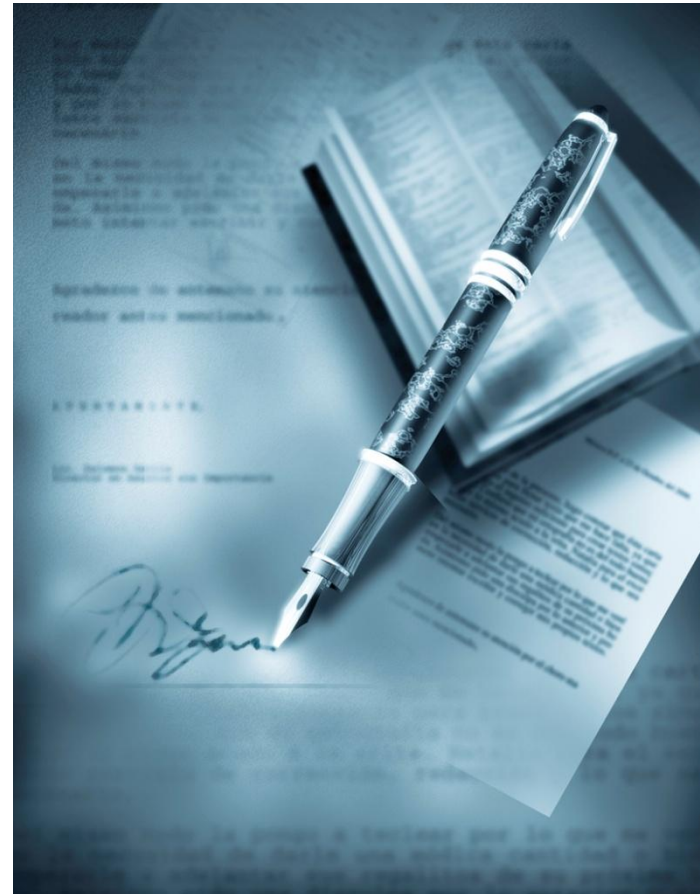
Tenant Screening Requirements

Apartment Management, A Real Estate Agent conducting business as a Property Manager, or Apartment Complex

- Obtain one of the following:
 - ▶ Minimum of 3 completed (signed) rental application
 - ▶ Document Filings in Landlord/Tenant Court with proof of filing
 - ▶ Verify membership in local/regional/national apartment association

And

- In addition, one of the following:
 - ▶ Experian approved Business Credit Report
 - ▶ Business license from government web site or a copy of the license (verbal documentation)
 - ▶ Documented corporation verification
 - ▶ Copy of Articles of Incorporation (with proof of filing)
 - ▶ State and/or federal tax records



Tenant Screening Requirements (continued)

If end user is an Apartment Management Company:

- Maintain a signed list of all apartment complexes and/or properties under the apartment management company.

If end user is an Individual Landlord one of the following must be obtained:

- Copy of filed property title
- Copy of filed property tax records
- Public records search
- Property insurance documents from the county/city/state
- Other method approved by Experian prior to implementation

And

- Obtain a copy of a completed (signed) rental application or agreement for each rental property

And

- Verify prospective end user's/property owner's identification



Tenant Screening Requirements (continued)

Individual landlord operating under a business name:

- Experian approved Business Credit Report
- Business license status from government web site or a copy of the license (verbal documentation)
- State and/or federal tax records
- Fictitious Business Name filing with proof of filing

Independent real estate agent contracted with a real estate firm for tenant screening purposes.

- Real Estate Broker's license status from government website or a copy of the licenses (verbal documentation)

And

- Documented verification/confirmation of the business relationship from the real estate firm

