



U.S. Department of Justice

Antitrust Division

Office of the Assistant Attorney General

Washington, D.C. 20530

FFR 15 100A

Robert J. Lawson
National Association of Credit Management
8815 Centre Park Drive, Suite 200
Columbia, Maryland 21045-2117

Dear Mr. Lawson:

This letter responds to your request on behalf of the National Association of Credit Management ("NACM") for a statement, pursuant to the Department of Justice Business Review procedure, 28 C.F.R. Section 50.6, of the Department's current enforcement intentions regarding future creation of a NACM department offering credit information services to businesses in the leasing industry. The new department will be an addition to other operations of NACM.

As described in your request, NACM members are business credit grantors in manufacturing, wholesaling, service industries and financial institutions. There are approximately 39,000 members. NACM is a national organization affiliated with 65 autonomous state and regional associations throughout the country.

As further described in your request, the new department which is the focus of the NACM business review request is specifically designed to combat fraud within the leasing industry. The Department understands that the new NACM department will provide a centralized clearinghouse for the exchange of information on "problem accounts." Member [subscriber] companies will submit lists of such accounts which will be included in reports sent out to members.

Based on the information provided by NACM, the Department has no current intention of challenging the establishment of a new NACM department that will engage in exchange of debtor credit history information among members who participate in the leasing industry. We understand that the information exchange will be limited to credit history information that will assist

members in implementing unilateral credit policies and practices, as opposed to exchange of information on terms or conditions under which members do business with customers. Our conclusion is also based on our understanding, based on information you have provided, that the exchange of information will be "blind," that is, the identity of entities providing credit history information will not be communicated to entities receiving the credit history information. Consequently, the information exchange should serve the procompetitive goal of reducing the cost and improving the quality of information about debtors for the leasing industry participants.

The Department's statement of enforcement intention is limited to operation of the new NACM department as described in the business review request. The Department makes no statement of enforcement intention with regard to any other aspect of the operations of NACM. The Department reserves the right to bring an enforcement action in the future with regard to the new NACM department if the actual operation of the proposed credit information exchange program proves to be anti-competitive in purpose or effect. In particular, the Department's statement of current enforcement intention should not be understood as countenancing practices that in fact are found to facilitate agreement among members regarding terms or conditions upon which they do business with customers, as might occur if the particular markets for leasing services were highly concentrated, so that the exchange of credit information could lead to market wide standardization of credit policies.

This statement is made in accordance with the Department's business review procedure, 28 C.F.R. Section 50.6 (1986). Pursuant to that regulation, your business review request and this letter will be made publicly available immediately. Your supporting data will be made publicly available within thirty days, unless you request that any part of the material be withheld in accordance with Paragraph 10(c) of the business review procedure.

Sincerely,

A handwritten signature in cursive script, reading "Anne K. Bingaman". The signature is written in dark ink and is positioned above the typed name and title.

Anne K. Bingaman
Assistant Attorney General