

**NOTICE TO FURNISHERS OF INFORMATION TO
CONSUMER REPORTING AGENCIES:
YOUR OBLIGATIONS UNDER THE FAIR CREDIT REPORTING ACT**

The federal Fair Credit Reporting Act (FCRA)¹ protects the privacy and accuracy of information in a consumer report. If you provide information about someone to a consumer reporting agency (CRA), the FCRA considers you a “furnisher” of information and spells out your responsibilities. The text of the FCRA is set forth in full at the Federal Trade Commission’s website at www.ftc.gov/credit.² In addition, rules and guidelines of the FTC and federal financial regulators issued pursuant to the FCRA may also apply.³ State law may impose additional responsibilities.

Here is a summary of your responsibilities as a furnisher:

TO PROVIDE ACCURATE INFORMATION

You must establish and implement reasonable written policies and procedures to ensure the accuracy and integrity of the consumer information you provide to a CRA. The policies and procedures must be appropriate to the nature, size, complexity and scope of your activities. In establishing your policies and procedures, you must consult and consider the guidelines issued by the FTC or, if you are a bank, thrift, or national credit union, your financial regulator. In general, you’ll need to (1) identify practices or activities that can compromise the accuracy or integrity of information you provide to CRAs; and (2) evaluate the effectiveness of your existing policies, procedures and mechanisms to address these practices or activities and make changes if warranted. You must review your policies and procedures periodically and update them as necessary.

You must not provide to a CRA information that you know – or have reason to know – is inaccurate. However, you are not subject to this requirement if you clearly and conspicuously specify a mailing address that consumers can use to let you know that their information is inaccurate. If a consumer tells you their information is inaccurate, and it is inaccurate, you must not furnish it.

If a consumer disputes the accuracy or completeness of information you provided to a CRA, you must not report it to a CRA without noting the dispute.

If you report information about a delinquent account that’s placed for collection, charged to profit or loss, or subject to a similar action, you must notify the CRA of the month and year the delinquency began. This will ensure that CRAs use the correct date when computing how long negative information can be kept in a consumer’s file.

If you regularly furnish information to CRAs, you have additional duties to ensure accuracy:

You must promptly correct and update inaccurate information when a consumer or a CRA notifies you that you have provided inaccurate information. In addition, if you independently learn that you have provided inaccurate information, you must correct and update that information.

You must notify the CRAs when a consumer voluntarily closes a credit account. Unless it is clearly disclosed that the account was closed by the consumer – not the creditor – users of consumer reports may interpret a closed account as a sign of bad credit.

TO INVESTIGATE DISPUTES

If a consumer notifies you in writing that you provided inaccurate information about them to a CRA, you must:

- review all relevant information provided by the consumer and conduct a reasonable investigation. This requirement does not apply if the dispute should be directed to the CRA (for example, if it involves information derived from public records, or requests for a consumer report), if the dispute comes from a credit repair organization, or if the consumer's claim is frivolous. However, if you determine that the consumer's claim is frivolous, you must notify the consumer of that determination within five business days;
- report the results of your investigation to the consumer in a timely way; and
- promptly report the correct information to CRAs if the information is inaccurate.

If a CRA notifies you that a consumer disputes the accuracy or completeness of information you provided, you must:

- review all relevant information provided by the CRA, including information provided by the consumer, and conduct a reasonable investigation;
- report the results of your investigation to the CRA that referred the dispute in a timely way;
- report the results of your investigation to all nationwide CRAs to which you provided the information, if the investigation establishes that the information was incomplete or inaccurate; and
- promptly modify or delete the information in your files, or block it from being reported if the investigation finds the item to be inaccurate, incomplete or unverifiable.

IN THE EVENT OF IDENTITY THEFT

If a CRA notifies you that information you have provided is the result of identity theft, you must have reasonable procedures to respond and to ensure that you do not furnish that information again. If the information relates to a debt, you may not sell, transfer or place that debt for collection, except in limited circumstances.

If a consumer submits an identity theft report directly to you stating that information you have is wrong because of identity theft, you must not furnish that information to any CRA unless you know or are told by the consumer that the information is correct. You may specify an address for receiving such reports.

SPECIFIC TYPES OF FURNISHERS HAVE ADDITIONAL RESPONSIBILITIES UNDER THE FCRA

If you are a financial institution that extends credit and regularly furnishes information to a nationwide CRA, you must provide consumers with written notice if you provide negative information to such a CRA.⁴

If your primary business is providing medical services, products or devices, you (or your agent or assignee) must notify all the CRAs to which you furnish information that you are a medical information furnisher for purposes of the FCRA. This notice allows CRAs to protect the information you provide from unlawful disclosure.

This notice is only a summary of your responsibilities under the FCRA. You must comply with all applicable provisions of the FCRA and the appropriate rules of the FTC and the federal financial regulators, including those issued after this notice was prescribed in 2010. You should become familiar with these laws and may want to consult with a lawyer to ensure your compliance. Failure to comply with the FCRA can result in state or federal government enforcement actions, as well as private lawsuits. The FTC's Web site, www.ftc.gov/credit, has more information about the FCRA, including publications for businesses, information about the FTC's and other regulators' jurisdiction, and the full text of the FCRA.

Endnotes

1. 15 U.S.C. 1681-1681x.
2. These responsibilities are found primarily in Section 623 of the FCRA, 15 U.S.C. 1681s-2.
3. These rules and guidelines are available at: 16 CFR 660; 12 CFR 41; 12 CFR 222; 12 CFR 334; 12 CFR 571; 12 CFR 717.
4. The Federal Reserve Board has prescribed model disclosures at 12 CFR 222, App. B.