

Bonus Items

Thank You Again For Your Order!

This document contains the bonus items for your credit repair course, plus a copy of the information letter for our real estate investing course, which is available at our site:

<http://www.4realestateinvesting.com>

I wish you the best, and let us know how you do! You will receive notification of any updates to our course via email whenever we update the course.

Sincerely,

Dave Whisnant, JD

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Financing

By David Whisnant, JD

When you buy a piece of property, the most important element in the equation is obtaining financing. There are several types of financing that we will discuss.

Owner-occupant financing -- This applies generally to any loan that a person would receive who intends to live in the house after closing. These are the easiest loans to obtain. Credit problems are not as detrimental when trying to obtain this type of loan. The interest rate and closing costs are less than on other types of loans.

Investor Loans -- These are loans that are used by investors to buy property. An investor is anyone that buys property but does not live in the property. These are more difficult to get than owner-occupant loans. These may be conforming or non-conforming. Conforming loans must meet certain underwriting standards. These require more paperwork and the borrower's finances are investigated in greater detail than non-conforming loans.

Sub prime Lenders

Non-conforming loans are offered through sub-prime lenders. Lenders that loan money to people with less than perfect credit are known in the business as sub prime lenders. They charge a higher interest rate, and often charge a good sum of money to get into the loan up front. For example, I've got a rehab in Decatur, Georgia right now that is on the market and will hopefully be sold when you read this. The loan is with a sub prime lender. The money was easy to get, but the interest rate is 15%, which is roughly 6 percentage points above typical investor interest rates at the time of the writing of this book. My closing costs to get the loan were over \$6,000.

Sub prime lenders will be a great source of money for you to chase when you're getting started, or if you are trying to be aggressive with how many properties you can rehab at once. Don't go to Bank of America or any mega-bank. Most of the big banks are in the car loan and credit card business. They don't really want to make loans on real estate. Not investor real estate anyway. I've had some early deals scuttled because I was stupid enough to try to use these guys.

Exception: If you're buying your own house to live in and it is your first home, you may want to see what banks, if any, have special programs for first-time homebuyers. I bought my first house through NationsBank, now Bank of America. The home I bought was in a great area, but because of the way they draw their maps, the bank had identified this as a disadvantaged area in which they were eager to make loans to satisfy the government and their own public relations machine. I know Bank of America

is still doing these programs in Atlanta. There was an article in the paper recently about how they are lending in the hot Reynoldstown area. Any Atlantans looking for a first home would do well to boogie down there to learn about this. In any event, they offered no points, no PMI (private mortgage insurance), which saved me over \$100 per month, low closing costs and other benefits. I qualified even though I was making hardly any money and had been self-employed for slightly over a year. I had a pulse. Check it out if you're looking for your own first home.

Sub prime lenders don't have branches. They work through mortgage brokers who put the package together and handle all the paperwork pertaining to the loan. For their trouble, they get 1% or so of the value of the loan for payment. Mortgage brokers can handle all three types of loans outlined above: Owner-Occupant, Conforming Investor, and Sub-Prime.

Mortgage Brokers: The Investor's Best Friend

Mortgage brokers are super. Not all of them, but the good ones are like money in the bank for you. Georgia is a bit of an oddball state. Mortgage brokers don't have strict licensing rules here. They have to pay a fee and then they are licensed to lend. The problem is that while there are a lot of good brokers, there are also a lot of idiots who paid their money and have no idea what they are doing. They can't put the deal together and close it, and this can be deadly to your chances of making money in this business.

The first house that I bought, I lived in. After 7 months, I rented it out and moved to my future wife's house while I was looking for my next house to buy. I found a great one. Good location, abandoned. Puke on the carpets and vandalized. The owners lived in the northern suburbs and hated it. I knew that the area was becoming hot. (How? By doing exactly what I will tell you later-- DRIVE, DRIVE, DRIVE.) They were asking \$45,000 for it. I offered \$35,000 and knew that it was worth \$60,000-\$70,000 easy, even torn up. They accepted.

I was excited. I would buy it and turn it, and I would make some money from the deal. I got permission from the owner to fix it up before I closed. I figured that I would be able to sell it immediately upon closing with the owners. It would be spiffed up with fresh paint, and cleaned from top to bottom. We had a closing date set for 30 days out, and my wife and I worked every night at the house for 6 hours or so. The wood floors had paint on them. We scrubbed them with solvent until we were dizzy. We filled in cracks on the walls, and scraped off old peeling paint. We killed ourselves working.

The mortgage broker that we used to acquire the financing was partially owned by the sellers. We figured that we'd throw them a bone by letting them put the loan together for us. They'd make some money on the house and the loan.

Big mistake. These guys were in the business, but couldn't handle putting this deal together because we encountered a difficult/bad underwriter. I don't care what you have in assets or credit or income. Sometimes, when your mortgage broker submits your

package, they get a bad underwriter who is nervous to approve any loan. Perhaps that person is skittish in general, or they may have approved some loans that were foreclosed on and they're worried about losing their job if they have any repeat performances.

I made an application for this loan as an owner occupant. That means that it was my intention to live in the house after closing. This was absolutely correct. I was going to put all of my furniture in the house, and move in. I would then put a for sale sign in the yard. It might take me a while to sell it, because I planned to jack the price. I wasn't going to rent it out, so I was being truthful with the lender. Lenders usually charge a higher interest rate and require more down for rental houses. This was not an FHA loan, so I was not agreeing to live here for a year, but simply to live there.

Be Truthful: Scout's Honor

Always be truthful on loan applications. If you are going to rent it out, apply for an investor loan. Banks and lenders are aggressive in busting people who lie on this type of thing. They can declare the entire amount of the loan due and payable, and foreclose on you if you don't pay. It is serious business. For the gurus who say, "That never happens," I'd like to say that I heard of a local investor to whom it did happen. She owned a rental house that she encumbered with an owner-occupant second mortgage, and never lived there. The bank did a utility bill search, saw that she had no utilities on at that house. The bank found that she did have utilities on at another address, and declared the whole balance due and payable and eventually foreclosed. Ouch.

Many investors I know try to be cute with lenders by obtaining financing on a house as if they were going to live there, and then saying, "OOPS, I was going to live there, but now I've changed my mind and decided to rent it out." These statements usually are made the day after closing. This won't work. You need to always be above board if you're going to be a long-term player in this business. Note that most mortgages allow you to rent the house out after you've lived in it for some period of time specified in the documents. Thus an owner-occupant mortgage can be used on a piece of rental property if you live there for a year first (or however long your mortgage specifies).

Aside: Sometimes you'll run across an overly aggressive mortgage broker or employee of a bank. They'll want to put down things on your loan application that aren't true. For example, a mortgage broker tried to put down on one of my applications that three vacant rental properties I owned were in fact occupied and giving me money each week. The purpose of this was to help me get the loan, as the lender might not feel comfortable loaning money when I had several cash-sucking vacancies. I refused to let him do that. I had to fight him off. Remember, if something goes wrong and they poke into your records, you have committed a federal crime by lying. The loan may be called due because of your fraud in obtaining the loan. The mortgage broker may get a slap on the hand, or lie and say you told him those things. Don't falsify things on mortgage applications. Remember that in the application process, if the underwriter pokes a hole in anything on your application, he will attack everything on your application, and you probably won't get the loan.

Back to my deal. The underwriter with the lender received our package, and didn't like it for some reason. The main reason was that my first house was worth around \$89,000. I had moved out of that and was trying to get them to loan money for a \$35,000 house. The underwriter couldn't understand why anyone who could afford a \$89,000 house would want to live in a \$35,000 house. The underwriter thought that there must be a scam here, or that I was going to rent it out. I already was renting the other house, and they probably figured that I would rent this one out as well.

I wrote off a long letter explaining my business plan of buying homes, living in them for several years and selling them. I wanted them to know that I wasn't crazy, but that this was one way I was trying to make money. The 9 to 5'er underwriter didn't get it, and started asking for crazy records of all types-- Checking account records for the last 7 years, exact check numbers and copies of checks that my tenants had written me, any and everything to harass me or make it difficult to comply. I finally got everything together, but the underwriter still wouldn't approve. UGGGGH!

The mortgage broker was just shrugging and passing along the requests from the underwriter. I was getting covered in dirt one shovel at a time and the underwriter was not helping.

The loan eventually was not denied, and I lost the house. I had to fight the seller and threaten to sue to get back the money I spent on materials. Of course, there was no compensation for my hours of labor and countless fumes breathed, but I learned:

“Not all mortgage brokers are the same.”

A good mortgage broker would have gone toe-to-toe with that underwriter and gotten on the phone with the underwriter's boss, and made to go through. When crazy document requests start coming the broker must do that. They must fight the underwriter and not back down.

How to Find A Good Broker

Remember, you may have to go through a few brokers before you hit one you really like to work with. What you are looking for is someone with 20 or so years in the business. You don't want a 20-year-old firm with someone helping you that has 6 months on the job. You need someone who has done this for a long time personally.

Mortgage brokers are common now, but in the past they were not. Most lending flowed through banks and S&L's. The S&L collapse, in my opinion, has led to the great increase that we see in mortgage brokers. People need funding sources and the mortgage broker is there to provide that service. Someone with 15-20 years of experience was probably a trailblazer in the business and won't be overly intimidated by a nervous underwriter.

Second, you want someone who has experience with investor programs, working with investors, and sub prime lenders. Remember sub prime lenders from before? (They make loans at higher interest rates for investors and individuals with less than perfect credit or on riskier transactions). If you can't get approved to buy a property with conventional financing, having sub prime lenders to work with is a good backup plan. You don't want to lose the deal. Note that sub-prime lenders are used to dealing with people that have awful credit. If your credit is even halfway decent, they'll welcome you, and be thrilled to make the loan to you.

Third, and I think this is getting to be fairly standard, you want mortgage brokers who have desktop underwriting ability. What this means is that they can punch in your information into a computer, and the computer then spits back the approval. A real underwriter still looks at things somewhere AFTER the computer has given tentative approval, but I have noticed that since desktop underwriting has come in, I hardly ever get hassled about anything by lenders. Hopefully this trend will continue.

Full Doc Loans/Low Doc Loans

Mortgage brokers will offer both **“full doc”** and **“low doc”** loans.

Full doc loans really means full documentation loans. A loan that requires full documentation by you will mean they'll want tons of paperwork from you concerning bank accounts, tax returns, other financial records, etc. If you are self-employed currently, you are going to have a tough time satisfying them unless all of your records are in perfect shape.

Low doc loans, my favorite, require very little in the way of paperwork for the lender to hand over the money. I've been using the national lender Countrywide for investor loans. (My local broker puts together the package and submits it to Countrywide Lending). They currently require 3 months of bank statements (no problem) and financial records pertaining to brokerage accounts or other cash assets I'm claiming, and that's about it. No tax returns. No audited financial statements from my business. I get tentative approval back the same day through desktop underwriting and final approval in a week or so.

Why would anyone do a full doc loan? Because they can. Investor loans that are full doc loans usually can be had for 10% down, and carry a slightly lower interest rate. No doc loans with normal lenders (non-sub prime) charge a slightly higher interest rate (1/2% or so), charge slightly higher fees, and may require 20-25% down payment.

Don't fret that you don't have 20-25% down. Don't squirm if the thought of 10% down alarms you. This is where sub prime moves in. Some programs will allow for 100% financing. This is no money down. The catch, of course, is a terrible interest rate and high closing costs.

Hard Money Loans

One way to get 100% financing and money for fix up and renovation is through hard money loans.

What is a hard money loan? Essentially, it is a loan from a company that has tied into a pool of cash. The folks with the cash are looking for maximum return. They are willing to take more risk for this return.

The good news is that they are willing to lend to Joe Investor. The hard moneylenders in my area charge 15% interest, 5% of the value of the loan in closing costs (“5 points”). (Thus on a hundred thousand dollar loan, it would cost me \$5,000 in fees to the lender to close the loan, plus attorney’s fees and other charges).

Hard money loans are usually for 65% of the value of the property when it is repaired or ready for resale. They are thus popular for rehabbers like myself, or when you find a good deal and don’t have down payment money.

“But you said 65% of value, doesn’t that mean that you’ve got to come up with 35% down?”

No way. That 65% is off of the improved value. For example, if the owner of a real dump is willing to let me have a house for \$60,000, and I knew that I could spiff it up and resell to someone for \$100,000, and the hard money lender’s appraiser agreed, they would give me 65% of the \$100,000, or \$65,000. I’m only paying \$60,000 for the property, so guess where that extra \$5,000 goes?

If you guessed in my pocket, you’re wrong. It goes into an escrow account with most hard moneylenders, and I can draw it out as I do repairs. This is a good deal though. I’ve got the property, I’ve got some money for rehab, and I’m moving forward. The 5% in closing costs I had to pay can either be paid by the seller at closing (we’ll increase the purchase price to cover them), or the costs can be added onto the financing.

What’s bad about these loans, besides the fees? For one thing, the loans usually are only good for 12-24 months. After that time, you have to refinance. If you haven’t sold it by then, you have to get a new loan, pay more fees, etc. The other chief disadvantage is the fact that most hard moneylenders don’t figure the payments on a 30-year basis. The longer the payments stretch out, the cheaper the payment. They figure these loans on 15 or even 10-year terms. Thus, the monthly payment that you must pay is much higher than it would be on any of the other types of loans I have discussed.

Bad credit or no credit -- Pay attention here.

Hard moneylenders aren’t all that concerned with your bad credit. They’re concerned with the property. After all, their loan is fairly secure if you default. They

should be able to sell the property to another eager investor for the loan balance. Your personal credit matters the least on these deals. What matters is how good of a deal you have struck.

The key for us is to get the property. What do I care if I have to pay \$6,000 in fees to get a loan if I'm going to make \$45,000 on a deal that I couldn't close without this loan. It's all relative. We want to avoid these fees and go conventional if we can, or at least go low doc and put more down if we have cash lying around to save fees, but getting the deal is better than not.

Philosophically, we always want to maintain a cushion of cash. You don't want to put your last dime into a property and have it sit on the market for 3 months. I've had super properties that go unclaimed for months, and dog properties that sold the first weekend. I had a property that had 2 offers the first weekend, the people flaked out and I went 4 months before I got another offer. Go figure. Hard money loans, or the sub-prime loans allow you to conserve down payment money and keep enough cash on hand to pay multiple months of payments on a property.

What I know about lenders and financing, I've had to learn on my own. I've had to lose deals or had deals almost fall apart at times. I don't want that to happen to you. Late night TV doesn't give you the dirt on how to go through with real deals, which is why most people that buy those courses don't do anything with them. You're going to win with my system. I'm going to do everything I can to make sure that you do, and when you do, you must promise to tell me about it. I'd love to have a big beach weekend where all the successful grads can come down and hang out on the beach and have a few tall fruity drinks in the sun.

Nitty Gritty Real World Stuff

One of the most confusing things in this business is when you first start out and don't really have a mortgage broker that you like to use. Whenever you talk to mortgage brokers for quotes on loans, always get them in writing. You want a disclosure of what the closing costs and the interest rate will be for a certain loan. You need it in writing from various brokers so you can be sure to compare apples to apples.

Remember The Following:

1) Balloons:

You want to ask what the term of the loan is. You always want a 30-year loan. Note that this won't be the case with hard money loans, but that's the price for dancing with the devil. Most loans have a 30-year amortization. (This means that the amount of loan payment you make every month is cut into 360 slices with interest added). Some may have a 30-year amortization but the balance is due in 3 or 5 years. You'll have low payments for the 3 to 5 years, but then you'll have to come up with the balance at the end of the term. This is called a balloon mortgage. Balloons aren't bad, but I wouldn't buy a rental property on one. ALWAYS SAY: "IS THIS LOAN A BALLOON?" ALWAYS.

2) Junk Fees/A.P.R./Interest Rate

- Always look closely at all of the miscellaneous points and charges that it will cost to close your loan to be sure you understand all of the costs.

Each point is equal to 1% of the loan value. Some people may pay points to lower their interest rate. Lenders often charge points when the specific loan program they are offering is riskier to them. For example, if they have a program to lend to people who declared bankruptcy in the past, they may demand that the borrower pay several points before approving the loan. Note that these are charged by the lender, not the mortgage broker. The mortgage broker gets an origination fee of around 1% to set up the loan for you.

When you're quoted costs on a loan, you will hear something like the following:

"You'll have a 1% origination fee and pay 1 point because it's a duplex and 2 points because it's an investor loan. For an extra point, I'll decrease that rate to 8.25%."

This means that the mortgage broker's fee (AKA the origination fee) is 1% of the total loan amount. You'll also have to pay 3% of the loan you're getting in garbage fees (surcharge points charged by the lender because the property is a multi-family property and because it is an investor loan), and another 1% if you want your interest rate to be knocked down a bit.

The difference in an interest rate and the A.P.R. or annual percentage rate is important to understand. The interest rate is the actual interest rate that you will be charged for the money you borrow over the term of the loan. The APR, on the other hand, is higher than the interest rate and reflects what the real rate of interest is when all of the various points and costs of acquiring the loan are taken into account. If you are paying \$5,000 to get loan A and \$1,000 to get loan B, the APR will figure this into the equation to show the real cost of the money you borrow. For this reason, you can always request the quotes be made in terms of APR, and not interest rate. Some lenders will have high fees with a low rate. The loan still costs you more even with the lower rate. Always deal with APR's.

3) Don't be blinded by rates

- Remember that rates can be adjusted up and down depending on how many points you have to pay at closing. Someone may quote you a high rate with no closing costs, or a low rate with huge closing costs. If our goal is to flip the property, wouldn't we do better to pay less in closing costs, and pay slightly more each month? Remember, it may take 10 or 15 payments to recoup the extra closing costs you paid. If you own the property for fewer payments than this, you would have done better to take the lower closing costs and pay a slightly higher rate.

