



FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003

The Fair and Accurate Credit Transactions Act of 2003 (FACTA) is to reduce the risk of consumer fraud and identity theft resulting from improper handling and disposal of consumer information. FACTA applies to almost every business and individual in the United States. The disposal rule of FACTA requires the destruction of all consumer information before documents are discarded and requires reasonable and appropriate measures to prevent the unauthorized access to, or the use of, consumer report information. Shredding of documents is one of the reasonable measures adopted by the disposal rule of FACTA so that the information cannot be read or reconstructed. FACTA also requires destroying or erasing electronic files or media containing consumer report information so that the information cannot be read or reconstructed. Improper information disposal by businesses has been cited in instances of fraud, with severe penalties levied against violators.