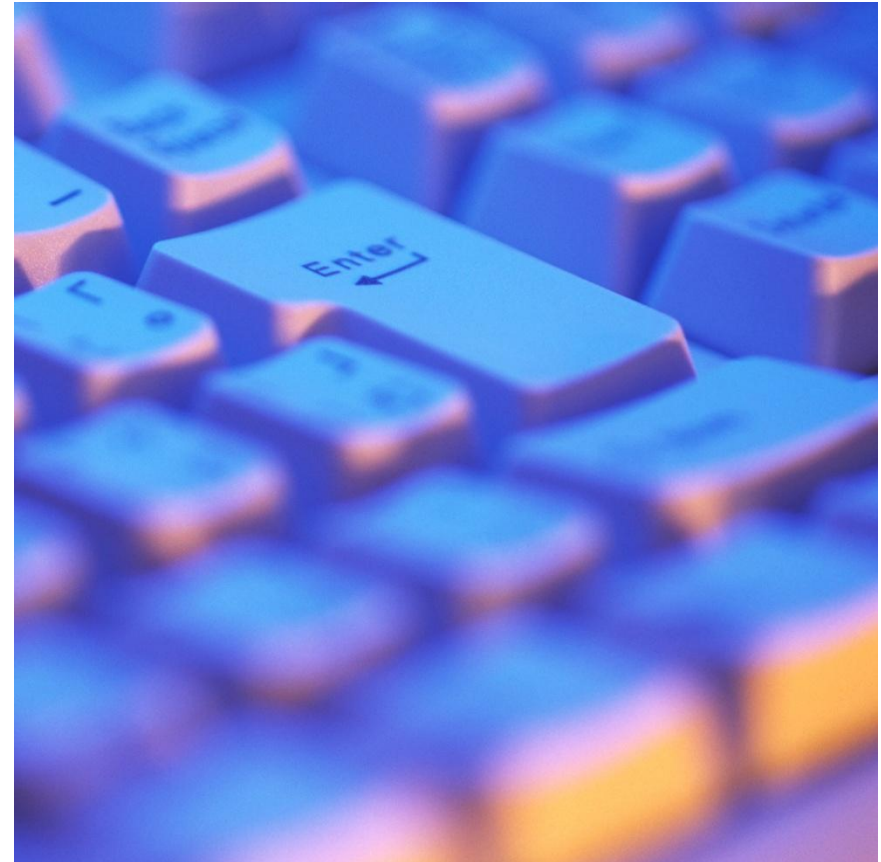
Residential End User Requirement

- Experian only authorizes mortgage and tenant screening end users to operate from a residence.
- End users operating from a residence require a more in-depth investigation and stringent documentation due to the potential for greater security risk from casual disclosure or access, and the mobility of the business.
- Annual physical inspection specifically designed to address physical separation from living quarters and/or security measures restricting access for business needs only.
- Each end user must be identified as operating from a residence and **Experian** notified in order for tracking and monitoring.



End User Website Validation

- Reseller must obtain the end user's web site(s) address. A review of the web site(s) must be performed and documented to verify legitimacy of the business and to ensure the end user is not providing unauthorized or inappropriate services.
 - ▶ Web site review can be documented via:
 - checklist
 - print screen



Customer Alert List

The screenshot shows a Microsoft Internet Explorer browser window displaying the Experian Reseller Compliance Web. The address bar shows the URL: <https://stg1-ss1.experian.com/resellercompliance/cis/altsrch.do>. The page features a green header with the Experian logo and the text "Experian Reseller Compliance Web" and "A world of insight". Below the header, there are "Home" and "Log out" buttons. The main content area is titled "End User Registration" and "Alert List". A "Search" section is highlighted in green. Below this, there are three search sections: "Search Business Information" with fields for "Business Name" and "Website"; "Search Address and Phone" with fields for "Address", "City", "State" (a dropdown menu), and "Zip", along with a "Phone" field; and "Search Contact" with fields for "Last Name", "First Name", "Middle Name", "Gen." (a dropdown menu), "Title", and "Email". At the bottom of the search section, there are three buttons: "SEARCH", "VIEW ALL", and "CLEAR".

The Customer Alert List (CAL) must be utilized by the Reseller to validate that each new and existing end user is not contained in the list.

Reseller must document the review of each End User Registration or Customer Alert List (CAL) search, including the date and time of the search, because CAL is updated real-time.

Scoring Agreement Requirement

- Reseller must obtain a signed Scoring Agreement from end user which contains all elements identified in Experian's Credit Scoring Services Agreement, Mortgage Industry Processors, Section 4C, items (i) – (ix).

Additional Experian Requirements

Reseller Reinvestigation Program (RRP)

- The FCRA as amended by Fair and Accurate Credit Transaction Act (FACTA) requires the Reseller as consumer reporting agency to process disputes on behalf of consumers.
 - ▶ Experian has developed an internet based program called Reseller Reinvestigation Program to enable the Reseller to process disputes with Experian.
 - ▶ The Experian Specialized Services Channel group is responsible for setting up the Resellers for the RRP process.
 - ▶ Additional resource and training material are located on the Experian Reseller Resource Web site (www.experian.com/resellercompliance).

Experian Independent Third Party Assessment (EI3PA)

- What is EI3PA?
 - ▶ Experian's **Independent 3rd Party Assessment** is an annual assessment of an Experian Reseller's ability to protect the information they purchase from Experian.
 - ▶ EI3PA requires an evaluation of a Reseller's information security by an independent assessor, based on requirements provided by Experian.
 - ▶ EI3PA also establishes quarterly scans of networks for vulnerabilities.
- Why must Experian Resellers comply with it?
 - ▶ Experian and its Resellers face significant risks if the consumer information we provide is not protected. As a result of our obligation to protect consumer's data, Experian has created the EI3PA.