4) Don't be Blinded by Friendliness

Always ask the following questions:

a) How many loans do you do a month?

b) How many of these are investor loans?

c) How many of these are A credit loans (perfect/super credit), B credit (slightly worse credit), or C or D credit (blemished credit)? You want to work with a lender that can handle your type of credit. It will do you no good to go with a mortgage broker doing a ton of investor loans to people with perfect credit if yours isn't. Mortgage brokers have a way of specializing. I know there is someone in your area that works with B, C, or D grade lenders. Look in the newspaper under commercial/residential property for sale. Mortgage brokers who do loans for investors often advertise in this section in our newspaper. Also look in your Sunday newspaper's homes for sale section. Many papers I've seen have sections where mortgage brokers advertise their particular areas of specialty.

d) Ask: "What is your typical action when an underwriter begins to request excessive documentation?"

The answer you want here from your mortgage broker is, "I fight them like hell." If they say, "I pull you from that lender and try another," I'd be a little wary. Why would they have submitted your package somewhere if they didn't think they could approve you? If you can't qualify at the first choice, why would you be able to at the second? You want to have a fighter, not a runner.

5) Prepayment Penalties

Many of the loans that are with sub prime lenders will involve a prepayment penalty. This means that you agree to keep the loan open for a minimum amount of time (usually 2 years) and not sell or refinance the property before that time. They want to recoup some of their costs over this period and don't want you to take out the loan in January and sell the property in February. They'll make less profit if you pay the loan off too early. Not all loans have prepayment penalties. Most don't. Always ask! Ask at the closing and also ask the mortgage broker. You don't want these. I've got a house with a pre-payment penalty on it right now. I did an aggressive refinance of a rental property, and this allowed me to get the most money out to pursue a couple of deals I was chasing. Use loans like this as a tool. I want you to use them and not get a surprise of a \$4,000 penalty if you refinance or sell the property before a certain date. (Remember that if this is the only loan you can get, and you'll make \$35,000 on the deal, go ahead and pay it. Who cares. Making \$30,000 now is better than sitting one out).

6) Keep your Day Job

-
If you have a day job, stick to it, at least for now. It is more difficult for a real estate investor to get a loan than for someone with a traditional job. Real estate investors are viewed by most lending institutions as speculators. I've never understood this tag, since I am buying things for 60-70 cents on the dollar. How is that speculating? It seems safer than opening a store.

You want to have another source of income other than real estate investor to list as your occupation. Trust me, it will make things go more smoothly. When you have 2 years of investing under your belt, you can list yourself as a real estate investor and get loans. If your spouse works and doesn't mind co-signing loans with you, this will do the same thing to help you and you can go full-time sooner. And of course, if you are self-employed, things will always be harder. For self-employed people, you generally need two years in your current occupation to get a loan. This isn't in stone, however, as I received my first loan after a year of being self-employed.

If you're in a cash business, you need to declare your income on your tax return, or lenders won't acknowledge it. My mortgage broker always says, "You've got to pay the king's taxes to get the king's bounty." I don't know exactly what that means, but the point is to declare your income on your taxes so you have income to show to lenders. (Plus, you never want to get into trouble with the IRS).

Another Key Player: The Lender's Appraiser

The appraiser is selected by your lender. It is his job to come out and provide an opinion to the lender of whether or not the property is worth the value of the loan being made. This guy can make you or break you. I mean it. I've run across some terrible appraisers who are scared to make deals fly. I can give you many examples of this.

When you're buying a piece of property as an investor, working with a good mortgage broker, you don't need to worry about the appraiser. The appraiser will be hand-selected by your good mortgage broker, and will do what he can, within ethical limits, to get you the appraisal you need to get the loan done.

Appraisals are critical on hard money loans and when one is selling a piece of property. Remember that when you buy a piece of property with non-hard money financing, you should be getting a good deal on it, so the appraisal shouldn't be a problem.

More On Appraisals

The following comments apply to hard money appraisers (when you are buying a property) and also regular appraisers (when you are selling a property). The appraiser may or may not have any experience in your neighborhood. He or she will come in, look up recent sales in his computer, and estimate the value of the property. Because the hard money loan is made based on the value that the property will command when it is

repaired or made ready for resale, you must get as high a value on the appraisal to guarantee that you can get in for no money down and have some additional funds in the escrow account for necessary repairs.

When you are selling a piece of property, especially if you renovate, you will probably be near the top of your marketplace. You must get the appraiser to agree that your property is worth the high price you're asking, or your buyer won't get the loan. Often, appraisers have information that is a bit dated, or they don't have information on the active listings in the neighborhood, or properties that sold "For Sale By Owner." ("FSBO") Always make a point of keeping track of the sales price on more expensive properties in your area. This applies especially with FSBOs. If your area is hot, most homeowners will try to sell their home without an agent. Often, the appraiser is looking at the Realtor's MLS listings (Definition: Multiple Listing Service--Computerized listing of available listed properties in a given area for sale through Realtors) for comparable sales, and won't have the FSBO information. It is your job to make sure he knows about all recent high sales.

You want to make sure he's got the best numbers available to generate the highest price. On hard money loans, tell the appraiser if you are honestly thinking of adding a bathroom in. This could make the price much higher. For example, if two bath homes are selling for \$10,000 more, this will increase the amount of money your lender will give you. I always give the appraiser a letter alerting him to trends, and explain why the values are going up. If I can find them, I'll clip newspaper articles from the Sunday home finder section that profile the neighborhood the house is in and give them to him. I want him to understand that the area is hot. I want him to feel comfortable that if he makes the appraisal on the generous side, that the market will bear that price. It's nothing fancy, and I'm not taking an arrogant tone, I just want to help him.

EXAMPLE

1/1/01

John Richards/Quality Appraisal Co.

RE: 1322 Maple Street

Dear John,

I hope things are going great for you. Thanks for helping us out on the appraisal of 12 Oakdale Blvd. you did for us last month.

As you know, we have the property located at 1322 Maple Street under contract to buy. We are receiving a hard money loan on this property, and are eager to get the highest appraisal we can on the property. (With this type of loan, the higher the appraisal, the more money the lender will give us for rehab).

While I am sure that your computer search for recent sales will pick these properties up (NOTE: I DOUBT IF HIS SEARCH WILL, THAT'S WHY I'M WRITING THIS!), I thought that I list some recent sales I've heard about:

1211 Maple Street 3 bedroom/1bath, unrenovated \$179,900 Closed 12/1/00
1300 Maple Street 3 bedroom/2 bath, renovated \$211,500
Closed 11/14/00
1222 Maple Street 2 bedroom 2 bath, rough condition \$166,000
Active Listing
1444 Maple Park Road (1 block over, same neighborhood) \$249,900. Active Listing.

As you can see from these listings, we believe that there is a solid case to be made for at least a \$211,000 price on this house after renovation, which is larger and will be of the same renovation quality as the 1300 Maple Street home. Additionally, this neighborhood has seen a steady increase in values over the last several years, outpacing the city as a whole. The \$249,900 price on the Maple Park Road home is the direction of the future for this neighborhood.

Essentially, this neighborhood's prices are being driven by one of the best elementary schools in the county. The neighborhood is also bordered by two pricier areas, Druid Park and Glen Valley that are priced in the lower \$500's, though the general quality and housing stock of all 3 neighborhoods is comparable. Buyers are realizing what a steal homes are in this area. At \$250,000, the houses would still sell for half of the surrounding homes prices.

Thank you for taking the time to review this letter, and I hope this will be helpful in your appraisal.

Sincerely
DW

P.S. I have attached a sheet describing the extensive renovations we plan to do on this property.

Why wouldn't he be happy to have my help? He'd love it. The other thing to always do with hard money lenders is try to appear that you know what you are doing. Have a sheet with all the repairs you'll do to justify the higher price. Have reasonable prices. Be able to walk him through the house and share your vision. You always need to meet these guys, because they control your future. Even if they say, "No, I'll let myself in or I've got a lock box key," tell him that you'll be in the area and would really like to meet him. Tell him that you have some materials that he may find helpful in doing his job.

Note: If you were selling the house, and were worried about getting a high appraisal where your sales price is above the high end for the neighborhood, send the same letter modified as follows:

EXAMPLE

1/1/01

John Richards/Quality Appraisal Co.

RE: 1322 Maple Street

Dear John,

I hope things are going great for you. Thanks for helping us out on the appraisal of 12 Oakdale Blvd. you did for us last month.

As you know, we have the property located at 1322 Maple Street under contract. We are selling the home for a fair price considering all of the upgrades and improvements we've made. Most of the recent sales in this neighborhood have been unrenovated properties, so we felt justified in asking a higher price than those homes when we put it on the market.

While I am sure that your computer search for recent sales will pick these properties up (*NOTE: I DOUBT IF HIS SEARCH WILL, THAT'S WHY I'M WRITING THIS!*), I thought that I would provide you with a recent sale and an active listing I've heard about.

**1300 Maple Street 3 bedroom/2 bath, renovated \$211,500
Closed 11/14/00**

**1444 Maple Park Road (1 block over, same neighborhood) \$249,900. Active Listing.
(*NOTE HERE THAT I CUT OUT THE 2 LOWER PRICED SALES!*)**

As you can see from these listings, we believe that there is a solid case to be made for the \$215,000 price on our house after our extensive renovation. Note that our home is larger than the 1300 Maple Street home. Additionally, this neighborhood has seen a steady increase in values over the last several years, outpacing the city as a whole. The \$249,900 price on the Maple Park Road home is the direction of the future for this neighborhood.

Essentially, this neighborhood's prices are being driven by one of the best elementary schools in the county. The neighborhood is also bordered by two pricier areas, Druid Park and Glen Valley that are priced in the lower \$500's, though the general quality and housing stock of all 3 neighborhoods is comparable. Buyers are realizing what a steal homes are in this area. At \$250,000, the houses would still sell for half of the surrounding homes prices.

Thank you for taking the time to review this letter, and I hope this will be helpful in your appraisal.

Sincerely,

DW

P.S. I have attached a sheet describing the extensive renovations we did on this property.

Your Buyer will Be Getting A Loan That May Have a Mandatory House Condition

The following discussion applies to situations where you are selling a home, and how appraisers are relevant. Appraisers are looking for certain things when you sell a home to a future owner occupant homeowner. One of the great lies of the gurus that I had to learn the hard way is as follows. Gurus will tell us to buy a house that is torn up, clean it up for \$300 or so, then resell it to a homeowner as a fixer upper. You'll make money, and the homeowner will have a nice chunk of instant equity when they fix the rusted out gutters, make the plumbing operational, and replace the rotten wood and broken windows on the outside of the house.

I thought that sounded great and was fortunate to find a deal to test this theory out. I found a house in a great neighborhood that was in foreclosure. The seller wanted all cash, and did not want me to assume the first mortgage. We wrote a check for approximately \$85,000 and bought the house. It was a junker that smelled like cat pee. It was filled with trash.

I rented a \$200 dumpster for the weekend (20 yarder), and had all the trash hauled out by three guys who charge \$33 total per hour to do demolition or other heavy manual labor for me. They took several hours, so I was out around \$300. I cleaned the rest of the house myself and used several anti-urine solutions for the cat pee, and had an open house on the following Sunday.

My advertisement said best offer over \$120,000. I received an offer that day for \$120,000. Great! I told the guy that it was a fixer-upper and that I wouldn't do any more work on it. He was getting a steal, as houses were selling for \$30,000 more than he was paying. He could barely afford the house, but he seemed solid and I had a good feeling about the deal.

I received a call from his mortgage broker. The mortgage broker told me that the appraiser would be out soon. I told the mortgage broker that this was a fixer-upper, but that it was definitely worth what I was charging. The broker said the loan application looked good, and that we'd be able to close the loan quickly.

This is where the truth comes in. This is where I felt the wind go out of my sales and where I frowned at the book and tape course that had suggested buying and flipping without repair.

The appraiser came out and looked at the house. I was armed with recent sales information that I had gathered. I was prepared with facts about the neighborhood, and why I believed that the current appreciation rates would continue.

He looked around, smiled and left.

Three days later, I got a call from the mortgage broker saying that the loan couldn't be made because the appraiser had said that there was too much "deferred maintenance" on the property.

"Deferred what?" I asked. Most loans to homeowners, unless the loan is a property rehabilitation loan for owner occupants, must have an appraisal for the correct value showing that the property is in at least AVERAGE condition. The only exception to this is if the homeowner is getting a loan for the purpose of rehabbing the property, then getting a permanent loan when they move into the property to live. Very few homeowners get this type of loan, and very few mortgage brokers have extensive experience with this type of lending. It didn't matter about the great value I was giving the buyer. It didn't matter that the lender could have sold that house "as is" for the full purchase price at the drop of a hat. The loan would have been well secured. All that mattered is that the underwriting standards said the house had to be in average condition, and that was that.

Average condition to that inspector meant that the gutters had to be replaced. It meant that the dishwasher had to work. It meant that the walls had to have better paint on them than they had. It meant that rotten exterior siding had to be replaced. It meant that all broken windows had to be replaced. It meant that carpet had to be installed on the den floor. A light fixture had to be in each room. It needed a mailbox.

The old central air system had to work.

I was seething! I can't sell the house for this price if I have to go in and get all this work done. The house was being sold as a fixer-upper and was appropriately discounted to reflect this point.

I decided to write a nice letter to the appraiser asking him to reconsider. I again mentioned the great value and the fact that he would be safe if the loan were made. It was well below market. I mentioned that many houses didn't even have central air. Who cares if it was broken? We don't have to have central air to live. (Many would disagree in Georgia). I reminded him that wall lamps or floor lamps could be used in place of the missing ceiling fixtures. I moaned and groaned about everything until I was blue in the face.

He said, “No, that’s the way it is.” I told the seller that I couldn’t really pay for all of this. He responded that he didn’t want to sink a pile of cash into the house prior to closing in case things didn’t work out for some reason. The deal was falling apart.

I called the buyer’s mortgage broker and told him that he needed to take his appraiser by the hand and instruct him to help make this thing fly, to at least be reasonable with the demands.

His response let me know that my buyer had a BAD mortgage broker. The mortgage broker responded that he couldn’t really ask to the appraiser to do that, and that the appraisers word was pretty much final. I got him to admit that this all seemed unreasonable, but he said he couldn’t really do anything.

Field Note: Appraisers are dependent upon the mortgage brokers to make their living. Most appraisers are one-man shops, and need the steady stream of appraisals coming in from a few brokers to earn their living. If they irritate the broker, or kill too many deals, they know that they won’t get used any more and their cash flow will dry up. My mortgage broker has rammed some deals home when an appraiser was too ignorant in my market to understand the real value of the property.

Back to my story, the buyer and I decided, at my suggestion, to get another appraiser. We split the cost and the mortgage broker produced another appraiser. The results:

The new appraiser said: “I’ll give you an average appraisal if you fix the broken windows and cover the den floor with cheap outdoor carpet. It doesn’t need to look good or professional, just cover the floor.” I fixed the windows, the buyer covered the floor, and we closed the deal.

The moral here is don’t take no for an answer. If an appraiser doesn’t work, cut him lose and find another. If you have one you like with your broker, have the buyer’s broker use him or her if they will.

Practical Point:

While we can flip appraisers like hot cakes if we need to, it’s hard to flip mortgage brokers or lenders. If a deal can’t go through with one broker, some gurus advise investors to go to a different lender, or submit your package for a loan with several at once. This will kill you. This will kill your deal.

Underwriters are suspicious. Always. If they see that you applied for a loan somewhere else on your credit report, and you didn’t get it, they’ll wonder why. What did the underwriter see that made him turn you down? They’ll be highly suspicious of your package, wondering if there is fraud in it somewhere that was picked up at your first stop. They’ll be inclined to turn you down. If you have submitted at multiple places,

they'll really be suspicious. Don't do it. This may have worked in the 1970's before computers ruled the day and disclosed what you were doing credit-wise instantly. But today, it can be deadly for your deal-making.

Again, this is why I feel that you have made a good choice to read these materials. What Joe Guru did in 1975 when he bought his last house is not really relevant or true today.

The Inspector

The other professional that you will have to deal with is the inspector. When you buy a house, you usually reserve the right to have it inspected. (You'd better!). Now, I inspect them myself. There's not a lot to it. In the beginning, I had a wonderful inspector that I used. The best place to find one is through referral. Agents often have inspectors they work with. Many times I didn't like those guys because they have incentive to always make sure the deal goes through and may not set out problems as strongly as they could or should. The agent may like them because they actually miss problems, and the deal closes. Who knows. In any event, we got the name of our inspector through a referral from a friend. The key is to get someone you feel comfortable with and who has some certifications. I would select an inspector who is also a structural engineer.

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When I sell houses, I have to deal with the buyer's inspector and I see so many that have no clue at all. Remember that often they feel that they must point out problems to justify their fees, and often they point out things that are not a big deal. Sometimes they miss things that are. Whatever you do, when selling, stay away from the house during the inspection. The buyer will be there and look at you sheepishly when each "defect" is pointed out and ask you if you can fix it. Before you know it, you will have agreed to tons of repairs.

You always want to follow inspectors (when you are buying only!) through the inspection process. Talk to them about what they are doing. Why? You want to learn how to do it. This will be a key skill that you'll develop as you go. I could be a home inspector right now. I might not know everything, but I honestly have a pretty good feeling about things and inspecting. When I started, I didn't know anything. That goes away with time.

If this information has been helpful, we invite you to check out David Whisnant's full course at:

<http://www.4realestateinvesting.com/>

Just click the link for advanced instruction. There is an ordering link at the end of the letter.

