

[Banking and Finance Law Daily Wrap Up, FAIR CREDIT REPORTING— Is Facebook subject to Fair Credit Reporting Act, senators ask, \(May 10, 2019\)](#)

Banking and Finance Law Daily Wrap Up

[Click to open document in a browser](#)

By J. Preston Carter, J.D., LL.M.

The Senate Banking Committee Chair and Ranking Member sent a letter to Mark Zuckerberg questioning whether Facebook's data collection practices should subject it to the Fair Credit Reporting Act.

In a letter to Facebook CEO Mark Zuckerberg, Senate Banking Committee Chairman Mike Crapo (R-Idaho) and Ranking Member Sherrod Brown (D-Ohio) seek answers to a number of questions regarding a recent *Wall Street Journal* report that Facebook is recruiting dozens of financial firms and online merchants to help launch a cryptocurrency-based payments system using its social network. Last year, the letter states, Facebook asked U.S. banks to share detailed financial information about consumers. In addition, the senators continue, privacy experts have raised questions about Facebook's extensive data collection practices and whether any of the data collected is being used for purposes that do or should subject Facebook to the Fair Credit Reporting Act.

The senators' questions include:

1. How would the cryptocurrency-based payment system work and what outreach has there been to financial regulators to ensure that it meets regulatory requirements?
2. What privacy and consumer protection would users have under the new payment system?
3. What consumer financial information does Facebook have that it has received from a financial company?
4. What does Facebook do with, and how does it safeguard, the information.
5. Does it sell or share any consumer information with unaffiliated third parties?
6. Does Facebook have information bearing on an individual's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used to establish eligibility for, or marketing regarding, products or services related to credit insurance, employment, or housing?
7. How does Facebook ensure that such information is not used in violation of the Fair Credit Reporting Act?

Companies: Facebook

LegislativeActivity: Blockchain FairCreditReporting