

CFPB Bulletin 2012-09

Date: November 29, 2012

Subject: The FCRA's "streamlined process" requirement for consumers to obtain free annual reports from nationwide specialty consumer reporting agencies

Background

The Fair Credit Reporting Act (FCRA) requires nationwide specialty consumer reporting agencies (NSCRAs) to provide, upon request of a consumer, a free annual disclosure of the consumer's file, commonly known as a consumer report. The FCRA's implementing Regulation (Regulation V) includes a rule mandated by the FCRA that requires each NSCRA to establish a "streamlined process for consumers to request [their free annual] consumer reports . . . which shall include, at a minimum, the establishment by each such agency of a toll-free telephone number for such requests." 15 U.S.C. § 1681j; 12 C.F.R. § 1022.137.

Pursuant to Regulation V, this streamlined process must permit consumers to request an annual file disclosure through a toll-free telephone number that is published "in any telephone directory in which any telephone number for the [NSCRA] is published" and is "clearly and prominently posted on any Web site owned or maintained by the [NSCRA] that is related to consumer reporting." 12 C.F.R. § 1022.137(a)(1)(ii)–(iii). The streamlined process must, among other things, have adequate capacity to accept requests from the reasonably anticipated volume of consumers requesting their annual file disclosures through the streamlined process and must provide clear and easily understandable information and instructions to consumers. 12 C.F.R. § 1022.137(a)(2). It has come to the attention of the CFPB that some NSCRAs may not have established the required streamlined process for consumers to request copies of their annual file disclosures. The Bureau is issuing this Bulletin to remind the NSCRAs of their obligation to comply with the streamlined process requirement, which the Bureau views as an important consumer protection.

CFPB Expectations

NSCRAs are defined as consumer reporting agencies that compile and maintain files on consumers on a nationwide basis relating to (1) medical

records or payments; (2) residential or tenant history; (3) check writing history; (4) employment history; or (5) insurance claims. 15 U.S.C. § 1681a(x). In light of the range and frequency of decisions that rely on NSCRA reports, the accuracy of these reports is critical. Consumer access to NSCRA files enables consumers to detect and dispute inaccuracies contained in their files.

The CFPB will evaluate compliance with the streamlined process requirements by NSCRAs subject to its supervisory and enforcement authority. The CFPB expects each NSCRA to comply with the FCRA and Regulation V, including by:

- (1) Enabling consumers to request annual file disclosures by a toll-free telephone number that;
 - a. Is published, in conjunction with all other published numbers for the NSCRA, in any telephone directory in which any telephone number for the NSCRA is published; and
 - b. Is clearly and prominently posted on any Website owned or maintained by the NSCRA that is related to consumer reporting, along with instructions for requesting disclosures by any additional available request methods, 12 C.F.R. § 1022.137(a)(1);
- (2) Ensuring that its streamlined process for obtaining an annual file disclosure has adequate capacity to accept requests from a reasonably anticipated volume of consumers, 12 C.F.R. § 1022.137(a)(2)(i); 12 C.F.R. § 1022.137(b)-(c);
- (3) Collecting only as much personal information from a consumer requesting a disclosure as is reasonably necessary to identify the consumer properly, 12 C.F.R. § 1022.137(a)(2)(ii);
- (4) Providing clear and easily understandable information and instructions to consumers, including but not limited to: providing information on the status of a request, providing a “help” or “frequently asked questions” page for web-based requests, and providing a statement when the identity of the consumer requesting an annual file disclosure cannot properly be verified and directions on how to complete the request, 12 C.F.R. § 1022.137(a)(2)(iii);
- (5) Using or disclosing personally identifiable information collected from a consumer because of the consumer’s request for an annual or other disclosure required by the FCRA from the entity that the consumer made through the streamlined process only in ways permitted by Regulation V, 12 C.F.R. § 1022.137(d); and

- (6) Accepting consumer requests for annual file disclosures from consumers who use methods other than the streamlined process or instructing such consumers on how to use the streamlined process. 12 C.F.R. § 1022.137(e).

Any NCSRA not currently providing a process that meets these requirements should take immediate steps to comply.