Fair Credit Reporting Act

This is a must-read for serious students of credit repair. You probably should not read this in bed, as it does have the effect of making the reader very sleepy! ☺

<http://www.ftc.gov/os/statutes/fcra.htm>

The Fair Credit Reporting Act

As a public service, the staff of the Federal Trade Commission (FTC) has prepared the following complete text of the Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 *et seq.* Although staff generally followed the format of the U.S. Code as published by the Government Printing Office, the format of this text does differ in minor ways from the Code (and from West's U.S. Code Annotated). For example, this version uses FCRA section numbers (§§ 601-625) in the headings. (The relevant U.S. Code citation is included with each section heading and each reference to the FCRA in the text.)

This version of the FCRA is complete as of July 1999. It includes the amendments to the FCRA set forth in the Consumer Credit Reporting Reform Act of 1996 (Public Law 104-208, the Omnibus Consolidated Appropriations Act for Fiscal Year 1997, Title II, Subtitle D, Chapter 1), Section 311 of the Intelligence Authorization for Fiscal Year 1998 (Public Law 105-107), and the Consumer Reporting Employment Clarification Act of 1998 (Public Law 105-347).

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§ 601. Short title

This title may be cited as the Fair Credit Reporting Act.

§ 602. Congressional findings and statement of purpose [15 U.S.C. § 1681]

(a) Accuracy and fairness of credit reporting. The Congress makes the following findings:

(1) The banking system is dependent upon fair and accurate credit reporting. Inaccurate credit reports directly impair the efficiency of the banking system, and unfair credit reporting methods undermine the public confidence which is essential to the continued functioning of the banking system.

(2) An elaborate mechanism has been developed for investigating and evaluating the credit worthiness, credit standing, credit capacity, character, and general reputation of consumers.

(3) Consumer reporting agencies have assumed a vital role in assembling and evaluating consumer credit and other information on consumers.

(4) There is a need to insure that consumer reporting agencies exercise their grave responsibilities with fairness, impartiality, and a respect for the consumer's right to privacy.

(b) Reasonable procedures. It is the purpose of this title to require that consumer reporting agencies adopt reasonable procedures for meeting the needs of commerce for consumer credit, personnel, insurance, and other information in a manner which is fair and equitable to the consumer, with regard to the confidentiality, accuracy, relevancy, and proper utilization of such information in accordance with the requirements of this title.

§ 603. Definitions; rules of construction [15 U.S.C. § 1681a]

(a) Definitions and rules of construction set forth in this section are applicable for the purposes of this title.

(b) The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other

entity.

(c) The term "consumer" means an individual.

(d) Consumer report.

(1) In general. The term "consumer report" means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for

(A) credit or insurance to be used primarily for personal, family, or household purposes;

(B) employment purposes; or

(C) any other purpose authorized under section 604 [§ 1681b].

(2) Exclusions. The term "consumer report" does not include

(A) any

(i) report containing information solely as to transactions or experiences between the consumer and the person making the report;

(ii) communication of that information among persons related by common ownership or affiliated by corporate control; or

(iii) communication of other information among persons related by common ownership or affiliated by corporate control, if it is clearly and conspicuously disclosed to the consumer that the information may be communicated among such persons and the consumer is given the opportunity, before the time that the information is initially communicated, to direct that such information not be communicated among such persons;

(B) any authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;

(C) any report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys his or her decision with respect to such request. if

the third party advises the consumer of the name and address of the person to whom the request was made, and such person makes the disclosures to the consumer required under section 615 [§ 1681m]; or

(D) a communication described in subsection (o).

(e) The term "investigative consumer report" means a consumer report or portion thereof in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom he is acquainted or who may have knowledge concerning any such items of information. However, such information shall not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when such information was obtained directly from a creditor of the consumer or from the consumer.

(f) The term "consumer reporting agency" means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

(g) The term "file," when used in connection with information on any consumer, means all of the information on that consumer recorded and retained by a consumer reporting agency regardless of how the information is stored.

(h) The term "employment purposes" when used in connection with a consumer report means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment or retention as an employee.

(i) The term "medical information" means information or records obtained, with the consent of the individual to whom it relates, from licensed physicians or medical practitioners, hospitals, clinics, or other medical or medically related facilities.

(j) Definitions relating to child support obligations.

(1) Overdue support. The term "overdue support" has the meaning given to such term in section 666(e) of title 42 [Social Security Act, 42 U.S.C. § 666(e)].

(2) State or local child support enforcement agency. The term "State or local child support enforcement agency" means a State or local agency which administers a State or local program for establishing and enforcing child support obligations.

(k) Adverse action.

(1) Actions included. The term "adverse action"

(A) has the same meaning as in section 701(d)(6) of the Equal Credit Opportunity Act; and

(B) means

(i) a denial or cancellation of, an increase in any charge for, or a reduction or other adverse or unfavorable change in the terms of coverage or amount of, any insurance, existing or applied for, in connection with the underwriting of insurance;

(ii) a denial of employment or any other decision for employment purposes that adversely affects any current or prospective employee;

(iii) a denial or cancellation of, an increase in any charge for, or any other adverse or unfavorable change in the terms of, any license or benefit described in section 604(a)(3)(D) [§ 1681b]; and

(iv) an action taken or determination that is

(I) made in connection with an application that was made by, or a transaction that was initiated by, any consumer, or in connection with a review of an account under section 604(a)(3)(F)(ii)[§ 1681b]; and

(II) adverse to the interests of the consumer.

(2) Applicable findings, decisions, commentary, and orders. For purposes of any determination of whether an action is an adverse action under paragraph (1)(A), all appropriate final findings, decisions, commentary, and orders issued under section 701(d)(6) of the Equal Credit Opportunity Act by the Board of Governors of the Federal Reserve System or any court shall apply.

(l) Firm offer of credit or insurance. The term "firm offer of credit or insurance" means any offer of credit or insurance to a consumer that will be honored if the consumer is determined, based on information in a consumer report on the consumer, to meet the specific criteria used to select the consumer for the offer, except that the offer may be further conditioned on one or more of the following:

(1) The consumer being determined, based on information in the consumer's application for the credit or insurance, to meet specific criteria bearing on credit worthiness or insurability, as applicable, that are established

(A) before selection of the consumer for the offer; and

(B) for the purpose of determining whether to extend credit or insurance pursuant to the offer.

(2) Verification

(A) that the consumer continues to meet the specific criteria used to select the consumer for the offer, by using information in a consumer report on the consumer, information in the consumer's application for the credit or insurance, or other information bearing on the credit worthiness or insurability of the consumer; or

(B) of the information in the consumer's application for the credit or insurance, to determine that the consumer meets the specific criteria bearing on credit worthiness or insurability.

(3) The consumer furnishing any collateral that is a requirement for the extension of the credit or insurance that was

(A) established before selection of the consumer for the offer of credit or insurance; and

(B) disclosed to the consumer in the offer of credit or insurance.

(m) Credit or insurance transaction that is not initiated by the consumer. The term "credit or insurance transaction that is not initiated by the consumer" does not include the use of a consumer report by a person with which the consumer has an account or insurance policy, for purposes of

(1) reviewing the account or insurance policy; or

(2) collecting the account.

(n) State. The term "State" means any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(o) Excluded communications. A communication is described in this subsection if it is a communication

(1) that, but for subsection (d)(2)(D), would be an investigative consumer report;

(2) that is made to a prospective employer for the purpose of

- (A) procuring an employee for the employer; or
- (B) procuring an opportunity for a natural person to work for the employer;
- (3) that is made by a person who regularly performs such procurement;
- (4) that is not used by any person for any purpose other than a purpose described in subparagraph (A) or (B) of paragraph (2); and
- (5) with respect to which
 - (A) the consumer who is the subject of the communication
 - (i) consents orally or in writing to the nature and scope of the communication, before the collection of any information for the purpose of making the communication;
 - (ii) consents orally or in writing to the making of the communication to a prospective employer, before the making of the communication; and
 - (iii) in the case of consent under clause (i) or (ii) given orally, is provided written confirmation of that consent by the person making the communication, not later than 3 business days after the receipt of the consent by that person;
 - (B) the person who makes the communication does not, for the purpose of making the communication, make any inquiry that if made by a prospective employer of the consumer who is the subject of the communication would violate any applicable Federal or State equal employment opportunity law or regulation; and
 - (C) the person who makes the communication
 - (i) discloses in writing to the consumer who is the subject of the communication, not later than 5 business days after receiving any request from the consumer for such disclosure, the nature and substance of all information in the consumer's file at the time of the request, except that the sources of any information that is acquired solely for use in making the communication and is actually used for no other purpose, need not be disclosed other than under appropriate discovery procedures in any court of competent jurisdiction in which an action is brought; and
 - (ii) notifies the consumer who is the subject of the communication, in writing, of the consumer's right to request the information described

in clause (i).

(p) Consumer reporting agency that compiles and maintains files on consumers on a nationwide basis. The term "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" means a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer's credit worthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide:

(1) Public record information.

(2) Credit account information from persons who furnish that information regularly and in the ordinary course of business.

§ 604. Permissible purposes of consumer reports [15 U.S.C. § 1681b]

(a) In general. Subject to subsection (c), any consumer reporting agency may furnish a consumer report under the following circumstances and no other:

(1) In response to the order of a court having jurisdiction to issue such an order, or a subpoena issued in connection with proceedings before a Federal grand jury.

(2) In accordance with the written instructions of the consumer to whom it relates.

(3) To a person which it has reason to believe

(A) intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; or

(B) intends to use the information for employment purposes; or

(C) intends to use the information in connection with the underwriting of insurance involving the consumer; or

(D) intends to use the information in connection with a determination of the 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; or

(E) intends to use the information, 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; or

(F) otherwise has a legitimate business need for the information

- (i) in connection with a business transaction that is initiated by the consumer; or
- (ii) to review an account to determine whether the consumer continues to meet the terms of the account.

(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that

(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

(5) To an agency administering a State plan under Section 454 of the Social Security Act (42 U.S.C. § 654) for use to set an initial or modified child support award.

(b) Conditions for furnishing and using consumer reports for employment purposes.

(1) Certification from user. A consumer reporting agency may furnish a consumer report for employment purposes only if

(A) the person who obtains such report from the agency certifies to the agency that

(i) the person has complied with paragraph (2) with respect to the consumer report, and the person will comply with paragraph (3) with respect to the consumer report if paragraph (3) becomes applicable; and

(ii) information from the consumer report will not be used in violation of any applicable Federal or State equal employment

opportunity law or regulation; and

(B) the consumer reporting agency provides with the report, or has previously provided, a summary of the consumer's rights under this title, as prescribed by the Federal Trade Commission under section 609(c)(3) [§ 1681g].

(2) Disclosure to consumer.

(A) In general. Except as provided in subparagraph (B), a person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any consumer, unless--

(i) a clear and conspicuous disclosure has been made in writing to the consumer at any time before the report is procured or caused to be procured, in a document that consists solely of the disclosure, that a consumer report may be obtained for employment purposes; and

(ii) the consumer has authorized in writing (which authorization may be made on the document referred to in clause (i)) the procurement of the report by that person.

(B) Application by mail, telephone, computer, or other similar means. If a consumer described in subparagraph (C) applies for employment by mail, telephone, computer, or other similar means, at any time before a consumer report is procured or caused to be procured in connection with that application--

(i) the person who procures the consumer report on the consumer for employment purposes shall provide to the consumer, by oral, written, or electronic means, notice that a consumer report may be obtained for employment purposes, and a summary of the consumer's rights under section 615(a)(3); and

(ii) the consumer shall have consented, orally, in writing, or electronically to the procurement of the report by that person.

(C) Scope. Subparagraph (B) shall apply to a person procuring a consumer report on a consumer in connection with the consumer's application for employment only if--

(i) the consumer is applying for a position over which the Secretary of Transportation has the power to establish qualifications and maximum hours of service pursuant to the provisions of section 31502 of title 49, or a position subject to safety regulation by a State transportation agency; and

(ii) as of the time at which the person procures the report or causes the report to be procured the only interaction between the consumer and the person in connection with that employment application has been by mail, telephone, computer, or other similar means.

(3) Conditions on use for adverse actions.

(A) In general. Except as provided in subparagraph (B), in using a consumer report for employment purposes, before taking any adverse action based in whole or in part on the report, the person intending to take such adverse action shall provide to the consumer to whom the report relates--

(i) a copy of the report; and

(ii) a description in writing of the rights of the consumer under this title, as prescribed by the Federal Trade Commission under section 609(c)(3).

(B) Application by mail, telephone, computer, or other similar means.

(i) If a consumer described in subparagraph (C) applies for employment by mail, telephone, computer, or other similar means, and if a person who has procured a consumer report on the consumer for employment purposes takes adverse action on the employment application based in whole or in part on the report, then the person must provide to the consumer to whom the report relates, in lieu of the notices required under subparagraph (A) of this section and under section 615(a), within 3 business days of taking such action, an oral, written or electronic notification--

(I) that adverse action has been taken based in whole or in part on a consumer report received from a consumer reporting agency;

(II) of the name, address and telephone number of the consumer reporting agency that furnished the consumer report (including a toll-free telephone number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis);

(III) that the consumer reporting agency did not make the decision to take the adverse action and is unable to provide to the consumer the specific reasons why the adverse action was taken; and

(IV) that the consumer may, upon providing proper identification, request a free copy of a report and may dispute with the consumer reporting agency the accuracy or completeness of any information in a report.

(ii) If, under clause (B)(i)(IV), the consumer requests a copy of a consumer report from the person who procured the report, then, within 3 business days of receiving the consumer's request, together with proper identification, the person must send or provide to the consumer a copy of a report and a copy of the consumer's rights as

prescribed by the Federal Trade Commission under section 609(c)(3).

(C) Scope. Subparagraph (B) shall apply to a person procuring a consumer report on a consumer in connection with the consumer's application for employment only if--

(i) the consumer is applying for a position over which the Secretary of Transportation has the power to establish qualifications and maximum hours of service pursuant to the provisions of section 31502 of title 49, or a position subject to safety regulation by a State transportation agency; and

(ii) as of the time at which the person procures the report or causes the report to be procured the only interaction between the consumer and the person in connection with that employment application has been by mail, telephone, computer, or other similar means.

(4) Exception for national security investigations.

(A) In general. In the case of an agency or department of the United States Government which seeks to obtain and use a consumer report for employment purposes, paragraph (3) shall not apply to any adverse action by such agency or department which is based in part on such consumer report, if the head of such agency or department makes a written finding that--

(i) the consumer report is relevant to a national security investigation of such agency or department;

(ii) the investigation is within the jurisdiction of such agency or department;

(iii) there is reason to believe that compliance with paragraph (3) will--

(I) endanger the life or physical safety of any person;

(II) result in flight from prosecution;

(III) result in the destruction of, or tampering with, evidence relevant to the investigation;

(IV) result in the intimidation of a potential witness relevant to the investigation;

(V) result in the compromise of classified information; or

(VI) otherwise seriously jeopardize or unduly delay the investigation or another official proceeding.

(B) Notification of consumer upon conclusion of investigation. Upon the conclusion of a national security investigation described in subparagraph (A), or upon the determination that the exception under subparagraph (A) is no longer required for

the reasons set forth in such subparagraph, the official exercising the authority in such subparagraph shall provide to the consumer who is the subject of the consumer report with regard to which such finding was made--

(i) a copy of such consumer report with any classified information redacted as necessary;

(ii) notice of any adverse action which is based, in part, on the consumer report; and

(iii) the identification with reasonable specificity of the nature of the investigation for which the consumer report was sought.

(C) Delegation by head of agency or department. For purposes of subparagraphs (A) and (B), the head of any agency or department of the United States Government may delegate his or her authorities under this paragraph to an official of such agency or department who has personnel security responsibilities and is a member of the Senior Executive Service or equivalent civilian or military rank.

(D) Report to the congress. Not later than January 31 of each year, the head of each agency and department of the United States Government that exercised authority under this paragraph during the preceding year shall submit a report to the Congress on the number of times the department or agency exercised such authority during the year.

(E) Definitions. For purposes of this paragraph, the following definitions shall apply:

(i) Classified information. The term 'classified information' means information that is protected from unauthorized disclosure under Executive Order No. 12958 or successor orders.

(ii) National security investigation. The term 'national security investigation' means any official inquiry by an agency or department of the United States Government to determine the eligibility of a consumer to receive access or continued access to classified information or to determine whether classified information has been lost or compromised.

(c) Furnishing reports in connection with credit or insurance transactions that are not initiated by the consumer.

(1) In general. A consumer reporting agency may furnish a consumer report relating to any consumer pursuant to subparagraph (A) or (C) of subsection (a)(3) in connection with any credit or insurance transaction that is not initiated by the consumer only if

(A) the consumer authorizes the agency to provide such report to such person; or

(B) (i) the transaction consists of a firm offer of credit or insurance;

(ii) the consumer reporting agency has complied with subsection (e); and

(iii) there is not in effect an election by the consumer, made in accordance with subsection (e), to have the consumer's name and address excluded from lists of names provided by the agency pursuant to this paragraph.

(2) Limits on information received under paragraph (1)(B). A person may receive pursuant to paragraph (1)(B) only

(A) the name and address of a consumer;

(B) an identifier that is not unique to the consumer and that is used by the person solely for the purpose of verifying the identity of the consumer; and

(C) other information pertaining to a consumer that does not identify the relationship or experience of the consumer with respect to a particular creditor or other entity.

(3) Information regarding inquiries. Except as provided in section 609(a)(5) [§ 1681g], a consumer reporting agency shall not furnish to any person a record of inquiries in connection with a credit or insurance transaction that is not initiated by a consumer.

(d) Reserved.

(e) Election of consumer to be excluded from lists.

(1) In general. A consumer may elect to have the consumer's name and address excluded from any list provided by a consumer reporting agency under subsection (c)(1)(B) in connection with a credit or insurance transaction that is not initiated by the consumer, by notifying the agency in accordance with paragraph (2) that the consumer does not consent to any use of a consumer report relating to the consumer in connection with any credit or insurance transaction that is not initiated by the consumer.