Experian Independent Third Party Assessment (EI3PA) - continued

- Is the assessment the same as PCI-DSS?



- ▶ Not quite. Experian has not ***adopted*** PCI-DSS. The requirements of EI3PA have been ***adapted*** from PCI-DSS.
- ▶ EI3PA differs from PCI-DSS in that it assesses how a Reseller provides protection of Experian-provided personal sensitive information data rather than cardholder data.
- ▶ It also differs in that it is approved solely by Experian, not by the card issuer or issuing bank.

Reseller Policy and Procedures

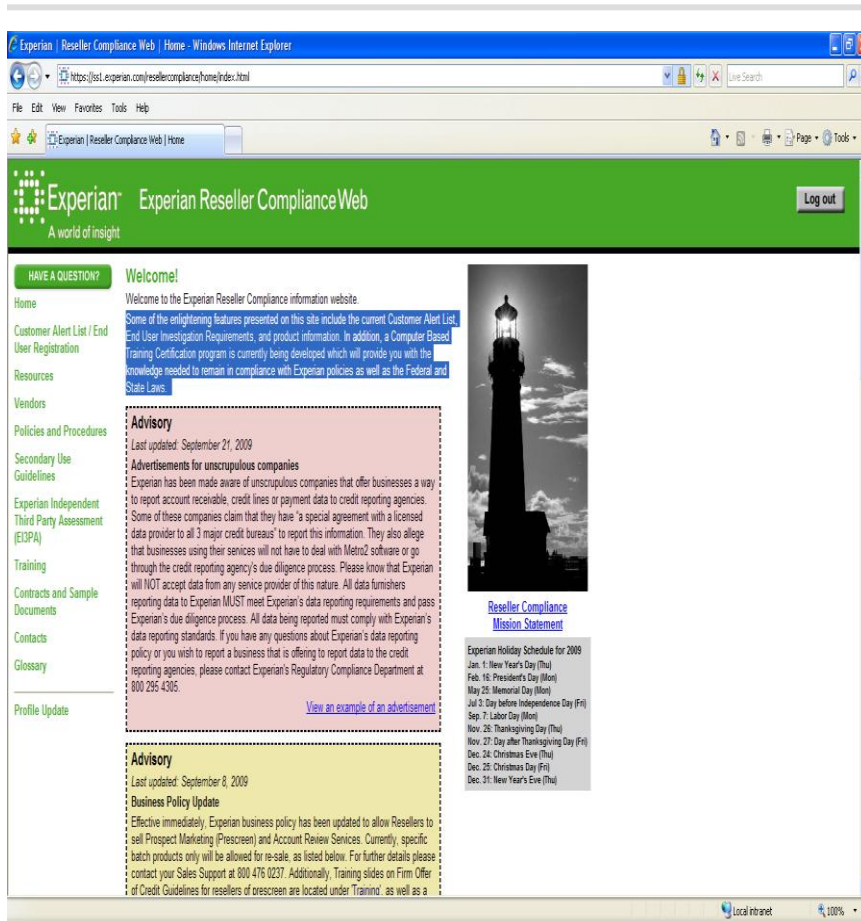
- Experian Resellers are required to have documented policy and procedures that generally address how they will comply with Experian's policy and procedures.



Reseller's Employee and End User Training Opportunities

- Per the Reseller Services Agreement, the Reseller agrees to obtain training and education concerning applicable legal requirements and Experian policies and procedures.
 - ▶ Reseller will institute and maintain strict procedures for assuring that its employees do not furnish the Services (or information therein) except in compliance with the requirements of the FCRA and this Agreement.
 - ▶ Reseller will provide training and training materials to its end users to the extent necessary to assure compliance with the FCRA and this Agreement.
 - ▶ Reseller will develop and provide training and training materials to its end users to the extent necessary to assure compliance with the all applicable laws and Experian policy.

Experian Reseller Resource Website



- Purpose of the Reseller Compliance Web site
 - ▶ Some of the features presented on the site include:
 - Customer Alert List
 - End User Investigation Requirements
 - Advisories
 - Government Links
 - Contracts

Future Onsite Assessments

Reseller Compliance Onsite Visits

- Yearly Onsite Visits
- End User File Review
- Policy and Procedure Review
- Training Opportunities
- Action Plan



