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Boston – Today, the Consumer Financial Protection Bureau issued a policy guidance outlining the “responsibilities” of credit bureaus and furnishers (i.e., creditors and debt collectors) during the COVID-19 pandemic.

The following is a statement in response from Chi Chi Wu, staff attorney at the National Consumer Law Center:

“The Consumer Financial Protection Bureau (CFPB) utterly failed in its job to protect consumers with this guidance, simply telling the credit bureaus and furnishers that they must comply with the newly enacted CARES Act and even getting wrong the meaningless protection for consumers in that Act. Contrary to what the CFPB says, the CARES Act only helps a consumer avoid negative information on their credit report if they are not already behind in their payment when the creditor grants them relief.

“Instead of protecting consumers whose credit reports are being battered through no fault of their own, the CFPB is more concerned about relaxing deadlines for creditors, debt collectors and credit bureaus to fix problems when consumers dispute errors in their creditor reports. I don’t even know if the CFPB has the legal authority to do given that without engaging in formal rulemaking, and even the Bureau acknowledges that the guidance is non-binding.”

“The CFPB’s guidance does not provide one iota of assistance to consumers who are unable to reach their creditors because of long phone hold times, who are too overwhelmed by job losses or dealing with COVID-19 personally or helping afflicted family, or whose creditors are heartless enough to deny them relief. Instead, the CFPB provides a helping hand to creditors, debt collectors and credit bureaus, even though the latter are the number one source of complaints to the CFPB’s own Complaint Database. This is shameful beyond belief at a time when so many families and individuals are suffering, and it will make it much more difficult for them to recover financially for many years to come.”