(2) Manner of notification. A consumer shall notify a consumer reporting agency under paragraph (1)

(A) through the notification system maintained by the agency under paragraph (5);
or

(B) by submitting to the agency a signed notice of election form issued by the agency for purposes of this subparagraph.

(3) Response of agency after notification through system. Upon receipt of notification of the election of a consumer under paragraph (1) through the notification system maintained by the agency under paragraph (5), a consumer reporting agency shall

(A) inform the consumer that the election is effective only for the 2-year period following the election if the consumer does not submit to the agency a signed notice of election form issued by the agency for purposes of paragraph (2)(B); and

(B) provide to the consumer a notice of election form, if requested by the consumer, not later than 5 business days after receipt of the notification of the election through the system established under paragraph (5), in the case of a request made at the time the consumer provides notification through the system.

(4) Effectiveness of election. An election of a consumer under paragraph (1)

(A) shall be effective with respect to a consumer reporting agency beginning 5 business days after the date on which the consumer notifies the agency in accordance with paragraph (2);

(B) shall be effective with respect to a consumer reporting agency

(i) subject to subparagraph (C), during the 2-year period beginning 5 business days after the date on which the consumer notifies the agency of the election, in the case of an election for which a consumer notifies the agency only in accordance with paragraph (2)(A); or

(ii) until the consumer notifies the agency under subparagraph (C), in the case of an election for which a consumer notifies the agency in accordance with paragraph (2)(B);

(C) shall not be effective after the date on which the consumer notifies the agency, through the notification system established by the agency under paragraph (5), that the election is no longer effective; and

(D) shall be effective with respect to each affiliate of the agency.

(5) Notification system.

(A) In general. Each consumer reporting agency that, under subsection (c)(1)(B), furnishes a consumer report in connection with a credit or insurance transaction that is not initiated by a consumer, shall

(i) establish and maintain a notification system, including a toll-free telephone number, which permits any consumer whose consumer report is maintained by the

agency to notify the agency, with appropriate identification, of the consumer's election to have the consumer's name and address excluded from any such list of names and addresses provided by the agency for such a transaction; and

(ii) publish by not later than 365 days after the date of enactment of the Consumer Credit Reporting Reform Act of 1996, and not less than annually thereafter, in a publication of general circulation in the area served by the agency

(I) a notification that information in consumer files maintained by the agency may be used in connection with such transactions; and

(II) the address and toll-free telephone number for consumers to use to notify the agency of the consumer's election under clause (I).

(B) Establishment and maintenance as compliance. Establishment and maintenance of a notification system (including a toll-free telephone number) and publication by a consumer reporting agency on the agency's own behalf and on behalf of any of its affiliates in accordance with this paragraph is deemed to be compliance with this paragraph by each of those affiliates.

(6) Notification system by agencies that operate nationwide. Each consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall establish and maintain a notification system for purposes of paragraph (5) jointly with other such consumer reporting agencies.

(f) Certain use or obtaining of information prohibited. A person shall not use or obtain a consumer report for any purpose unless

(1) the consumer report is obtained for a purpose for which the consumer report is authorized to be furnished under this section; and

(2) the purpose is certified in accordance with section 607 [§ 1681e] by a prospective user of the report through a general or specific certification.

(g) Furnishing reports containing medical information. A consumer reporting agency shall not furnish for employment purposes, or in connection with a credit or insurance transaction, a consumer report that contains medical information about a consumer, unless the consumer consents to the furnishing of the report.

§ 605. Requirements relating to information contained in consumer reports [15 U.S.C. § 1681c]

(a) Information excluded from consumer reports. Except as authorized under subsection (b) of this section, no consumer reporting agency may make any consumer report containing any of the following items of information:

(1) Cases under title 11 [United States Code] or under the Bankruptcy Act that, from the date of entry of the order for relief or the date of adjudication, as the case may be, antedate the report by more than 10 years.

(2) Civil suits, civil judgments, and records of arrest that from date of entry, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period.

(3) Paid tax liens which, from date of payment, antedate the report by more than seven years.

(4) Accounts placed for collection or charged to profit and loss which antedate the report by more than seven years.⁽¹⁾

(5) Any other adverse item of information, other than records of convictions of crimes which antedates the report by more than seven years.¹

(b) Exempted cases. The provisions of subsection (a) of this section are not applicable in the case of any consumer credit report to be used in connection with

(1) a credit transaction involving, or which may reasonably be expected to involve, a principal amount of \$150,000 or more;

(2) the underwriting of life insurance involving, or which may reasonably be expected to involve, a face amount of \$150,000 or more; or

(3) the employment of any individual at an annual salary which equals, or which may reasonably be expected to equal \$75,000, or more.

(c) Running of reporting period.

(1) In general. The 7-year period referred to in paragraphs (4) and (6) ** of subsection (a) shall begin, with respect to any delinquent account that is placed for collection (internally or by referral to a third party, whichever is earlier), charged to profit and loss, or subjected to any similar action, upon the expiration of the 180-day period beginning on the date of the commencement of the delinquency which immediately preceded the collection activity, charge to profit and loss, or similar action.

(2) Effective date. Paragraph (1) shall apply only to items of information added to the file of a consumer on or after the date that is 455 days after the date of enactment of the Consumer Credit Reporting Reform Act of 1996.

(d) Information required to be disclosed. Any consumer reporting agency that furnishes a consumer report that contains information regarding any case involving the consumer that arises under title 11, United States Code, shall include in the report an identification of the

chapter of such title 11 under which such case arises if provided by the source of the information. If any case arising or filed under title 11, United States Code, is withdrawn by the consumer before a final judgment, the consumer reporting agency shall include in the report that such case or filing was withdrawn upon receipt of documentation certifying such withdrawal.

(e) Indication of closure of account by consumer. If a consumer reporting agency is notified pursuant to section 623(a)(4) [§ 1681s-2] that a credit account of a consumer was voluntarily closed by the consumer, the agency shall indicate that fact in any consumer report that includes information related to the account.

(f) Indication of dispute by consumer. If a consumer reporting agency is notified pursuant to section 623(a)(3) [§ 1681s-2] that information regarding a consumer who was furnished to the agency is disputed by the consumer, the agency shall indicate that fact in each consumer report that includes the disputed information.

§ 606. Disclosure of investigative consumer reports [15 U.S.C. § 1681d]

(a) Disclosure of fact of preparation. A person may not procure or cause to be prepared an investigative consumer report on any consumer unless

(1) it is clearly and accurately disclosed to the consumer that an investigative consumer report including information as to his character, general reputation, personal characteristics and mode of living, whichever are applicable, may be made, and such disclosure

(A) is made in a writing mailed, or otherwise delivered, to the consumer, not later than three days after the date on which the report was first requested, and

(B) includes a statement informing the consumer of his right to request the additional disclosures provided for under subsection (b) of this section and the written summary of the rights of the consumer prepared pursuant to section 609(c) [§ 1681g]; and

(2) the person certifies or has certified to the consumer reporting agency that

(A) the person has made the disclosures to the consumer required by paragraph (1); and

(B) the person will comply with subsection (b).

(b) Disclosure on request of nature and scope of investigation. Any person who procures or causes to be prepared an investigative consumer report on any consumer shall, upon written request made by the consumer within a reasonable period of time after the receipt by him of the disclosure required by subsection (a)(1) of this section, make a complete and accurate disclosure of the nature and scope of the investigation requested. This disclosure shall be

made in a writing mailed, or otherwise delivered, to the consumer not later than five days after the date on which the request for such disclosure was received from the consumer or such report was first requested, whichever is the later.

(c) Limitation on liability upon showing of reasonable procedures for compliance with provisions. No person may be held liable for any violation of subsection (a) or (b) of this section if he shows by a preponderance of the evidence that at the time of the violation he maintained reasonable procedures to assure compliance with subsection (a) or (b) of this section.

(d) Prohibitions.

(1) Certification. A consumer reporting agency shall not prepare or furnish investigative consumer report unless the agency has received a certification under subsection (a)(2) from the person who requested the report.

(2) Inquiries. A consumer reporting agency shall not make an inquiry for the purpose of preparing an investigative consumer report on a consumer for employment purposes if the making of the inquiry by an employer or prospective employer of the consumer would violate any applicable Federal or State equal employment opportunity law or regulation.

(3) Certain public record information. Except as otherwise provided in section 613 [§ 1681k], a consumer reporting agency shall not furnish an investigative consumer report that includes information that is a matter of public record and that relates to an arrest, indictment, conviction, civil judicial action, tax lien, or outstanding judgment, unless the agency has verified the accuracy of the information during the 30-day period ending on the date on which the report is furnished.

(4) Certain adverse information. A consumer reporting agency shall not prepare or furnish an investigative consumer report on a consumer that contains information that is adverse to the interest of the consumer and that is obtained through a personal interview with a neighbor, friend, or associate of the consumer or with another person with whom the consumer is acquainted or who has knowledge of such item of information, unless

(A) the agency has followed reasonable procedures to obtain confirmation of the information, from an additional source that has independent and direct knowledge of the information; or

(B) the person interviewed is the best possible source of the information.

§ 607. Compliance procedures [15 U.S.C. § 1681e]

(a) Identity and purposes of credit users. Every consumer reporting agency shall maintain reasonable procedures designed to avoid violations of section 605 [§ 1681c] and to limit the

furnishing of consumer reports to the purposes listed under section 604 [§ 1681b] of this title. These procedures shall require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose. Every consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by such prospective user prior to furnishing such user a consumer report. No consumer reporting agency may furnish a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 604 [§ 1681b] of this title.

(b) Accuracy of report. Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

(c) Disclosure of consumer reports by users allowed. A consumer reporting agency may not prohibit a user of a consumer report furnished by the agency on a consumer from disclosing the contents of the report to the consumer, if adverse action against the consumer has been taken by the user based in whole or in part on the report.

(d) Notice to users and furnishers of information.

(1) Notice requirement. A consumer reporting agency shall provide to any person

(A) who regularly and in the ordinary course of business furnishes information to the agency with respect to any consumer; or

(B) to whom a consumer report is provided by the agency;

a notice of such person's responsibilities under this title.

(2) Content of notice. The Federal Trade Commission shall prescribe the content of notices under paragraph (1), and a consumer reporting agency shall be in compliance with this subsection if it provides a notice under paragraph (1) that is substantially similar to the Federal Trade Commission prescription under this paragraph.

(e) Procurement of consumer report for resale.

(1) Disclosure. A person may not procure a consumer report for purposes of reselling the report (or any information in the report) unless the person discloses to the consumer reporting agency that originally furnishes the report

(A) the identity of the end-user of the report (or information); and

(B) each permissible purpose under section 604 [§ 1681b] for which the report is furnished to the end-user of the report (or information).

(2) Responsibilities of procurers for resale. A person who procures a consumer report for purposes of reselling the report (or any information in the report) shall

(A) 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 [§ 1681b], 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 other person

(i) identifies each end user of the resold report (or information);

(ii) certifies each purpose for which the report (or information) will be used; and

(iii) certifies that the report (or information) will be used for no other purpose; and

(B) before reselling the report, make reasonable efforts to verify the identifications and certifications made under subparagraph (A).

(3) Resale of consumer report to a federal agency or department. Notwithstanding paragraph (1) or (2), a person who procures a consumer report for purposes of reselling the report (or any information in the report) shall not disclose the identity of the end-user of the report under paragraph (1) or (2) if --

(A) the end user is an agency or department of the United States Government which procures the report from the person for purposes of determining the eligibility of the consumer concerned to receive access or continued access to classified information (as defined in section 604(b)(4)(E)(i)); and

(B) the agency or department certifies in writing to the person reselling the report that nondisclosure is necessary to protect classified information or the safety of persons employed by or contracting with, or undergoing investigation for work or contracting with the agency or department.

§ 608. Disclosures to governmental agencies [15 U.S.C. § 1681f]

Notwithstanding the provisions of section 604 [§ 1681b] of this title, a consumer reporting agency may furnish identifying information respecting any consumer, limited to his name, address, former addresses, places of employment, or former places of employment, to a governmental agency.

§ 609. Disclosures to consumers [15 U.S.C. § 1681g]

(a) Information on file; sources; report recipients. Every consumer reporting agency shall, upon request, and subject to 610(a)(1) [§ 1681h], clearly and accurately disclose to the

consumer:

(1) All information in the consumer's file at the time of the request, except that nothing in this paragraph shall be construed to require a consumer reporting agency to disclose to a consumer any information concerning credit scores or any other risk scores or predictors relating to the consumer.

(2) The sources of the information; except that the sources of information acquired solely for use in preparing an investigative consumer report and actually used for no other purpose need not be disclosed: Provided, That in the event an action is brought under this title, such sources shall be available to the plaintiff under appropriate discovery procedures in the court in which the action is brought.

(3) (A) Identification of each person (including each end-user identified under section 607(e)(1) [§ 1681e]) that procured a consumer report

(i) for employment purposes, during the 2-year period preceding the date on which the request is made; or

(ii) for any other purpose, during the 1-year period preceding the date on which the request is made.

(B) An identification of a person under subparagraph (A) shall include

(i) the name of the person or, if applicable, the trade name (written in full) under which such person conducts business; and

(ii) upon request of the consumer, the address and telephone number of the person.

(C) Subparagraph (A) does not apply if--

(i) the end user is an agency or department of the United States Government that procures the report from the person for purposes of determining the eligibility of the consumer to whom the report relates to receive access or continued access to classified information (as defined in section 604(b)(4)(E)(i)); and

(ii) the head of the agency or department makes a written finding as prescribed under section 604(b)(4)(A).

(4) The dates, original payees, and amounts of any checks upon which is based any adverse characterization of the consumer, included in the file at the time of the disclosure.

(5) A record of all inquiries received by the agency during the 1-year period preceding the request that identified the consumer in connection with a credit or insurance transaction that was not initiated by the consumer.

(b) Exempt information. The requirements of subsection (a) of this section respecting the disclosure of sources of information and the recipients of consumer reports do not apply to information received or consumer reports furnished prior to the effective date of this title except to the extent that the matter involved is contained in the files of the consumer reporting agency on that date.

(c) Summary of rights required to be included with disclosure.

(1) Summary of rights. A consumer reporting agency shall provide to a consumer, with each written disclosure by the agency to the consumer under this section

(A) a written summary of all of the rights that the consumer has under this title; and

(B) in the case of a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, a toll-free telephone number established by the agency, at which personnel are accessible to consumers during normal business hours.

(2) Specific items required to be included. The summary of rights required under paragraph (1) shall include

(A) a brief description of this title and all rights of consumers under this title;

(B) an explanation of how the consumer may exercise the rights of the consumer under this title;

(C) a list of all Federal agencies responsible for enforcing any provision of this title and the address and any appropriate phone number of each such agency, in a form that will assist the consumer in selecting the appropriate agency;

(D) a statement that the consumer may have additional rights under State law and that the consumer may wish to contact a State or local consumer protection agency or a State attorney general to learn of those rights; and

(E) a statement that a consumer reporting agency is not required to remove accurate derogatory information from a consumer's file, unless the information is outdated under section 605 [§ 1681c] or cannot be verified.

(3) Form of summary of rights. For purposes of this subsection and any disclosure by a consumer reporting agency required under this title with respect to consumers' rights, the Federal Trade Commission (after consultation with each Federal agency referred to in section 621(b) [§ 1681s]) shall prescribe the form and content of any such disclosure of the rights of consumers required under this title. A consumer reporting agency shall be in compliance with this subsection if it provides disclosures under paragraph (1) that are substantially similar to the Federal Trade

Commission prescription under this paragraph.

(4) Effectiveness. No disclosures shall be required under this subsection until the date on which the Federal Trade Commission prescribes the form and content of such disclosures under paragraph (3).

§ 610. Conditions and form of disclosure to consumers [15 U.S.C. § 1681h]

(a) In general.

(1) Proper identification. A consumer reporting agency shall require, as a condition of making the disclosures required under section 609 [§ 1681g], that the consumer furnish proper identification.

(2) Disclosure in writing. Except as provided in subsection (b), the disclosures required to be made under section 609 [§ 1681g] shall be provided under that section in writing.

(b) Other forms of disclosure.

(1) In general. If authorized by a consumer, a consumer reporting agency may make the disclosures required under 609 [§ 1681g]

(A) other than in writing; and

(B) in such form as may be

(i) specified by the consumer in accordance with paragraph (2); and

(ii) available from the agency.

(2) Form. A consumer may specify pursuant to paragraph (1) that disclosures under section 609 [§ 1681g] shall be made

(A) in person, upon the appearance of the consumer at the place of business of the consumer reporting agency where disclosures are regularly provided, during normal business hours, and on reasonable notice;

(B) by telephone, if the consumer has made a written request for disclosure by telephone;

(C) by electronic means, if available from the agency; or

(D) by any other reasonable means that is available from the agency.

(c) Trained personnel. Any consumer reporting agency shall provide trained personnel to

explain to the consumer any information furnished to him pursuant to section 609 [§ 1681g] of this title.

(d) Persons accompanying consumer. The consumer shall be permitted to be accompanied by one other person of his choosing, who shall furnish reasonable identification. A consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in such person's presence.

(e) Limitation of liability. Except as provided in sections 616 and 617 [§§ 1681n and 1681o] of this title, no consumer may bring any action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information against any consumer reporting agency, any user of information, or any person who furnishes information to a consumer reporting agency, based on information disclosed pursuant to section 609, 610, or 615 [§§ 1681g, 1681h, or 1681m] of this title or based on information disclosed by a user of a consumer report to or for a consumer against whom the user has taken adverse action, based in whole or in part on the report, except as to false information furnished with malice or willful intent to injure such consumer.

