Groups urge CFPB to partially rescind COVID-19-related credit reporting guidance, (Sept. 25, 2020)

In a letter to the Bureau, various consumer and civic groups contended there is no longer a pressing need for relaxing FCRA mandated dispute deadlines and cited a dramatic increase in consumer complaints as result of the Bureau’s action allowing CRAs and furnishers to exceed these deadlines.

A coalition of consumer and civic organizations have urged the Consumer Financial Protection Bureau to rescind that part of the agency’s guidance that allows consumer reporting agencies (CRAs) and furnishers to exceed the statutory deadlines imposed by the Fair Credit Reporting Act for investigating disputes. In a letter that was released by U.S. PIRG, the groups said that delays and failures in the processing of disputes have significantly impacted consumers as reflected in a dramatic increase in consumer complaints submitted to agency.

The Bureau issued its guidance entitled "Statement on Supervisory and Enforcement Practices Regarding the Fair Credit Reporting Act and Regulation V in Light of the CARES Act" earlier this year detailing the responsibilities of credit reporters during the COVID-19 pandemic (see Banking and Finance Law Daily, April 2, 2020). The guidance noted operational challenges, such as staffing challenges, that could impact the ability of reporting agencies and furnishers to comply with the FCRA’s reporting requirements.

In their letter, the groups pointed out that nearly six months have passed since the Bureau issued the guidance based on COVID-19-related disruptions. Noting that a large number of employers have shifted to operating with most of their employees working from home, and most lockdown orders having now been lifted by the states, "[t]here should no longer be a pressing need for relaxing statutorily mandated deadlines due to ‘reductions in staff, difficulty intaking disputes, or lack of access to necessary information,’" the letter said.

The groups further argued that in light of the harm to consumers, and with more than enough time having elapsed for CRAs and furnishers to adjust to working under COVID-19-related conditions, the CFPB should at the very least “limit the extra time provided to CRAs and furnishers to 15 days, or at most 30 days beyond the FCRA-mandated 30-day deadline for investigating disputes.”

Companies: U.S. PIRG

RegulatoryActivity: CFPB Covid19 FairCreditReporting