



June 10, 2021

Francis Creighton
President and CEO
Consumer Data Industry Association
1090 Vermont Ave., NW, Suite 200
Washington, D.C. 20005

Dear Mr. Creighton,

Consumer Reports writes to the Consumer Data Industry Association today to urge your member companies -- Equifax, Experian, and TransUnion -- to improve the accuracy of credit reports, give consumers more control over their credit information, and redesign the identity verification system used to screen consumers. The COVID-19 pandemic has affected nearly every aspect of the U.S. economy, fundamentally reshaping the lives of millions of consumers. Many remain out of work or struggle to make ends meet, forcing some to turn to family, friends, state and federal governments, banks, and creditors to stay afloat and find financial relief. Now, as the U.S. economy emerges from the financial impacts of COVID-19, consumers need the most critical pillars of the economy to work in their favor.

One of those pillars is the credit reporting system, which is used not only by financial institutions as the basis for credit and lending decisions—its original purpose—but in some cases may be used by companies making employment decisions, landlords considering prospective tenants, and insurance companies pricing their policies. Credit reports are among the most important financial documents in a consumer's life but have historically had too high rates of inaccuracy and by law, are only available to consumers for free once per year. While the nationwide CRAs have improved consumer access to their reports during the pandemic - allowing access to one free report per week - that is expected to end early next year.

In order to better understand consumers' experience when checking their credit reports, Consumer Reports launched Credit Checkup, a survey project which asked consumers to check their credit reports and share their findings via a questionnaire. Nearly 6,000 consumers

participated and completed the survey. Thirty-four percent of the consumers who completed the survey reported that they found at least one error on their credit report, with 29 percent reporting that they found errors regarding their personal information and 11 percent finding account information errors. Consumers also reported that they were experiencing difficulty accessing their credit reports because of security questions they could not answer, and some reported being charged for accessing their free reports.

While Consumer Reports will continue to call for legislative and regulatory fixes to the credit reporting system, there are steps that the nationwide CRAs can take on their own to improve credit report accuracy and access:

Strengthen accuracy requirements for credit reports and improve enforcement of existing laws

- The credit bureaus should take great care in matching the first name, last name, date of birth, and all nine digits of Social Security numbers when placing information on consumers' reports.
- The credit bureaus should retain all documents relating to an account for as long as the relevant information appears on the credit report, and should be required to delete information from a credit report if they cannot provide the documentation to back it up.
- The dispute process must be improved so that it is responsive to consumers and thorough in its fact finding. The credit bureaus should not simply parrot the findings of furnisher investigations. Consumers should be able to appeal the results of dispute investigations.

Provide consumers control over their own credit information

- Consumers should be able to access their credit reports and scores securely and for free at any time, as many times as they deem necessary.
- Consumers should not be harassed with advertisements for paid services while checking their free reports.
- Consumers should be able to access their credit reports on a secure portal site where they can directly compare their reports, freeze and unfreeze their credit, and easily file disputes.

Redesign the identity verification system used by Equifax, Experian, and TransUnion

The identity verification system used by Equifax, Experian, and TransUnion should be redesigned so that consumers are not locked out of their credit reports if they cannot answer a question based on old or inaccurate information. Should this happen, consumers should be given a method faster and more secure than physical mail in order to verify their identity. Consumers should not be blindsided by questions they cannot answer when trying to access their credit reports.

The priorities of Equifax, Experian, TransUnion, and the Consumer Data Industry Association should lie with consumers. Consumer Reports urges the credit bureaus to immediately implement the above recommendations and put consumers first.

We request a response by Friday, June 25th, 2021, to our requests for changes to your industry that will benefit consumers.

Sincerely,



Syed Ejaz

CC:

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