



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 15, 1994

AT
(202) 616-2771

JUSTICE DEPARTMENT WILL NOT CHALLENGE CREDIT ASSOCIATION PROPOSAL

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division will not challenge a proposal by a national credit association to create its own department to disseminate to businesses in the leasing industry credit information specifically designed to combat fraud within the industry.

The National Association of Credit Management, whose 39,000 members are business creditors to manufacturing, wholesaling, service industries and financial institutions, asked the Department for a statement of its enforcement intention if the association carried out its proposal to create the Leasing Industry Loss Prevention Department to distribute credit information.

The Department said that the proposal will not be anticompetitive since the credit history information will be used only to assist members in implementing unilateral credit policies.

The proposed National Association of Credit Management department will provide a centralized clearinghouse for the exchange of information on "problem accounts." The association's

(MORE)

members will submit lists of such accounts, which will be included in reports sent out to members in the leasing industry.

The Department's position was stated in a letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, to counsel for the National Association of Credit Management.

The Department's business review letter noted that, while serious competitive concerns would be raised by any agreement among the National Association of Credit Management members regarding credit terms or conditions, its proposed department will only provide credit history information to assist members in implementing unilateral credit policies. Such a program does not present competitive problems, the letter said.

Under the Department's business review procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the Division would challenge the activity under the antitrust laws.

A file containing the business review request and the Department's response will be made available in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review request will be added to the file.

###