

Practice Update

CFPB Issues Credit Reporting Guidance During COVID-19 Pandemic

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On April 1, the Consumer Financial Protection Bureau (CFPB) issued a policy statement addressing credit reporting issues faced by consumers and credit furnishers in light of the COVID-19 pandemic. The purpose of the policy statement is to highlight furnishers' responsibilities under the recently enacted CARES Act and inform consumer reporting agencies and furnishers of the Bureau's flexible supervisory and enforcement approach regarding compliance with the Fair Credit Reporting Act (FCRA) and Regulation V. A separate alert on the provisions of the CARES Act amending FCRA is available [here](#). The CFPB notes this policy statement is not a formal, binding rulemaking but instead is a non-binding general statement of policy articulating considerations relevant to the Bureau's exercise of its supervisory and enforcement authorities.

The CFPB acknowledges in the policy statement that flexibility is necessary given the impact of the pandemic on the more than 10,000 credit furnishers in the United States. The Bureau notes that while credit furnishing is not legally required, the CFPB encourages furnishers to continue furnishing information to the credit reporting agencies. The CFPB also reiterates prior guidance encouraging financial institutions to work constructively with borrowers during the crisis. A separate alert addressing that guidance is available [here](#).

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In the Policy Statement, the Bureau sets forth specific circumstances in which it intends to be flexible:

- While the CFPB expects furnishers to comply with the CARES Act's amendments to FCRA regarding not reporting as delinquent virus-related accommodations to borrowers, if furnishers make other, voluntary payment accommodations, the CFPB does not intend to cite in examinations or take enforcement actions if the furnished reports accurately reflect the payment relief measures taken by the furnisher.
- Although FCRA requires consumer reporting agencies and furnishers to investigate disputes within 30 to 45 days from receipt of the dispute, the CFPB will consider individual circumstances when evaluating compliance with these timeframes given difficulties furnishers may face in completing timely investigations. The CFPB does not intend to cite in examinations or take enforcement actions against consumer reporting agencies or furnishers that exceed the required timeframe to investigate disputes, but who do make good faith efforts to investigate disputes as quickly as possible.
- Furnishers and consumer reporting agencies may avail themselves of statutory and regulatory provisions eliminating the obligation to investigate disputes submitted by credit repair organizations and disputes they reasonably determine to be frivolous or irrelevant. The CFPB will consider constraints to resources caused by the pandemic in assessing if such a determination is reasonable.

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