§ 611. Procedure in case of disputed accuracy [15 U.S.C. § 1681i]

(a) Reinvestigations of disputed information.

(1) Reinvestigation required.

(A) In general. If the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly of such dispute, the agency shall reinvestigate free of charge and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5), before the end of the 30-day period beginning on the date on which the agency receives the notice of the dispute from the consumer.

(B) Extension of period to reinvestigate. Except as provided in subparagraph (C), the 30-day period described in subparagraph (A) may be extended for not more than 15 additional days if the consumer reporting agency receives information from the consumer during that 30-day period that is relevant to the reinvestigation.

(C) Limitations on extension of period to reinvestigate. Subparagraph (B) shall not apply to any reinvestigation in which, during the 30-day period described in subparagraph (A), the information that is the subject of the reinvestigation is found to be inaccurate or incomplete or the consumer reporting agency determines that the information cannot be verified.

(2) Prompt notice of dispute to furnisher of information.

(A) In general. Before the expiration of the 5-business-day period beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer in accordance with paragraph (1), the agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with the person. The notice shall include all relevant information regarding the dispute that the agency has received from the consumer.

(B) Provision of other information from consumer. The consumer reporting agency shall promptly provide to the person who provided the information in dispute all relevant information regarding the dispute that is received by the agency from the consumer after the period referred to in subparagraph (A) and before the end of the period referred to in paragraph (1)(A).

(3) Determination that dispute is frivolous or irrelevant.

(A) In general. Notwithstanding paragraph (1), a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under that paragraph if the agency reasonably determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure by a consumer to provide sufficient information to investigate the disputed information.

(B) Notice of determination. Upon making any determination in accordance with subparagraph (A) that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer of such determination not later than 5 business days after making such determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the agency.

(C) Contents of notice. A notice under subparagraph (B) shall include

(i) the reasons for the determination under subparagraph (A); and

(ii) identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of such information.

(4) Consideration of consumer information. In conducting any reinvestigation under paragraph (1) with respect to disputed information in the file of any consumer, the consumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in paragraph (1)(A) with respect to such disputed information.

(5) Treatment of inaccurate or unverifiable information.

(A) In general. If, after any reinvestigation under paragraph (1) of any information disputed by a consumer, an item of the information is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency shall promptly delete that item of information from the consumer's file or modify that item of information, as appropriate, based on the results of the reinvestigation.

(B) Requirements relating to reinsertion of previously deleted material.

(i) Certification of accuracy of information. If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate.

(ii) Notice to consumer. If any information that has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing not later than 5 business days after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency.

(iii) Additional information. As part of, or in addition to, the notice under clause (ii), a consumer reporting agency shall provide to a consumer in writing not later than 5 business days after the date of the reinsertion

(I) a statement that the disputed information has been reinserted;

(II) the business name and address of any furnisher of information contacted and the telephone number of such furnisher, if reasonably available, or of any furnisher of information that contacted the consumer reporting agency, in connection with the reinsertion of such information; and

(III) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.

(C) Procedures to prevent reappearance. A consumer reporting agency shall maintain reasonable procedures designed to prevent the reappearance in a consumer's file. and in consumer reports on the

consumer, of information that is deleted pursuant to this paragraph (other than information that is reinserted in accordance with subparagraph (B)(i)).

(D) Automated reinvestigation system. Any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall implement an automated system through which furnishers of information to that consumer reporting agency may report the results of a reinvestigation that finds incomplete or inaccurate information in a consumer's file to other such consumer reporting agencies.

(6) Notice of results of reinvestigation.

(A) In general. A consumer reporting agency shall provide written notice to a consumer of the results of a reinvestigation under this subsection not later than 5 business days after the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by other means available to the agency.

(B) Contents. As part of, or in addition to, the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing before the expiration of the 5-day period referred to in subparagraph (A)

(i) a statement that the reinvestigation is completed;

(ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

(iii) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the business name and address of any furnisher of information contacted in connection with such information and the telephone number of such furnisher, if reasonably available;

(iv) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the information; and

(v) a notice that the consumer has the right to request under subsection (d) that the consumer reporting agency furnish notifications under that subsection.

(7) Description of reinvestigation procedure. A consumer reporting agency shall provide to a consumer a description referred to in paragraph (6)(B)(iii) by not later than 15 days after receiving a request from the consumer for that description.

(8) Expedited dispute resolution. If a dispute regarding an item of information in a consumer's file at a consumer reporting agency is resolved in accordance with paragraph (5)(A) by the deletion of the disputed information by not later than 3 business days after the date on which the agency receives notice of the dispute from the consumer in accordance with paragraph (1)(A), then the agency shall not be required to comply with paragraphs (2), (6), and (7) with respect to that dispute if the agency

(A) provides prompt notice of the deletion to the consumer by telephone;

(B) includes in that notice, or in a written notice that accompanies a confirmation and consumer report provided in accordance with subparagraph (C), a statement of the consumer's right to request under subsection (d) that the agency furnish notifications under that subsection; and

(C) provides written confirmation of the deletion and a copy of a consumer report on the consumer that is based on the consumer's file after the deletion, not later than 5 business days after making the deletion.

(b) Statement of dispute. If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit such statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

(c) Notification of consumer dispute in subsequent consumer reports. Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.

(d) Notification of deletion of disputed information. Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the consumer reporting agency shall, at the request of the consumer, furnish notification that the item has been deleted or the statement, codification or summary pursuant to subsection (b) or (c) of this section to any person specifically designated by the consumer who has within two years prior thereto received a consumer report for employment purposes, or within six months prior thereto received a consumer

report for any other purpose, which contained the deleted or disputed information.

§ 612. Charges for certain disclosures [15 U.S.C. § 1681j]

(a) Reasonable charges allowed for certain disclosures.

(1) In general. Except as provided in subsections (b), (c), and (d), a consumer reporting agency may impose a reasonable charge on a consumer

(A) for making a disclosure to the consumer pursuant to section 609 [§ 1681g], which charge

(i) shall not exceed \$8; and

(ii) shall be indicated to the consumer before making the disclosure; and

(B) for furnishing, pursuant to 611(d) [§ 1681i], following a reinvestigation under section 611(a) [§ 1681i], a statement, codification, or summary to a person designated by the consumer under that section after the 30-day period beginning on the date of notification of the consumer under paragraph (6) or (8) of section 611(a) [§ 1681i] with respect to the reinvestigation, which charge

(i) shall not exceed the charge that the agency would impose on each designated recipient for a consumer report; and

(ii) shall be indicated to the consumer before furnishing such information.

(2) Modification of amount. The Federal Trade Commission shall increase the amount referred to in paragraph (1)(A)(I) on January 1 of each year, based proportionally on changes in the Consumer Price Index, with fractional changes rounded to the nearest fifty cents.

(b) Free disclosure after adverse notice to consumer. Each consumer reporting agency that maintains a file on a consumer shall make all disclosures pursuant to section 609 [§ 1681g] without charge to the consumer if, not later than 60 days after receipt by such consumer of a notification pursuant to section 615 [§ 1681m], or of a notification from a debt collection agency affiliated with that consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected, the consumer makes a request under section 609 [§ 1681g].

(c) Free disclosure under certain other circumstances. Upon the request of the consumer, a consumer reporting agency shall make all disclosures pursuant to section 609 [§ 1681g]

once during any 12-month period without charge to that consumer if the consumer certifies in writing that the consumer

(1) is unemployed and intends to apply for employment in the 60-day period beginning on the date on which the certification is made;

(2) is a recipient of public welfare assistance; or

(3) has reason to believe that the file on the consumer at the agency contains inaccurate information due to fraud.

(d) Other charges prohibited. A consumer reporting agency shall not impose any charge on a consumer for providing any notification required by this title or making any disclosure required by this title, except as authorized by subsection (a).

§ 613. Public record information for employment purposes [15 U.S.C. § 1681k]

(a) In general. A consumer reporting agency which furnishes a consumer report for employment purposes and which for that purpose compiles and reports items of information on consumers which are matters of public record and are likely to have an adverse effect upon a consumer's ability to obtain employment shall

(1) at the time such public record information is reported to the user of such consumer report, notify the consumer of the fact that public record information is being reported by the consumer reporting agency, together with the name and address of the person to whom such information is being reported; or

(2) maintain strict procedures designed to insure that whenever public record information which is likely to have an adverse effect on a consumer's ability to obtain employment is reported it is complete and up to date. For purposes of this paragraph, items of public record relating to arrests, indictments, convictions, suits, tax liens, and outstanding judgments shall be considered up to date if the current public record status of the item at the time of the report is reported.

(b) Exemption for national security investigations. Subsection (a) does not apply in the case of an agency or department of the United States Government that seeks to obtain and use a consumer report for employment purposes, if the head of the agency or department makes a written finding as prescribed under section 604(b)(4)(A).

§ 614. Restrictions on investigative consumer reports [15 U.S.C. § 1681i]

Whenever a consumer reporting agency prepares an investigative consumer report, no adverse information in the consumer report (other than information which is a matter of public record) may be included in a subsequent consumer report unless such adverse information has been verified in the process of making such subsequent consumer report, or the adverse information was received within the three-month period preceding the date the

subsequent report is furnished.

§ 615. Requirements on users of consumer reports [15 U.S.C. § 1681m]

(a) Duties of users taking adverse actions on the basis of information contained in consumer reports. If any person takes any adverse action with respect to any consumer that is based in whole or in part on any information contained in a consumer report, the person shall

(1) provide oral, written, or electronic notice of the adverse action to the consumer;

(2) provide to the consumer orally, in writing, or electronically

(A) the name, address, and telephone number of the consumer reporting agency (including a toll-free telephone number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis) that furnished the report to the person; and

(B) a statement that the consumer reporting agency did not make the decision to take the adverse action and is unable to provide the consumer the specific reasons why the adverse action was taken; and

(3) provide to the consumer an oral, written, or electronic notice of the consumer's right

(A) to obtain, under section 612 [§ 1681j], a free copy of a consumer report on the consumer from the consumer reporting agency referred to in paragraph (2), which notice shall include an indication of the 60-day period under that section for obtaining such a copy; and

(B) to dispute, under section 611 [§ 1681i], with a consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the agency.

(b) Adverse action based on information obtained from third parties other than consumer reporting agencies.

(1) In general. Whenever credit for personal, family, or household purposes involving a consumer is denied or the charge for such credit is increased either wholly or partly because of information obtained from a person other than a consumer reporting agency bearing upon the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, the user of such information shall, within a reasonable period of time, upon the consumer's written request for the reasons for such adverse action received within sixty days after learning of such adverse action, disclose the nature

of the information to the consumer. The user of such information shall clearly and accurately disclose to the consumer his right to make such written request at the time such adverse action is communicated to the consumer.

(2) Duties of person taking certain actions based on information provided by affiliate.

(A) Duties, generally. If a person takes an action described in subparagraph (B) with respect to a consumer, based in whole or in part on information described in subparagraph (C), the person shall

(i) notify the consumer of the action, including a statement that the consumer may obtain the information in accordance with clause (ii); and

(ii) upon a written request from the consumer received within 60 days after transmittal of the notice required by clause (I), disclose to the consumer the nature of the information upon which the action is based by not later than 30 days after receipt of the request.

(B) Action described. An action referred to in subparagraph (A) is an adverse action described in section 603(k)(1)(A) [§ 1681a], taken in connection with a transaction initiated by the consumer, or any adverse action described in clause (i) or (ii) of section 603(k)(1)(B) [§ 1681a].

(C) Information described. Information referred to in subparagraph (A)

(i) except as provided in clause (ii), is information that (I) is furnished to the person taking the action by a person related by common ownership or affiliated by common corporate control to the person taking the action; and

(II) bears on the credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living of the consumer; and

(ii) does not include

(I) information solely as to transactions or experiences between the consumer and the person furnishing the information; or

(II) information in a consumer report.

(c) Reasonable procedures to assure compliance. No person shall be held liable for any violation of this section if he shows by a preponderance of the evidence that at the time of the alleged violation he maintained reasonable procedures to assure compliance with the provisions of this section.

(d) Duties of users making written credit or insurance solicitations on the basis of information contained in consumer files.

(1) In general. Any person who uses a consumer report on any consumer in connection with any credit or insurance transaction that is not initiated by the consumer, that is provided to that person under section 604(c)(1)(B) [§ 1681b], shall provide with each written solicitation made to the consumer regarding the transaction a clear and conspicuous statement that

(A) information contained in the consumer's consumer report was used in connection with the transaction;

(B) the consumer received the offer of credit or insurance because the consumer satisfied the criteria for credit worthiness or insurability under which the consumer was selected for the offer;

(C) if applicable, the credit or insurance may not be extended if, after the consumer responds to the offer, the consumer does not meet the criteria used to select the consumer for the offer or any applicable criteria bearing on credit worthiness or insurability or does not furnish any required collateral;

(D) the consumer has a right to prohibit information contained in the consumer's file with any consumer reporting agency from being used in connection with any credit or insurance transaction that is not initiated by the consumer; and

(E) the consumer may exercise the right referred to in subparagraph (D) by notifying a notification system established under section 604(e) [§ 1681b].

(2) Disclosure of address and telephone number. A statement under paragraph (1) shall include the address and toll-free telephone number of the appropriate notification system established under section 604(e) [§ 1681b].

(3) Maintaining criteria on file. A person who makes an offer of credit or insurance to a consumer under a credit or insurance transaction described in paragraph (1) shall maintain on file the criteria used to select the consumer to receive the offer, all criteria bearing on credit worthiness or insurability, as applicable, that are the basis

for determining whether or not to extend credit or insurance pursuant to the offer, and any requirement for the furnishing of collateral as a condition of the extension of credit or insurance, until the expiration of the 3-year period beginning on the date on which the offer is made to the consumer.

(4) Authority of federal agencies regarding unfair or deceptive acts or practices not affected. This section is not intended to affect the authority of any Federal or State agency to enforce a prohibition against unfair or deceptive acts or practices, including the making of false or misleading statements in connection with a credit or insurance transaction that is not initiated by the consumer.

§ 616. Civil liability for willful noncompliance [15 U.S.C. § 1681n]

(a) In general. Any person who willfully fails to comply with any requirement imposed under this title with respect to any consumer is liable to that consumer in an amount equal to the sum of

(1) (A) any actual damages sustained by the consumer as a result of the failure or damages of not less than \$100 and not more than \$1,000; or

(B) in the case of liability of a natural person for obtaining a consumer report under false pretenses or knowingly without a permissible purpose, actual damages sustained by the consumer as a result of the failure or \$1,000, whichever is greater;

(2) such amount of punitive damages as the court may allow; and

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

(b) Civil liability for knowing noncompliance. Any person who obtains a consumer report from a consumer reporting agency under false pretenses or knowingly without a permissible purpose shall be liable to the consumer reporting agency for actual damages sustained by the consumer reporting agency or \$1,000, whichever is greater.

(c) Attorney's fees. Upon a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for purposes of harassment, the court shall award to the prevailing party attorney's fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.

§ 617. Civil liability for negligent noncompliance [15 U.S.C. § 1681o]

(a) In general. Any person who is negligent in failing to comply with any requirement

imposed under this title with respect to any consumer is liable to that consumer in an amount equal to the sum of

- (1) any actual damages sustained by the consumer as a result of the failure;
- (2) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

(b) Attorney's fees. On a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for purposes of harassment, the court shall award to the prevailing party attorney's fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.

§ 618. Jurisdiction of courts; limitation of actions [15 U.S.C. § 1681p]

An action to enforce any liability created under this title may be brought in any appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within two years from the date on which the liability arises, except that where a defendant has materially and willfully misrepresented any information required under this title to be disclosed to an individual and the information so misrepresented is material to the establishment of the defendant's liability to that individual under this title, the action may be brought at any time within two years after discovery by the individual of the misrepresentation.

§ 619. Obtaining information under false pretenses [15 U.S.C. § 1681q]

Any person 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 2 years, or both.

§ 620. Unauthorized disclosures by officers or employees [15 U.S.C. § 1681r]

Any officer or employee of a consumer reporting agency who knowingly and willfully provides information concerning an individual from the agency's files to a person not authorized to receive that information shall be fined under title 18, United States Code, imprisoned for not more than 2 years, or both.

§ 621. Administrative enforcement [15 U.S.C. § 1681s]

(a) (1) Enforcement by Federal Trade Commission. Compliance with the requirements imposed under this title shall be enforced under the Federal Trade Commission Act [15 U.S.C. §§ 41 et seq.] by the Federal Trade Commission with respect to consumer reporting agencies and all other persons subject thereto, except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other government

agency under subsection (b) hereof. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement or prohibition imposed under this title shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act [15 U.S.C. § 45(a)] and shall be subject to enforcement by the Federal Trade Commission under section 5(b) thereof [15 U.S.C. § 45(b)] with respect to any consumer reporting agency or person subject to enforcement by the Federal Trade Commission pursuant to this subsection, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act. The Federal Trade Commission shall have such procedural, investigative, and enforcement powers, including the power to issue procedural rules in enforcing compliance with the requirements imposed under this title and to require the filing of reports, the production of documents, and the appearance of witnesses as though the applicable terms and conditions of the Federal Trade Commission Act were part of this title. Any person violating any of the provisions of this title shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act as though the applicable terms and provisions thereof were part of this title.

2) (A) In the event of a knowing violation, which constitutes a pattern or practice of violations of this title, the Commission may commence a civil action to recover a civil penalty in a district court of the United States against any person that violates this title. In such action, such person shall be liable for a civil penalty of not more than \$2,500 per violation.

