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## **CFPB DELIVERS FOR CONSUMERS ON CREDIT REPORT ISSUES**

**(BOSTON)** Advocates at the National Consumer Law Center (NCLC) praised [today's announcement by the Consumer Financial Protection Bureau](#) (CFPB) on several credit reporting issues, including:

1. The announcement that consumers can now upload, mail, or fax documents to support the disputes they send to the three major credit reporting agencies. Consumers may send these documents to explain why their credit reports are in error.
2. The CFPB's efforts to persuade the nation's top credit card companies to make credit scores freely available to their customers. These would be the credit scores that the companies regularly obtain and use in their business.

"In the few years that the CFPB has worked on credit reporting issues, we've seen some real benefits to consumers," said National Consumer Law Center staff attorney Chi Chi Wu.

Wu noted that the first item addresses a flaw in the handling of credit reporting disputes that advocates had complained about for decades. As documented in NCLC's 2009 report [Automated Injustice: How a Mechanized Dispute System Frustrates Consumers Seeking to Fix Errors in Their Credit Reports](#), previously when a consumer submitted a detailed dispute to the three major credit reporting agencies, the reporting agencies would reduce the dispute to a two-digit code and pass only that code on to the creditor, debt collector or other entities. The reporting agencies failed to forward the dispute itself or supporting documents to the provider of information. Now, not only will the reporting agencies forward the information, but consumers can upload the documents themselves.

As for the CFPB's efforts to encourage credit card companies to provide credit scores, Wu noted that this will benefit consumers by giving them an actual score used by a lender, instead of the "educational scores" that the reporting agencies sell but that are not used by lenders. A [September 2012 CFPB report](#) had found that these "educational scores" could be significantly different from FICO scores for about one out of five consumers. Bills introduced by [U.S. Senator Bernie Sanders](#) and [U.S. Representative Steve Cohen](#) would give consumers the right to a free annual credit score that is actually used by most lenders.

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Since 1969, the nonprofit National Consumer Law Center<sup>®</sup> (NCLC<sup>®</sup>) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness. [www.nclc.org](http://www.nclc.org)