

CFPB Issues Guidance on Duty to Investigate Disputed Credit Information

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September 9, 2013 -- The Fair Credit Reporting Act (FCRA) requires consumer reporting agencies (CRAs) to notify persons who report consumer information (Furnishers) when a consumer disputes the accuracy or completeness of information reported by the Furnisher to the CRA, and to provide the Furnisher with all "relevant information" about the dispute. The Furnisher is in turn required by the FCRA to investigate the dispute, including all relevant information provided by the CRAs, and respond appropriately. On September 4th, the Consumer Financial Protection Bureau ("Bureau") issued a guidance bulletin stating that it expects Furnishers to implement reasonable systems and technology to receive and process notices regarding any dispute. The bulletin highlights the Bureau's expectation that every Furnisher review and consider "all relevant information" relating to a consumer dispute, and delineated specific requirements on what the CFPB expects in evaluating such information. The Bureau stated that it expects Furnishers to comply with FCRA dispute investigative duties with respect to disputed information by:

- maintaining a system capable of receiving disputed information from CRA's;
- conducting investigations and reviewing all relevant information from the CRA's and the furnisher's own records;
- reporting the results of the investigation to the CRA's that forwarded the dispute;
- providing corrected information to every CRA's that received incorrect or incomplete information; and
- modifying, deleting or blocking the disputed information if it is incomplete, inaccurate or cannot be verified.

The Bulletin warned that the CFPB will continue to review Furnisher compliance and that if it determines that a furnisher has engaged in any acts or practices which violate the FCRA or other

federal consumer financial laws, it will take appropriate enforcement action to address violations which may include restitution to harmed consumers.

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