(B) In determining the amount of a civil penalty under subparagraph (A), the court shall take into account the degree of culpability, any history of prior such conduct, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

(3) Notwithstanding paragraph (2), a court may not impose any civil penalty on a person for a violation of section 623(a)(1) [§ 1681s-2] unless the person has been enjoined from committing the violation, or ordered not to commit the violation, in an action or proceeding brought by or on behalf of the Federal Trade Commission, and has violated the injunction or order, and the court may not impose any civil penalty for any violation occurring before the date of the violation of the injunction or order.

(4) Neither the Commission nor any other agency referred to in subsection (b) may prescribe trade regulation rules or other regulations with respect to this title.

(b) Enforcement by other agencies. Compliance with the requirements imposed under this title with respect to consumer reporting agencies, persons who use consumer reports from such agencies, persons who furnish information to such agencies, and users of information that are subject to subsection (d) of section 615 [§ 1681m] shall be enforced under

(1) section 8 of the Federal Deposit Insurance Act [12 U.S.C. § 1818], in the case of

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national 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 25(a) [25A] of the Federal Reserve Act [12 U.S.C. §§ 601 et seq., §§ 611 et seq], by the Board of Governors of the Federal Reserve System; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act [12 U.S.C. § 1818], by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act [12 U.S.C. §§ 1751 et seq.], by the Administrator of the National Credit Union Administration [National Credit Union Administration Board] with respect to any Federal credit union;

(4) subtitle IV of title 49 [49 U.S.C. §§ 10101 et seq.], by the Secretary of Transportation, with respect to all carriers subject to the jurisdiction of the Surface Transportation Board;

(5) the Federal Aviation Act of 1958 [49 U.S.C. Appx §§ 1301 et seq.], by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that Act [49 U.S.C. Appx §§ 1301 et seq.]; and

(6) the Packers and Stockyards Act, 1921 [7 U.S.C. §§ 181 et seq.] (except as provided in section 406 of that Act [7 U.S.C. §§ 226 and 227]), by the Secretary of Agriculture with respect to any activities subject to that Act.

The terms used in paragraph (1) that are not defined in this title or otherwise defined in section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. § 1813(s)) shall have the meaning given to them in section 1(b) of the International Banking Act of 1978 (12 U.S.C. § 3101).

(c) State action for violations.

(1) Authority of states. In addition to such other remedies as are provided under

State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State

(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

(B) subject to paragraph (5), may bring an action on behalf of the residents of the State to recover

(i) damages for which the person is liable to such residents under sections 616 and 617 [§§ 1681n and 1681o] as a result of the violation;

(ii) in the case of a violation of section 623(a) [§ 1681s-2], damages for which the person would, but for section 623(c) [§ 1681s-2], be liable to such residents as a result of the violation; or

(iii) damages of not more than \$1,000 for each willful or negligent violation; and

(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

(2) Rights of federal regulators. The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission or the appropriate Federal regulator determined under subsection (b) and provide the Commission or appropriate Federal regulator with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Federal Trade Commission or appropriate Federal regulator shall have the right

(A) to intervene in the action;

(B) upon so intervening, to be heard on all matters arising therein;

(C) to remove the action to the appropriate United States district court; and

(D) to file petitions for appeal.

(3) Investigatory powers. For purposes of bringing any action under this subsection.

nothing in this subsection shall prevent the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(4) Limitation on state action while federal action pending. If the Federal Trade Commission or the appropriate Federal regulator has instituted a civil action or an administrative action under section 8 of the Federal Deposit Insurance Act for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission or the appropriate Federal regulator for any violation of this title that is alleged in that complaint.

(5) Limitations on state actions for violation of section 623(a)(1) [§ 1681s-2].

(A) Violation of injunction required. A State may not bring an action against a person under paragraph (1)(B) for a violation of section 623(a)(1) [§ 1681s-2], unless

(i) the person has been enjoined from committing the violation, in an action brought by the State under paragraph (1)(A); and

(ii) the person has violated the injunction.

(B) Limitation on damages recoverable. In an action against a person under paragraph (1)(B) for a violation of section 623(a)(1) [§ 1681s-2], a State may not recover any damages incurred before the date of the violation of an injunction on which the action is based.

(d) Enforcement under other authority. For the purpose of the exercise by any agency referred to in subsection (b) of this section of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b) of this section, each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title any other authority conferred on it by law. Notwithstanding the preceding, no agency referred to in subsection (b) may conduct an examination of a bank, savings association, or credit union regarding compliance with the provisions of this title, except in response to a complaint (or if the agency otherwise has knowledge) that the bank, savings association, or credit union has violated a provision of this title, in which case, the agency may conduct an examination as necessary to investigate the complaint. If an agency determines during an investigation in response to a complaint that a violation of this title has occurred, the agency may, during its next 2 regularly scheduled examinations of the bank, savings association, or credit union.

examine for compliance with this title.

(e) Interpretive authority. The Board of Governors of the Federal Reserve System may issue interpretations of any provision of this title as such provision may apply to any persons identified under paragraph (1), (2), and (3) of subsection (b), or to the holding companies and affiliates of such persons, in consultation with Federal agencies identified in paragraphs (1), (2), and (3) of subsection (b).

§ 622. Information on overdue child support obligations [15 U.S.C. § 1681s-1]

Notwithstanding any other provision of this title, a consumer reporting agency shall include in any consumer report furnished by the agency in accordance with section 604 [§ 1681b] of this title, any information on the failure of the consumer to pay overdue support which

(1) is provided

(A) to the consumer reporting agency by a State or local child support enforcement agency; or

(B) to the consumer reporting agency and verified by any local, State, or Federal government agency; and

(2) antedates the report by 7 years or less.

§ 623. Responsibilities of furnishers of information to consumer reporting agencies [15 U.S.C. § 1681s-2]

(a) Duty of furnishers of information to provide accurate information.

(1) Prohibition.

(A) Reporting information with actual knowledge of errors. A person shall not furnish any information relating to a consumer to any consumer reporting agency if the person knows or consciously avoids knowing that the information is inaccurate.

(B) Reporting information after notice and confirmation of errors. A person shall not furnish information relating to a consumer to any consumer reporting agency if

(i) the person has been notified by the consumer, at the address specified by the person for such notices, that specific information is inaccurate; and

(ii) the information is, in fact, inaccurate.

(C) No address requirement. A person who clearly and conspicuously specifies to the consumer an address for notices referred to in subparagraph (B) shall not be subject to subparagraph (A); however, nothing in subparagraph (B) shall require a person to specify such an address.

(2) Duty to correct and update information. A person who

(A) regularly and in the ordinary course of business furnishes information to one or more consumer reporting agencies about the person's transactions or experiences with any consumer; and

(B) has furnished to a consumer reporting agency information that the person determines is not complete or accurate,

shall promptly notify the consumer reporting agency of that determination and provide to the agency any corrections to that information, or any additional information, that is necessary to make the information provided by the person to the agency complete and accurate, and shall not thereafter furnish to the agency any of the information that remains not complete or accurate.

(3) Duty to provide notice of dispute. If the completeness or accuracy of any information furnished by any person to any consumer reporting agency is disputed to such person by a consumer, the person may not furnish the information to any consumer reporting agency without notice that such information is disputed by the consumer.

(4) Duty to provide notice of closed accounts. A person who regularly and in the ordinary course of business furnishes information to a consumer reporting agency regarding a consumer who has a credit account with that person shall notify the agency of the voluntary closure of the account by the consumer, in information regularly furnished for the period in which the account is closed.

(5) Duty to provide notice of delinquency of accounts. A person who furnishes information to a consumer reporting agency regarding a delinquent account being placed for collection, charged to profit or loss, or subjected to any similar action shall, not later than 90 days after furnishing the information, notify the agency of the month and year of the commencement of the delinquency that immediately preceded the action.

(b) Duties of furnishers of information upon notice of dispute.

(1) In general. After receiving notice pursuant to section 611(a)(2) [§ 1681i] of a

dispute with regard to the completeness or accuracy of any information provided by a person to a consumer reporting agency, the person shall

(A) conduct an investigation with respect to the disputed information;

(B) review all relevant information provided by the consumer reporting agency pursuant to section 611(a)(2) [§ 1681i];

(C) report the results of the investigation to the consumer reporting agency; and

(D) if the investigation finds that the information is incomplete or inaccurate, report those results to all other consumer reporting agencies to which the person furnished the information and that compile and maintain files on consumers on a nationwide basis.

(2) **Deadline.** A person shall complete all investigations, reviews, and reports required under paragraph (1) regarding information provided by the person to a consumer reporting agency, before the expiration of the period under section 611(a)(1) [§ 1681i] within which the consumer reporting agency is required to complete actions required by that section regarding that information.

(c) **Limitation on liability.** Sections 616 and 617 [§§ 1681n and 1681o] do not apply to any failure to comply with subsection (a), except as provided in section 621(c)(1)(B) [§ 1681s].

(d) **Limitation on enforcement.** Subsection (a) shall be enforced exclusively under section 621 [§ 1681s] by the Federal agencies and officials and the State officials identified in that section.

§ 624. Relation to State laws [15 U.S.C. § 1681t]

(a) **In general.** Except as provided in subsections (b) and (c), this title does not annul, alter, affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to the collection, distribution, or use of any information on consumers, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency.

(b) **General exceptions.** No requirement or prohibition may be imposed under the laws of any State

(1) with respect to any subject matter regulated under

(A) subsection (c) or (e) of section 604 [§ 1681b]. relating to the

prescreening of consumer reports;

(B) section 611 [§ 1681i], relating to the time by which a consumer reporting agency must take any action, including the provision of notification to a consumer or other person, in any procedure related to the disputed accuracy of information in a consumer's file, except that this subparagraph shall not apply to any State law in effect on the date of enactment of the Consumer Credit Reporting Reform Act of 1996;

(C) subsections (a) and (b) of section 615 [§ 1681m], relating to the duties of a person who takes any adverse action with respect to a consumer;

(D) section 615(d) [§ 1681m], relating to the duties of persons who use a consumer report of a consumer in connection with any credit or insurance transaction that is not initiated by the consumer and that consists of a firm offer of credit or insurance;

(E) section 605 [§ 1681c], relating to information contained in consumer reports, except that this subparagraph shall not apply to any State law in effect on the date of enactment of the Consumer Credit Reporting Reform Act of 1996; or

(F) section 623 [§ 1681s-2], relating to the responsibilities of persons who furnish information to consumer reporting agencies, except that this paragraph shall not apply

(i) with respect to section 54A(a) of chapter 93 of the Massachusetts Annotated Laws (as in effect on the date of enactment of the Consumer Credit Reporting Reform Act of 1996); or

(ii) with respect to section 1785.25(a) of the California Civil Code (as in effect on the date of enactment of the Consumer Credit Reporting Reform Act of 1996);

(2) with respect to the exchange of information among persons affiliated by common ownership or common corporate control, except that this paragraph shall not apply with respect to subsection (a) or (c)(1) of section 2480e of title 9, Vermont Statutes Annotated (as in effect on the date of enactment of the Consumer Credit Reporting Reform Act of 1996); or

(3) with respect to the form and content of any disclosure required to be made under section 609(c) [§ 1681g].

(c) Definition of firm offer of credit or insurance. Notwithstanding any definition of the

term "firm offer of credit or insurance" (or any equivalent term) under the laws of any State, the definition of that term contained in section 603(l) [§ 1681a] shall be construed to apply in the enforcement and interpretation of the laws of any State governing consumer reports.

(d) Limitations. Subsections (b) and (c)

(1) do not affect any settlement, agreement, or consent judgment between any State Attorney General and any consumer reporting agency in effect on the date of enactment of the Consumer Credit Reporting Reform Act of 1996; and

(2) do not apply to any provision of State law (including any provision of a State constitution) that

(A) is enacted after January 1, 2004;

(B) states explicitly that the provision is intended to supplement this title; and

(C) gives greater protection to consumers than is provided under this title.

§ 625. Disclosures to FBI for counterintelligence purposes [15 U.S.C. § 1681u]

(a) Identity of financial institutions. Notwithstanding section 604 [§ 1681b] or any other provision of this title, a consumer reporting agency shall furnish to the Federal Bureau of Investigation the names and addresses of all financial institutions (as that term is defined in section 1101 of the Right to Financial Privacy Act of 1978 [12 U.S.C. § 3401]) at which a consumer maintains or has maintained an account, to the extent that information is in the files of the agency, when presented with a written request for that information, signed by the Director of the Federal Bureau of Investigation, or the Director's designee, which certifies compliance with this section. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that

(1) such information is necessary for the conduct of an authorized foreign counterintelligence investigation; and

(2) there are specific and articulable facts giving reason to believe that the consumer

(A) is a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 [50 U.S.C. § 1801]) or a person who is not a United States person (as defined in such section 101) and is an official of a foreign power; or

(B) is an agent of a foreign power and is engaging or has engaged in an act of international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978 [50 U.S.C. § 1801(c)]) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

(b) Identifying information. Notwithstanding the provisions of section 604 [§ 1681b] or any other provision of this title, a consumer reporting agency shall furnish identifying information respecting a consumer, limited to name, address, former addresses, places of employment, or former places of employment, to the Federal Bureau of Investigation when presented with a written request, signed by the Director or the Director's designee, which certifies compliance with this subsection. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that

(1) such information is necessary to the conduct of an authorized counterintelligence investigation; and

(2) there is information giving reason to believe that the consumer has been, or is about to be, in contact with a foreign power or an agent of a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 [50 U.S.C. § 1801]).

(c) Court order for disclosure of consumer reports. Notwithstanding section 604 [§ 1681b] or any other provision of this title, if requested in writing by the Director of the Federal Bureau of Investigation, or a designee of the Director, a court may issue an order ex parte directing a consumer reporting agency to furnish a consumer report to the Federal Bureau of Investigation, upon a showing in camera that

(1) the consumer report is necessary for the conduct of an authorized foreign counterintelligence investigation; and

(2) there are specific and articulable facts giving reason to believe that the consumer whose consumer report is sought

(A) is an agent of a foreign power, and

(B) is engaging or has engaged in an act of international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978 [50 U.S.C. § 1801(c)]) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

The terms of an order issued under this subsection shall not disclose that the order is issued

for purposes of a counterintelligence investigation.

(d) Confidentiality. No consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall disclose to any person, other than those officers, employees, or agents of a consumer reporting agency necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this section, that the Federal Bureau of Investigation has sought or obtained the identity of financial institutions or a consumer report respecting any consumer under subsection (a), (b), or (c), and no consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall include in any consumer report any information that would indicate that the Federal Bureau of Investigation has sought or obtained such information or a consumer report.

(e) Payment of fees. The Federal Bureau of Investigation shall, subject to the availability of appropriations, pay to the consumer reporting agency assembling or providing report or information in accordance with procedures established under this section a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching, reproducing, or transporting books, papers, records, or other data required or requested to be produced under this section.

(f) Limit on dissemination. The Federal Bureau of Investigation may not disseminate information obtained pursuant to this section outside of the Federal Bureau of Investigation, except to other Federal agencies as may be necessary for the approval or conduct of a foreign counterintelligence investigation, or, where the information concerns a person subject to the Uniform Code of Military Justice, to appropriate investigative authorities within the military department concerned as may be necessary for the conduct of a joint foreign counterintelligence investigation.

(g) Rules of construction. Nothing in this section shall be construed to prohibit information from being furnished by the Federal Bureau of Investigation pursuant to a subpoena or court order, in connection with a judicial or administrative proceeding to enforce the provisions of this Act. Nothing in this section shall be construed to authorize or permit the withholding of information from the Congress.

(h) Reports to Congress. On a semiannual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Select Committee on Intelligence and the Committee on Banking, Housing, and Urban Affairs of the Senate concerning all requests made pursuant to subsections (a), (b), and (c).

(i) Damages. Any agency or department of the United States obtaining or disclosing any consumer reports, records, or information contained therein in violation of this section is liable to the consumer to whom such consumer reports, records, or information relate in an amount equal to the sum of

(1) \$100, without regard to the volume of consumer reports, records, or information involved;

(2) any actual damages sustained by the consumer as a result of the disclosure;

(3) if the violation is found to have been willful or intentional, such punitive damages as a court may allow; and

(4) in the case of any successful action to enforce liability under this subsection, the costs of the action, together with reasonable attorney fees, as determined by the court.

(j) Disciplinary actions for violations. If a court determines that any agency or department of the United States has violated any provision of this section and the court finds that the circumstances surrounding the violation raise questions of whether or not an officer or employee of the agency or department acted willfully or intentionally with respect to the violation, the agency or department shall promptly initiate a proceeding to determine whether or not disciplinary action is warranted against the officer or employee who was responsible for the violation.

(k) Good-faith exception. Notwithstanding any other provision of this title, any consumer reporting agency or agent or employee thereof making disclosure of consumer reports or identifying information pursuant to this subsection in good-faith reliance upon a certification of the Federal Bureau of Investigation pursuant to provisions of this section shall not be liable to any person for such disclosure under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.

(l) Limitation of remedies. Notwithstanding any other provision of this title, the remedies and sanctions set forth in this section shall be the only judicial remedies and sanctions for violation of this section.

(m) Injunctive relief. In addition to any other remedy contained in this section, injunctive relief shall be available to require compliance with the procedures of this section. In the event of any successful action under this subsection, costs together with reasonable attorney fees, as determined by the court, may be recovered.

Legislative History

House Reports: No. 91-975 (Comm. on Banking and Currency) and No. 91-1587 (Comm. of Conference)

Senate Reports: No. 91-1139 accompanying S. 3678 (Comm. on Banking and Currency)

Congressional Record, Vol. 116 (1970)

May 25, considered and passed House.

Sept. 18, considered and passed Senate, amended.

Oct. 9. Senate agreed to conference report.

Oct. 13, House agreed to conference report.

Enactment:

Public Law No. 91-508 (October 26, 1970):

Amendments: Public Law Nos.

