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Hon. Edward J. Markey
2108 Rayburn House Office Building
Washington, DC 20515

Hon. Joe Barton
2109 Rayburn House Office Building
Washington, DC 20515

Hon. Henry A. Waxman
2204 Rayburn House Office Building
Washington, DC 20515

Hon. Steve Chabot
2351 Rayburn House Office Building
Washington, DC 20515

Hon. G.K. Butterfield
2305 Rayburn House Office Building
Washington, DC 20515

Hon. Austin Scott
516 Cannon House Office Building
Washington, DC 20515

Hon. Bobby Rush
2268 Rayburn House Office Building
Washington, DC 20515

Hon. Jan Schakowsky
2367 Rayburn House Office Building
Washington, DC 20515

Dear Sirs and Madam:

Equifax submits this response to your letter of July 25, 2012 requesting information about Equifax's practices with respect to consumer marketing data.

As an initial matter, Equifax is not a data broker as that term is used in the New York Times article cited in your letter. Equifax operates almost exclusively in a heavily and closely regulated environment that is altogether inconsistent with a data broker environment described in the article. Equifax's primary business involves the sale of personally identified consumer information as a consumer credit reporting agency. This business has been regulated by the state and federal Fair Credit Reporting Acts ("FCRA") for over 40 years. It is also regulated by the Gramm Leach Bliley Act ("GLBA"). The Federal Trade Commission, State Attorneys General, and, now, the Consumer Financial Protection Bureau enforce these laws.

Your letter refers to certain consumer rights related to notice, access, correction, and deletion of information. Almost all of these principles are recognized requirements of the above referenced laws, and, as such, have been implemented into Equifax's operating procedures. Equifax manages personally identified consumer information about millions of United States consumers, and does so in compliance with the FCRA, GLBA, and other applicable law.

We understand that the questions posed in your letter, however, are likely related to marketing services that are not specifically governed by these laws (given the focus of the New York Times article). Marketing services represent approximately 1% of our annual revenues. This business is operated by a separately incorporated subsidiary and its operations are separate and independent from the operation of Equifax's credit reporting business. We have prepared this response to focus on this narrow class of products. We, therefore, do not address our regulated products and subsidiaries.¹

¹ The answers supplied refer to currently owned Equifax entities and do not include information about businesses divested prior to July of this year. Epsilon, which also received this letter, purchased our direct marketing business in July 2010. As is customary, Equifax transferred records to the acquiring entity upon sale.

I. Products Offered by Equifax

1. Target Marketing

The types of marketing products or services that Equifax offers are best described as licensed models and aggregations of non-FCRA regulated information, which aid marketers in engaging their customers and prospects. These models may communicate estimates of consumer wealth, income, credit behavior, and spending. These estimates are drawn from aggregated, anonymous data sets that represent modeled averages of the above characteristics. Equifax may combine these model estimates with relevant, licensed demographic information to assist clients in better understanding opportunities within their existing customer base and prospect base.

The combination of our model outputs and demographic data permits the client to estimate likely responsiveness to an advertisement, thereby assisting the client in offering products or services to prospective customers who are more likely to be interested in them. Most importantly, a consumer who is not on a particular target marketing list can still apply for the particular product or service, and the absence from the list should have no impact on an existing application for the product or service. The information provided by Equifax in this context merely enables clients to present their customers and prospects with offers and marketing messaging that resonate with different sub-groups of customers and prospects. This practice also cuts down on the number of offers presented to a consumer that would not be of interest to the particular consumer.

2. Digital Marketing

Equifax works with third party advertising partners to deliver enhanced digital advertising solutions to clients. The proprietary data provided by Equifax to enhance digital advertising solutions involves estimates based on the aggregated, modeled data described above. Equifax provides this service and uses licensed demographic files, which are not owned by Equifax, for the purpose of further enhancing the models that predict responsiveness.

