

TCPN# FY04-07 CREDITWORTHINESS & Government Travel Charge Cards

Note: Level 3 APCs - IT IS YOUR RESPONSIBILITY TO GIVE THIS NOTICE WIDEST DISSEMINATION TO GTCC PROGRAM PARTICIPANTS IN YOUR HIERARCHY.

The following message was sent by GSA for dissemination purposes in reference to the new legislation passed by Congress. It is for information purposes only, and has not yet been implemented under the GSA SmartPay Master Contract. Please provide to all level APCs so they may be aware of potential resulting policy and procedures.

Dear APC:

As you may be aware, last week Congress passed the omnibus appropriations bill for FY04. This legislation included a requirement for creditworthiness checks for all purchase and travel cardholders. The relevant section of the legislation is as follows:

SEC. 638. Each Executive department and agency shall evaluate the creditworthiness of an individual before issuing the individual a government purchase charge card or government travel charge card. The department or agency may not issue a government purchase charge card or government travel charge card to an individual that either lacks a credit history or is found to have an unsatisfactory credit history as a result of this evaluation: Provided, That this restriction shall not preclude issuance of a restricted-use charge, debit, or stored value card made in accordance with agency procedures to (a) an individual with an unsatisfactory credit history where such card is used to pay travel expenses and the agency determines there is no suitable alternative payment mechanism available before issuing the card, or (b) an individual who lacks a credit history. Each Executive department and agency shall establish guidelines and procedures for disciplinary actions to be taken against agency personnel for improper, fraudulent, or abusive use of government charge cards, which shall include appropriate disciplinary actions for use of charge cards for purposes, and at establishments, that are inconsistent with the official business of the Department or agency or with applicable standards of conduct.

The relevant section is Division F, Title VI, Section 638. The link to the legislation is below. The easiest way to get to that section is to go to your browser's toolbar, click on "Edit,"

select "Find," and type in the word "creditworthiness." The find feature should take you right to the text.

Link:<http://thomas.loc.gov/cgi-bin/cpquery/T?&report=hr401&dbname=cp108&>

GSA is working to identify possible Government-wide solutions to meeting this new legislative requirement. We will be meeting with Fair Isaac (developers of FICO scores) and the GSA SmartPay banks to gather information about credit scoring and identify possible solutions to complying with the legislation. GSA will also modify the GSA SmartPay Master Contract to permit banks to perform creditworthiness checks of purchase and CBA travel cardholders at the agency's request.

Additionally, we are forming an interagency workgroup to address this situation.

For any questions, please send e-mail to travel_card@navsup.navy.mil.