

From: zep patty
Sent: Tuesday, July 06, 2004 2:13 PM
To: FACTAscoringstudy
Subject: Credit Scoring

I understand you are reviewing this terrible practice. I am a retired executive of a major oil company and worked overseas for nearly 25 years as CFO of a billion dollar company so I know a lot about busy. Credit Scoring is as bad as racial profiling.

Now to be specific. I carry my homeowners, auto (2 Cars) and an umbrella insurance with Allstate. A few years ago I became aware that both myself and my 93 year old mother were paying higher premiums because we neither had a credit history i.e. we pay cash and have had no need for credit. You must recall I worked overseas for years and had no business transactions in the states other than paying Income Tax.

I went to Allstate and complained. They admitted that both myself and my mom were being credit scored for the lack of a credit history. I explained why we had no credit. Guess what I was told. I was advised to go out and take out a loan for something and then pay it off to create a good credit history. Have you ever heard of anything so absurd?

This practice is totally Un-American!! Everyone should be treated the same. I know there are some that defend this practice but I have serious doubts that credit is a risk factor in determining the number of claims on a policy. In my and my mother's case it could not possibly impact claims risks.

I encourage you to ban this terrible tool that simply rips off consumers.

Z.E. Patty

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