95-473 (October 17, 1978)

95-598 (November 6, 1978)

98-443 (October 4, 1984)

101-73 (August 9, 1989)

102-242 (December 19, 1991)

102-537 (October 27, 1992)

102-550 (October 28, 1992)

103-325 (September 23, 1994)

104-88 (December 29, 1995)

104-93 (January 6, 1996)

104-193 (August 22, 1996)

104-208 (September 30, 1996)

105-107 (November 20, 1997)

105-347 (November 2, 1998)

1. The reporting periods have been lengthened for certain adverse information pertaining to U.S. Government insured or guaranteed student loans, or pertaining to national direct student loans. See sections 430A(f) and 463(c)(3) of the Higher Education Act of 1965, 20 U.S.C. 1080a(f) and 20 U.S.C. 1087cc(c)(3), respectively.

** Should read "paragraphs (4) and (5) ..." Prior Section 605(a)(6) was amended and redesignated as Section 605(a)(5) in November 1998.

The description of my real estate investing course follows...

At Last...The First New Ideas In Real Estate Investing Since The 1970's DISCLOSED...

How Attorney's Revolutionary Foreclosure System Will Change Your Life Forever—Shockingly Powerful Foreclosure Marketing, Property Locating, Marketing, and Seller Persuasion Strategies Revealed.

And The Best Part is That The Turnkey System Does 90% of The Work For You, Even If You Have No Real Estate Experience!

Dear Friend,

If you want to find out why you haven't been able to get the results that you want in real estate, then this letter is perhaps the most critical piece of reading to your financial future.

This letter contains the secret that will make you the one person out of a hundred who will earn a predictable six-figure-income as a real estate investor. This letter also contains the secret of how to simply buy your dream home for pennies on the dollar and live a county club lifestyle on a "fast food" budget.

First, allow me to introduce myself. My name is David Whisnant. I am a licensed real estate attorney in Georgia. I received my B.A. from the University of North Carolina at Chapel Hill, and graduated from Law School at The University of Georgia School of Law in Athens, Georgia.

I live in Avondale Estates, a quaint town just outside of Atlanta, with my wonderful wife Julianne, our daughter Katherine, and two golden retrievers Maggie and Henry. (Plus, we have a new baby on the way). We enjoy everything that real estate investing has given to us, especially our free time and freedom from financial worry. It allowed us to buy a home for my wife's parents to live in to provide day care for us. We paid .50 cents on the dollar for a house in a wonderful neighborhood. We start the day off at our pace with our daughter, our two golden retrievers, and 2 huge cups of coffee in mugs recently sent to us by a successful student. (The mugs are great with two houses with sold signs in front of them—all hand done!)

Now more than ever, leadership is important, so I want you to know that everything I am saying is true. You can verify my Bar standing with the Georgia Bar at 1-800-334-6865. My bar number is 752810. Our business license number is 2001-150 with the City of Avondale Estates, Georgia. You can verify our corporate

standing (Wiltshire Properties, Inc.) with the Georgia Secretary of State at <http://www.sos.state.ga.us/corporations>

I worked 60-80 hours per week as a real estate attorney for years, and noticed that my fees were nothing compared to the \$30-50,000 being made by foreclosure investors, many of whom were retired attorneys themselves. **One of these attorneys turned investor (H.L.) explained to me that I was crazy to practice law when what we knew as lawyers gave us an incredible advantage over every other investor. “Bing!” The light bulb went on, and the profits commenced!**

What I can do for you that no other person can is give you this same information, in full, for a fraction of what I paid for my legal education. This is the BEST dollar for dollar educational and earnings return on any course anywhere in my opinion.

You do not need any prior education to use my system. No college education is required. I will personally teach you everything you need to know.

I’m Not Bragging, But I’ll Put My Deals On The Table For Everyone To See. I’ll Even Tell You The Street Addresses, County and Zip!

As I am sure you will see, I am a believer in giving the nitty-gritty specifics on everything that I do, and teach you to do. Here is a sample of some high profit/low effort-risk foreclosure and distressed property deals that I have done personally with street addresses, purchase price and sales price.

I can teach you how to do fat deals like these, get out quickly, and maximize profits. All documentation supporting these figures is on file. Some properties required paint and fix-up, while others sold as is with no work by us at all.

Learning with a mentor is one of the best things you can do to be successful quickly, easily and safely. Make sure that your teacher has actually been out and done what he or she is showing you how to do!

Remember that no experience is necessary and there are no educational requirements to do deals like this on a consistent basis. Imagine what even one per year could do for you and your family!

		<u>Contract Purchase Price</u>	<u>Sales Price</u>
2842 Wiltshire Drive, Dekalb County	30030	\$89,100	\$140,000
2848 Wiltshire Drive, Dekalb County	30030	\$90,000	\$173,000
1033 N. Carter Road, Dekalb County	30030	\$65,000	\$146,500

1327 Carter Road, Dekalb County	30030	\$34,650	\$129,000
833 3rd Avenue, Dekalb County	30030	\$72,152	\$120,000
1363 Oldfield Road, Dekalb County	30030	\$87,601	\$144,637
1457 Catherine Street, Dekalb County	30030	\$50,037	\$137,000
1258 Portland Avenue, Dekalb County	30016	\$87,068	\$197,000
1845-49 Cannon Street, Dekalb County	30032	\$82,000	\$113,000
2467-69 Lynn Iris Drive, Dekalb County	30032	\$82,000	\$113,000
(Above two properties were contiguous duplexes bought and sold as a pair).			
1076 Forrest Blvd, Dekalb County	30030	\$104,900	\$178,700
1155 Mayfield Drive, Dekalb County	30033	\$101,500	\$157,000
3083 Vista Brook Drive, Dekalb County,	30033	\$95,000	\$131,900
573 Scott Circle, Dekalb County,	30033	\$90,000	\$148,500

You may want to get some rentals eventually. Here are some nice distressed property rental deals that we picked up with present values.

Buying property this way is like going back in time and paying yesterday's prices today!

	<u>Contract</u>	<u>Purch. Price</u>	<u>Now Worth</u>
2822-24 Chester Way, Dekalb County, 30030		\$99,200	\$180,000
729 Brown Place, Dekalb County, Holding as rental 30030		\$102,600	\$150,000
577 Stokeswood Avenue, Dekalb County, 30316		\$120,000	\$160,000
733 Hillmont Avenue, Dekalb County, 30030		\$73,050	\$170,000
1045 Walker Drive, Dekalb County, 30030		\$135,000	\$200,000

I discuss these and other transactions in detail in my course, and let you learn from these deals.

Warning! Don't Make The Biggest Mistake In Real Estate Investing...

The biggest mistake in investing is to do what everyone else is doing. You can never get ahead if you are doing that, because only a small percentage of people following the herd succeed.

Note that the richest people in our country like Bill Gates, Ross Perot, Ted Turner, or Donald Trump became rich by NOT following the herd. That is why it is critical that you get information that is not known or readily accessible by your competition.

When I started, I went out and bought every course that I could to find out about investing. My hard earned savings went directly to the TV guy, and the other lesser TV guys. I paid tons of money to see them speak, and attend special classes. I sent away for everything by mail, and still was no closer to doing anything. In fact, I was confused by many of the ideas and techniques.

Before I refined my unique system and stopped trying to invest the way all the “copy-cat” artists suggested, I had terrible results, and LOTS of disappointment and self-doubt as to whether or not I could invest successfully in foreclosures and distressed properties.

Some of the embarrassing offers I made based on the big gurus’ courses included:

1) Embarrassing! Making the seller's car part of the deal. The plan was to resell it after closing to recoup my down payment. The seller looked at me and said, "How the he_ _ am I going to move if I don't have a car?" That deal didn't work.

2) Embarrassing! Creating a loan on another piece of property I owned, and trade it to the seller for equity. Several sellers were totally baffled by this one. One seller was totally confused, and needed to run it by their brother's work friend, who knew a lawyer. By the time the contract was looked at, the deal had been picked up by someone else for thousands less. None of these deals were accepted. Ouch.

3) Embarrassing! Countless offers on homes that were listed with agents asking the agent to "finance" her commission for us. We'd pay the commission over time instead of at the closing. The realtors were MAD to say the least, and directed their seller not to deal with us. I still feel bad about these as I am sure these realtors still think I am an idiot. At the time I was just following the seminar junk.

4) Embarrassing! Tons of meetings with sellers offering them \$10 for an option to their property. This technique was from a TV regular shown on a boat with bikini clad models. It later came out that this guru had never even owned any real estate. (Oh well, another two grand down the drain!)

5) Embarrassing! Countless hours of calling ads in the newspaper, totally unaware that the good deals were not clustered in the paper. A huge waste of time.

You name it, we tried it. After nothing worked, I decided that I should just do things my own way. That has led me to where I am today.

I had to go in my own direction to perfect the system that I am willing to share with a select group of students because I enjoy teaching and helping people that are honestly looking to succeed.

You Should Know Where I Stand: The Truths

***Truth! I know that real estate is the best way to make money on this planet.** The tax laws are still written to encourage you to be rich in real estate. Why not take advantage of them to create a better lifestyle for your family safely, easily and securely.

***Truth! Fixing leaking toilets in the middle of the night is no good!** I have done it, and still do own rentals. I want to teach you how to make money hand over fist without having to get your hands dirty!

***Truth! I am more interested in making spendable cash than piling up equity.** What good is it to be worth \$1,000,000 if you can't pay your light bill or take an extended trip to Germany for Oktoberfest like I did a couple of years ago. I will teach you this. We do have rentals, but only as a long-term retirement vehicle. The fun and money is in buying and selling as quickly as possible for maximum cash in pocket. I will show you how to do this.

***Truth! I feel that you should have everything you need in one course even if you are a beginner. I will never try to upsell you to some \$1,000 course. You should get everything you need to succeed right off the bat. No prior education or training is needed to do this business successfully other than what I will teach you. My course was over 300 pages in its original paper printing. This is not some 40 page e-book.**

***Truth! I may be controversial here, but I believe that most of what is taught in real estate courses, especially the no-money-down stuff is dated, over the hill, and ineffective in the current day due to major changes in lending laws. At worst, it is fraud because these techniques are junk.** I receive angry e-mails from people who still teach that stuff, but this is a mission of mine to teach the best foreclosure course available at any price. I made many of these offers, and suffered tons of humiliation when they couldn't understand my offers, or rejected them right off the bat.

***Truth! I believe that you should never have to break any laws to succeed,** and you should beware of the 90% of courses that hint that "a little loan fraud is o.k." We'll teach you the right way, which was critical for me. I have seen ideas taught in courses that were completely illegal, and the worst part is that the non-lawyer student would have no idea.

***Truth! I believe that once you do make money with this system, that you should try to give some back in your community.** My wife and I volunteer with immigrant children and support several causes, you should do the same. After September 11, we all need to stand up and help lead this country forward.

***Truth! Rejection stinks.** I have designed my course for people who don't want to handle tons of rejection or feel embarrassed.

***Truth! Risk stinks.** When you do this business my way, you will absolutely minimize risk and maximize profits. Security is important to me, and I don't want to take risks that I don't have to. You won't have too either.

***Truth! My billing rate when I left my legal practice was \$125 per hour. This course would literally cost you \$9-12,000 if I were to sit down and take you through it.** If you want to prosper in this business, pay me that sum, buy the course, or

go to law school, but don't buy any course by someone who "claims" to know what is going on.

“Teach A Man To Fish? Who Wants To Do That? — Give Me The Darned Fish!”

Part of the problem with most courses is that they don't give you a system to use. You have to do too much of the work or thinking for yourself, or you are told only half of what you need to know. That's no good. Most courses are not really systems, and they allow you too many ways to fail. We eliminate those areas, and give you the best chance to succeed. Guaranteed.

You are going to have some key advantages with my system that you will not get in any other course. I call these the attorney's secret advantages just because they involve ideas and techniques that are so far out of the mainstream that no one is using them, except for myself and some other "in the know" lawyer folks that I associate with. However, all are easy to implement with detailed instructions in simple clear language. Remember that these techniques can be used by the novice. There are no educational or other requirements to start!

Attorney's Secret Distressed Property Advantage #1:

You Can Use My Magnetic Marketing System and Fast Automatic Prospecting Letters TODAY To Get The Exact Same Type of Foreclosure and Distressed Property Deals That I Have Landed!

First of all, I've made implementation of this foreclosure and distressed property system 90% no-brainer. I've done 90% of the work for you to be successful. All you have to do is put in the other 10%, and you will be a success in this business. I guarantee it.

In addition to nearly 300 pages fully detailing and explaining my unique and proven approach, I've included complete direct marketing letters and my marketing system. These documents are marked COPYRIGHT FREE, which gives you permission to take them and use them, as-is! (If you could find a cheap freelance

copywriter to create marketing materials for you, it would still cost you well over \$1,000 to design a campaign, and those materials **STILL WOULDN'T BE PROVEN!** These materials alone are worth thousands to you!)

Now, hold on for the part I love: While information and ideas have their place, the gap must be bridged to get you to actually implement the ideas. I know that if you are confused, you won't follow through. That's why this system is set up so that it can be followed easily and logically by anyone. You will be able to steal and use these mega-power strategies and ideas outright, as if you created them. Just make any minor alterations you desire, change the address at the top of the letter, and mail them out. I am surrounded by people who ask if this type of system works in different types of real estate markets. These materials will work in any area of the United States. Most techniques and the letters can also be used in Canada. They will work in good or bad markets, with all types of sellers. Let me repeat: 99% of all real estate market conditions and situations are covered here.

This kit uses magnetic marketing techniques that work on human emotion. They are time-tested psychological methods that have been used to motivate for decades. and are being applied, I believe, for the first time in the real estate arena. Your sellers will respond in droves to the appeals made in these materials. No cold calling or knocking on random doors for you!

Attorney's Secret Distressed Property Advantage #2

Dramatically Shorten Your Learning Curve With Step-By-Step Foreclosure and Distressed Property Buying Techniques and TONS of Real Life Examples

In addition to all the powerful step-by-step information that I am going to give you, I follow up almost all points with a real-life example of a distressed property or foreclosure deal I've done. Learn from my mistakes. Let my experiences be your own.

Most investors, even investors who author books, seem to clam up when they are about to reveal the real nitty-gritty of how they land deals. I don't. This information is all cutting edge. I earn my living as a real estate investor, not a book seller. As I am writing this letter, I closed on a house today (a sweet little starter home that should bring me about \$30,000 in profit!)

My range of experience is frankly beyond most gurus. I am a licensed real estate attorney. I made so much money as a real estate investor that I gave up my law practice and now devote all of my time to real estate investing. I will give you up-to-date information regarding lenders and loan practices. I would have charged

you \$125 per hour to consult with you in my capacity as a top-notch real estate investor. I'm giving you material equivalent to 30 DAYS of consultation here, worth around \$10,000 to you!

Attorney's Secret Distressed Property Advantage #3

Total Immersion -- Learn More Real World/No Fluff Foreclosure and Distressed Property Information That You Can Apply Easily, Quickly and Safely

You'll master the following skills that will allow you to dominate your foreclosure and pre-foreclosure market. Remember that I go step-by-step on all of these, so even if you are a total beginner, you will need no other course.

- 1) State-by-State foreclosure information and detailed instructions on determining what the law is in your state and how to gain every advantage to find out about foreclosures weeks before your competition does. I would not have learned this without my legal training, and now it is yours for free!**
- 2) Detailed legal information on how to keep from getting burned on foreclosure deals, and the untold dangers of loan assumptions. This goes far beyond due on sale clauses, and if you don't know it, you could lose everything.**
- 3) Winning the psychological war with people in foreclosure, and how to communicate with them so that they will absolutely sell you their property.**
- 4) Key forms you will need to use to work with people in foreclosure, and a one-page form that you can file to keep the seller from conveying to anyone else. This is critical!**
- 5) Why custom forms that are touted as a bonus in most courses are junk, and can hurt your ability to get a deal. We give you all that you need, and the best source for contracts to make an offer on.**
- 6) Why you have to proceed differently in different states, as there are multiple types of foreclosure used in different areas. Most gurus don't tell you this, so learn the facts here!**

7) The Laser/Floodlight philosophy that you must have as a successful real estate investor.

9) Reverse Marketing -- A technique that will revolutionize the way you find properties. You'll probably be the only game in town using this idea!

10) How the Sunday paper can revolutionize your financial life. (No, this is not the tired guru concept of looking in the paper for people giving their homes away.)

11) A step-by-step in-depth guide for determining the ideal neighborhood that will create your investing fortune.

12) How to visualize market trends better than 95% of other investors using simple materials that can be bought at any drugstore.

13) Foolproof tests for determining where a neighborhood starts and ends.

14) The "dirty thirty" list of your top prospects. How to quickly assemble this lucrative list and market to them.

15) The ugly truth about rental property and cash flow.

16) How to profit tax-free with real estate. Depreciation is NOT involved.

17) The specific group of sellers to target for maximum success.

18) How to master the public records for maximum success.

19) Mega Marketing Section

Everything you need to make deals happen is here. Ready-to-go letters will have your business humming along in high-profit mode in a matter of days.

20) Lease/options and other special techniques to get you started with little or no money.

21) Mega-Rehab Section

How to do a full or partial rehab. What to fix to get the most dollar value and attract our identified buyer. What not to fix. Prices that I actually pay in the real world to get work done. Tons of super-specifics like the actual wall colors we use, and the brand and color of kitchen countertops and cabinets in our rehabs. Where to find the best subs (not the yellow pages!) How to combat odor problems, especially animal odors. Estimating repair costs, and how to get a copy of the very reasonably priced national remodeling cost data price book. Plus, insurance information and advice.

22) Tons and tons of critical financing information .

Sub-prime lenders, hard money loans, and full documentation/low documentation investor loans. You'll be able to move fast when you know where to get the money. This section will spell out the types of financing you can pursue regardless of whether you have good or bad credit.

