

October 15, 2010

Michael G. Nathans, President
Trycera Credit Services
Trycera Financial, Inc.
18200 Von Karman Ave., Suite 850
Irvine, CA 92614

Re: Federal Credit Union (FCU) Compliance with §202.6(b)(6) of the Federal Reserve Board's Regulation B (Reg B).

Dear Mr. Nathans:

You have asked if, when making a creditworthiness determination, FCUs must consider information provided by a member that is not included in a traditional credit report. The answer is yes to the extent that FCUs must comply with Reg B, which includes requirements regarding additional information creditors must consider in determining creditworthiness in certain circumstances.

You state you are employed by a company that, among other things, provides consumers with an alternative credit reference report that a third-party verifies and that may capture payment histories, for example, of utility bills, not typically reported to credit bureaus. You sought clarification on whether FCUs are required to consider this type of information in making a lending determination.

Reg B implements provisions of the Equal Credit Opportunity Act, 15 U.S.C. §1601 *et seq.*, and prohibits lenders from discriminating against credit applicants, establishes guidelines for gathering and evaluating credit information, and requires written notification when credit is denied. 12 C.F.R. Part 202. Generally, creditors may restrict the kinds of credit history and credit references they will consider in making a determination of creditworthiness as long as the restrictions are applied to all applicants without regard to any prohibited basis, such as race, sex, or marital status. 12 C.F.R. Part 202, Supp. I, 6(b)(6). Upon an applicant's request, however, Reg B requires creditors, in evaluating the creditworthiness of an applicant, to consider any information an applicant may present tending to indicate the credit history being considered does not accurately reflect the applicant's creditworthiness. 12 C.F.R. §202.6(b)(6)(ii). As further explained in the Official Staff Commentary to Reg B, creditors, at an applicant's request, must consider credit information not reported through a credit bureau when the information relates to the same types of credit references and history the creditor would consider if reported through a credit bureau. 12 C.F.R. Part 202, Supp. I, 6(b)(6). Thus, for example, if an FCU generally relies on only credit reports from one of the major credit reporting agencies, an FCU will be required, if a member seeking credit requests it, to consider additional information meeting the criteria of 12 C.F.R. §202.6(b)(6)(ii).

Mr. Nathans
October 15, 2010
Page 2

We note that NCUA cannot and does not endorse any third-party product or service and, therefore, this letter does not express an opinion about or an endorsement of your company's product. We hope you find our response to your inquiry helpful and, if you have any further questions, please feel free to contact Staff Attorney Justin Anderson or me.

Sincerely,

/S/

Hattie M. Ulan
Associate General Counsel

GC/SAA:bhs
10-0974