Equifax may use cookies in this process, and provides an opt-out mechanism as described in our privacy policy. Equifax generally partners with companies on these projects that also provide an additional opt-out choice for consumers. While opting out does not alter the content of Equifax's anonymous marketing database, this choice by a consumer effectively opts the consumer out of digital targeting by the website and advertising networks offering the opt-outs. Additionally, Equifax has agreed to abide by the Online Behavioral Advertising best practices outlined by the Direct Marketing Association.

II. Description of Databases Owned by Equifax to Support Target Marketing and Digital Advertising

Equifax obtains anonymous and aggregated asset and investment information from various financial institutions including brokerage firms, banks and insurance companies. The data that financial institutions send to Equifax and that Equifax uses to build our products is anonymous and aggregated at the ZIP+4 level. It does not include names, addresses, or any other personally identifiable information.

III. Description of Databases Licensed by Equifax Demographic Data

Equifax licenses demographic data organized at a household level from third party sources for purposes of offering products described herein. This demographic data includes information about household names (for adults only), address, age, gender, number of children, age range of children, occupation, home ownership status, marital status, language preferences, household income, purchasing habits, media interests, and lifestyle. To the extent consumers have provided data about their households' racial or ethnic makeup, that information may be included in the licensed data. Data regarding the racial or ethnic profile of a home is not used in predicting wealth or income. Our vendors collect this data from self-reported telephone surveys, warranty registration cards, the United States Census Survey, subscription cards and generalized statistical models.

In summary, Equifax's sources vary, depending upon the type of non-regulated data being obtained. Those sources, however, do not include social media. Further, as described above, the types of consumer data and the types of products provided by Equifax vary, depending upon our customers' marketing needs.

IV. Use of Non-FCRA Information for Eligibility Decisions Prohibited

Equifax's licensing agreements for non-FCRA products and services prohibit our end user customers from using the information provided to deny a consumer credit, employment, housing, insurance, or make any other FCRA permissible purpose decision based on the information.

Equifax maintains separate databases to comply with applicable laws. In particular, marketing data is kept separate and apart from our FCRA regulated consumer reporting databases.

V. Compliance with Laws and Best Practices: Notice, Access, Correction, Opt-Out, and Privacy Policies

As indicated above, Equifax proprietary marketing data is held in a de-identified format related to wealth and income distributions by geography. Given that this information is not about a particular consumer, we do not provide an opportunity for consumer notice, access or correction.

Regarding the demographic data licensed from third parties, as stated above, Equifax does not own this data and would apply changes to its content only at the direction of the owner of the data. Those entities that own this information will provide information in response to this Congressional Inquiry about how consumers interact with their companies on these issues.

As mentioned above, we and our advertising partners permit opt-outs from targeted online advertising; however, we do not have access to specific numbers of consumers who have chosen to opt out. Within our own records, we do not collect personal information within a cookie and could not discern how many consumers are associated with a particular opt-out cookie.

VI. Data Security

Equifax and its subsidiaries all operate under a common Security Policy. Our Security Policy is based on ISO 27001 and follows Annex A Controls of ISO 27001. All data is stored securely within Equifax networks and protected behind multiple levels of firewalls, intrusion prevention and data protection systems. In addition, Equifax has implemented numerous technical controls to protect and safeguard consumer data. Any client or sensitive information that moves across public networks is encrypted using the highest levels of publicly available encryption algorithms. Equifax follows a rigorous process to review both suppliers and customers. Customers must have a legally permissible reason for obtaining access to Equifax's information. Additionally, Equifax verifies that proper security controls have been implemented within the customer environment. Equifax conducts reviews on a recurring basis.

VII. Minor Children

Equifax does not collect personally identifiable information about children for marketing purposes. Our third party licensed demographic data might indicate that children live in a particular home and estimate their age range; however, names of children would not be included and we do not service businesses seeking to target children in their advertising.

In closing, we hope that this response assists you in understanding Equifax's business practices.

Best Regards,



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