23) What never to tell agents if you want your offers accepted.

24) A simple guaranteed test to determine if your mortgage broker is a deal maker or a deal breaker.

25) Tons of negotiating tips and strategies that you won't learn anywhere else, and much more!

Attorney's Secret Distressed Property Advantage #4

Mastering the Public Records To Dominate Your Foreclosure/Distressed Property Marketplace -- Tax Assessor's Office, Record Room, and Probate Court

This is a big giant maker, and it draws directly from my experience in performing literally thousands of real estate title searches. I learned how to find the hidden sellers, and locate owners where most investors would shrug and move on to their next lead.

You will learn how to:

Find the owner of any property you choose, find addresses and phone numbers for people who may be able to help you secure a property, and effortlessly generate leads. You will no longer be part of the uninformed pack that sits around calling ads in the newspaper, or relying upon realtors to bring you enough deals to make a living as a real estate investor.

Learning how to use the public records is much more simple than you would ever believe. I have trained people to use these records in a single afternoon. You will be able to buy homes that are not even on the market, and make your competitors wonder how you do it!

Short on Time? Can't get to the courthouse?

No problem! Did you know that most of these records are available online? Even if they are not in your area (like my area), no problem.

I'll give you the name of a little-known company that maintains a private data-base of these records nationally. They will give you access for very reasonable prices. (I subscribe to this service myself to save time and effort!) This contact is worth the price of the course itself many times over.

Attorney's Secret Distressed Property Advantage #5

If this Foreclosure and Distressed Property System Works for a Guy Like Me With A Goofy Haircut, Imagine What You Can Do!

Some people have success no matter what they try because of the way they conduct themselves. They are said to have charisma, or a special ability to make anyone feel comfortable right off the bat. People like that often are successful at whatever they try because they have a gift.

That's great for them, but it definitely is not me. Unfortunately, I never got the gift for gab, but you don't need any special talents to make my system work.

If you do have that type of personality, you may have results even better than mine, but you should do no worse if you apply every technique that I teach.

If you are able to shake someone's hand and be honest with them, this system will benefit you. (Not to jump the gun, but I back this up with more straight shooting—the biggest guarantee in the biz!)

The key to my system is the system, not who is running it!

My system will work for anyone that is willing to put in a little effort. It really is like putting a boat in the water. You've got to make a small effort to push off from shore, but once my system is working itself, you can sit back and let the deals and results come to you. Then your time will be your own, and you will be free from financial worries forever.

Remember, no special education or prior skills are required. We start from square one and move forward. This course is perfect for the beginner!

If you are nervous about approaching people, or do not have a knack for saying the perfect thing all the time, this will work for you. I'll even give you skills to use so that you can bring yourself to take action, perhaps for the first time. How do I know that you will follow our system even if you are a beginner or totally nervous? Simple—it has worked for me. My whole system is oriented to finding buyers that are so eager to sell that they will do business with you if you have a pulse and treat them kindly. That's it. Finally, something for EVERYONE!

My Outrageous Guarantee:

"If You Don't Feel Like A Pro Straight Out of The Box, And Do At Least \$50,000.00 In Flips In 12 Months, I'll Give You Your Money Back. Period."

Furthermore: If Any Pompous Realtor, Seller or Contractor rolls their eyes at you and says, "Another new investor huh?" I'll refund your money immediately!

Guarantee! I'm guaranteeing profits and the power to take charge of your real estate investing life, or buy your personal dream home for pennies on the dollar! No prior experience is needed.

Guarantee! I guarantee that what I will teach you will get you over the real estate investing hump. You'll feel, act, and get the results of a seasoned professional because all of the information you need is in there. It's like having "virtual" experience.

Guarantee! You'll talk to sub-contractors, to realtors, to sellers with total and absolute confidence and control.

Guarantee! No special training or prior education is required to prosper with this system. In fact, no experience may help you, as you won't have to unlearn any bad ideas taught in the dated mass marketed courses!

Guarantee! You won't be making nutty offers with discounted mortgages, taking the seller's furniture or car, or trading equity in a note for the down payment. You won't need that to do "no money down" real estate.

Guarantee! I'm offering a full 12 month money back guarantee. If the course didn't benefit you, I'll gladly refund every penny you paid for my course.

My Total Satisfaction Guarantee is why I argue that my course is really free. If you are serious and it doesn't work for you, you get your money back. In full. When you make money, the course will have paid for itself. Free. I have given my course to friends and family members as a gift, because I want this complete and easy system to change their lives the way it has changed mine. It isn't lonely on top if you take your friends with you!

The Only Real Bonuses In The Business!

You probably have noticed that most gurus try to get you excited about their bonuses, which usually turn out to be a page of junk. If the material was good enough, they would have listed it as part of the course.

I told you earlier that I am a straight-shooter. Thus, I am not going to tack on a bunch of meaningless bonuses to get you to buy this course. I am going to give you several bonuses that will help you understand the course better, and make it difficult or impossible to fail to take action. That beats a one-page report on how to protect your assets, or the name of some national lender, or the common thin bonuses that are so often put out. We've bought those same courses, seen the bonuses, and have not been impressed.

FREE BONUS #1--\$297 Value

I'll Help You Discover and Use Your Inner-Motivation Machine.

I want you to have more than techniques and turn-key tools to actually have sellers begging you to buy their homes! I want you to have the unique motivational system that I developed for myself over the years, and that I use every day to increase my personal power and drive. After listening to the true heavyweights of motivation, I created what I believe is the easiest and most effective goal making and success builder specifically for real estate investors. Techniques and information alone don't guarantee success. My motivational system will ensure that you and I are on the same mental page. It will literally turbo-charge the results you get from my system.

This is no skimpy 5 page treatment, but an in-depth sub-system that would take up several cassette tapes if dictated. All for you, my biggest personal motivational secrets. You'll be in my head. The key to making money is modeling someone who is already doing what you want to do. You'll have my techniques, my marketing materials, and my philosophy/self-motivational methods to make sure

you follow through in a massive way. Once you implement my whole system, success will come fast and with what will feel like minor effort. My course will work for you, because you will have access to the way I think about things plus my exact step-by-step techniques. I am excited for you and the awesome changes that your life will soon be taking. Plus, check out these HUGE bonuses . . .

FREE BONUS #2--\$37 Value

Detailed "Get Started Today" Plan

I have included a fast start section to tie everything together and give you a specific path to follow. You will become a Magnetic Pro in no time. Simply look upon this as a road map, determine where you are, and start from there. It's really that simple. This is a key element that completes the other money-making components of my course. You receive education, motivation, and then a specific plan to channel the information and motivation into. It does you no good to be educated and not motivated, and no good to be motivated with no specific outlet for your energy. You get it all here!

Free Bonus #3--\$97 Per Update

Free Updates For 24 Months

We are testing new ideas constantly. I am always moving forward to stay ahead of the competition. Thus, I will always let you download the newest version of my course for free from me. No cost to you, and always the best information. For example, I am working on a monster classified advertising idea right now that has cost me thousands in testing and is almost perfected. Want it? I'll give it to you for free when it is done. Time in the real estate world moves at twice the normal speed. You have to constantly stay ahead of your competitors, and I intend to make sure that I do, and that my students do.

Free Bonus #4--\$200 Value

True Consultation

Register your course after purchasing it, and I'll give you access to the actual questions asked by my students over time. We have found that most students have similar questions, and we will lay out scores of these questions for you to further learn and perfect this system.

We used to offer personal consultation, but have found that people prefer this, as I can really get more in depth and the facts fit 99.9% of situations that exist in the real world. Think about it. If someone is selling thousands of courses per year, how can they really answer each question individually and give it the dignity it deserves? Again, straight shooting is key for me, and I want to help you get the best results possible with no hype. After interacting with hundreds of students, I know the questions people have. We beefed up the course in those areas, and have pages of questions and answers that you can access. This is MUCH more useful and valuable than thin promises of personal consultation.

Thus, the course itself would be worth at least \$10,000 if you paid me personally to teach it to you.

The bonuses alone are valued at \$631. When these work for you, they will be worth much, much more!

Total Value: \$10,631.00

Benefits Especially For You!

For a course with this much information, and that preaches the new philosophy of marketing-based real estate investing, the following persons will benefit strongly from purchasing this course:

1) Any person who has dreamed of being a real estate investor, but cannot seem to get other courses or ways of buying real estate to work for them. (Dave's note: I bought almost every course on the market when I got started, and didn't begin to make money until I branched away from what the creative real estate gurus were teaching. I developed my system based upon what I was doing to attract business to my real estate law firm. I built my law practice mailing specialized targeted mailings, and I didn't see why that

would not work in real estate. I modified the letters and approach for real estate, bought enough houses to quit the law, and now enjoy the more relaxed lifestyle that being a real estate investor gives me.)

No Prior Experience Is Needed!

2) Any person who refuses to pay market price for a personal home to live in. We bought our personal home this way, and had a huge chunk of equity when we moved in. This course is also perfect for the person who wants to live in a nicer neighborhood than they should be able to afford. Buy under market, and have the same mortgage as your friends, but a much nicer home!

No Prior Experience Is Needed!

3) Any seasoned pro who wants to make this business easier and more predictable with proven magnetic techniques for finding sellers and rehabbing for maximum profit.

Do It Our Way And Double Your Profits!

4) Any person who has a short time-frame to retirement or who has been laid off and is looking for a business that can provide a realistic six-figure income NOW.

No Prior Experience Is Needed!

5) Any person who never wants to have to buy another course again, who is looking for complete information, and is ready to act now.

No Prior Experience Is Needed!

6) Any person who wants to learn how to rehab properties for maximum profits.

No Prior Experience Is Needed!

7) Anyone who has ever procrastinated in the past, and who needs a little push coupled with incredible information to finally take some action and fulfill their dreams that they have for themselves and their family.

End Procrastination Forever!

You'll learn more in this course than if you bought EVERY SINGLE ONE OF THE BIG GURU COURSES AND PUT THEM TOGETHER!

**The only people who should NOT take advantage of this special offer
are those who want to continue to:**

*Bang their heads against the wall, trying to re-invent the wheel for themselves.

*Live in the "what ifs": "What if I had gone for my dreams? What if I could leave my present job?"

*Buy overpriced books and courses and \$2000 boot camps from the TV gurus for the next 10 years.

*See their dreams continue to be unfulfilled, and feel a pang every time they see the TV gurus and know that they fell into that trap.

*Buy into the silly and complicated "no down" techniques of the 1970's.

*Wonder why they have never been able to make a full-time living out of real estate.

I cannot imagine why anyone else would pass up this incredible learning opportunity for the special price that follows...

**Warning! The Decision You Must Make Now Can Only Hurt
You If You Say *No*...**

The difference in success and failure comes down to the quality of the decisions we make at any given moment. This course, for this price, with an awesome 12 month money-back guarantee, means you risk absolutely nothing.

If you would treat me and yourself to lunch at McDonalds nine times to hear me talk about real estate investing, you should definitely order this course, as that is the equivalent investment you will be making. I cannot stress enough the value of this information. These techniques will be new for only so long, so you need to order now to get started.

Order now, and get started in minutes. You will not regret it, and you are totally protected by our full 12 month guarantee which makes this the safest and easiest real estate purchase available today! The only risk is NOT ordering this course.

**There Is Nothing To Lose and Everything To Gain—If
You Act Now!**

I have given you everything you need to make this system work. Plus, it has only recently been introduced to the general public, so this is the time to get on board, and make your fortune with these techniques. You truly are in the right place at the right time! This is like being back in the early 1970's when the "No Money Down" techniques were effective and unknown. Opportunities like this do NOT appear every day.

Special Pricing For Those Who Are Ready Today!

This course has sold for up to \$200, and many students have told us that it should sell for well OVER \$200. My goal is to make this information available to everyone at a special price because I know that many people have tight budgets.

WARNING! — We may raise this price at any time back to the old price level, or higher. At that time, we will NOT be able to make any exceptions and offer the lower price to anyone. It wouldn't be fair those who paid the higher price. Thus if you want this information, I would urge you to act now and use the savings to do something special for your family or donate the savings to your favorite charity. If you are not willing to burn a \$100 bill, you should order now to get the special price and our full course at a historically low price!

Just Say Maybe Today And Make Up Your Own Mind With No Risk, And At Your Own Pace!

If I am willing to do 90% of the work for you, can you do 10%? Can you say maybe and get our course today? Rip it apart for an entire year and it will prove its worth to you. Remember, I am giving you the fish here, not just teaching you what to do. The time to dream is past, and the time to take action is here.

We are in a unique economy with low interest rates and a slower market that is PERFECT for foreclosure and distressed property investors.

I can't make the order for you, but I can guide you to your goal with as much pleasure and as little pain as possible once you do order. The last thing I want to do is pressure anyone, I am just excited because I realize how powerful these techniques are. Order now, and let's get started in minutes!

Sincerely,

David Whimant, JD

P.S. Order now, and you can start in minutes. There is more quality information here in this nearly 300 page course than you have seen in any other course at any price. Here is what other people have to say that faced the exact same decision that you are making now.

Many of these people paid MORE for their course than you will have to IF you act quickly and take advantage of our special pricing:

"I enjoyed reading your course. It was easy reading and informative. I believe it was a great motivator for me to make an offer on my first house. I had previously had a "one of the television courses" and did not get as much out of it as with your course. As you stated in your course, they are not up to date with a lot of the information. **I am presently under contract for my first house thanks to you and your course.**"

Lois Z, Self Employed Internet Auctions, New Jersey

"Dave was right! Thanks to him, this course is the last course I will have to buy. I am satisfied with his course because he stuffed it with so many ideas. I bought the Sheets course and found that it was out dated and full of fluff. Unlike Dave's course, I don't think he has been out in the field to buy a house for a long time."

Eric M., Account receivables clerk, Michigan

"This course has been greatly informative. I have read several books and talked to many people, but much of this information was refreshingly new. Using the reverse marketing strategy is absolutely the best idea I have heard. The dirty thirty list is quick and easy to obtain. I am a stay at home mom and I just drive our target neighborhood while my son sleeps in the car. This couldn't be easier. And using the tax records has been a wonderful suggestion and edge on our competitors...There isn't anything that I would change for the small fee. This course is packed with extras and a wonderful guide...The new information that you had to offer in this course was well worth the price. The reverse marketing and using the tax records information I had not found anywhere. You did not just skim over these topics, but discussed them in detail."

Erin P., Stay at home mom/Radiology Technologist

I've bought another course before, read through the whole thing, listened to all the tapes and returned it because none of it made sense given today's markets, and laws! Your course has given not only up-to-date advice on starting out in real estate investment, but also great sources for finding the deals that could actually work out. I have my eye on three properties right now...Excellent! I really feel like I'm actually going to make it happen!

J.H., Director of Engineering, Mass.

"Simple, to the point, and I know it will work for me. I'm a licensed broker for 15 years... The part I like the most is how to find the deals. This is the hard part...no b.s., no half answers." (This student commented also that the course was less expensive than it should be, and that \$250 was a suggested price).

Jeff H., Real Estate Sales, Florida

"I have just purchased this course. After reading it for the first time it seemed more streamlined than other courses I had purchased. The other course was Carleton Sheets. His course had a few good points but the rest was a waste of paper, not to mention my money and book shelves."

Michael K, Career Fire Fighter, Connecticut

"...I understood for myself that it (the course) contained a missing element that I was searching for. Specifically, the who...what...when...where and why...I can't think of what could be done to improve this course."

Brian Z, Manufacturing (Plastics), North Carolina.

"The course is straight forward. Most courses talk in generalities and never give you specific examples. They certainly don't start with the basics 'how to get educated on a specific area to purchase in'...

Patti M., Sales (electrical), Florida

"Hi Dave, I have enjoyed reading your course...I am a single mother with three children...(What I liked best about the course was) the information concerning research at the courthouse—or how to use the city's resources to aid your research. I had no idea where to start and the course gives you great info on this...Thanks for the course..."

Cynthia W., Administrative Assistant, Florida

"Finally some practical information! This info will help me take action! The course shows how the real world really works and how to profit from it. I have experience in real estate investing and would recommend this system to a friend without reservation. (What I like most about the course is) how to look up courthouse tax rolls, examples of letters, and how to farm specific areas."

Diane B., CA

"Great information that I have not seen elsewhere . . . No extra fluff -- This is the real deal. (What I like most about the course is) how directed the information is and how real-world applicable it is."

Javan H., CA

"This course could very well make the difference in me landing deals this next year...I own Carleton Sheet's course, and find that your course offers more...information that I can immediately use to profit... A lot of good practical ideas. Great step-by-step approach. Showing most of the pitfalls as well as benefits."

Mike M., IN

"I would recommend this course to a friend . . . Straight forward, real world explanations . . . Steps organized in building fashion (starts simple and adds details.)"

Jeremy K., MI

"Cuts thru the BS...The detailed rehab info was great! This course is an excellent investment in myself."

Kelly C., MO

"Down to earth advice, easy to understand so it'll be easy to put into practice. (Carleton) Sheets' course is just confusing enough to try to get you to buy more."

Mark H., Kansas

"Just a note to let you know how impressed I am with your product. Truly worth every penny and then some...If you'd like to refer prospective purchasers to me for reference...please feel free."

R.L. Baker via email

"(What I like best about the course is) the cost details -- I have started using your color schemes and adding additional bath(s)"

Bob S., SC

"David, This course is wonderful. I've been studying this business for years, but could never find the courage to get my feet wet until now! This is a "real life" lesson! Very practical advice that can actually be beneficial."

Shawn N., Texas

Get Started With Our Real Estate Course In Minutes By Visiting:

<http://www.4realestateinvesting.com>

Click on the link for advanced instruction, and click on the order link at the end of the letter.

