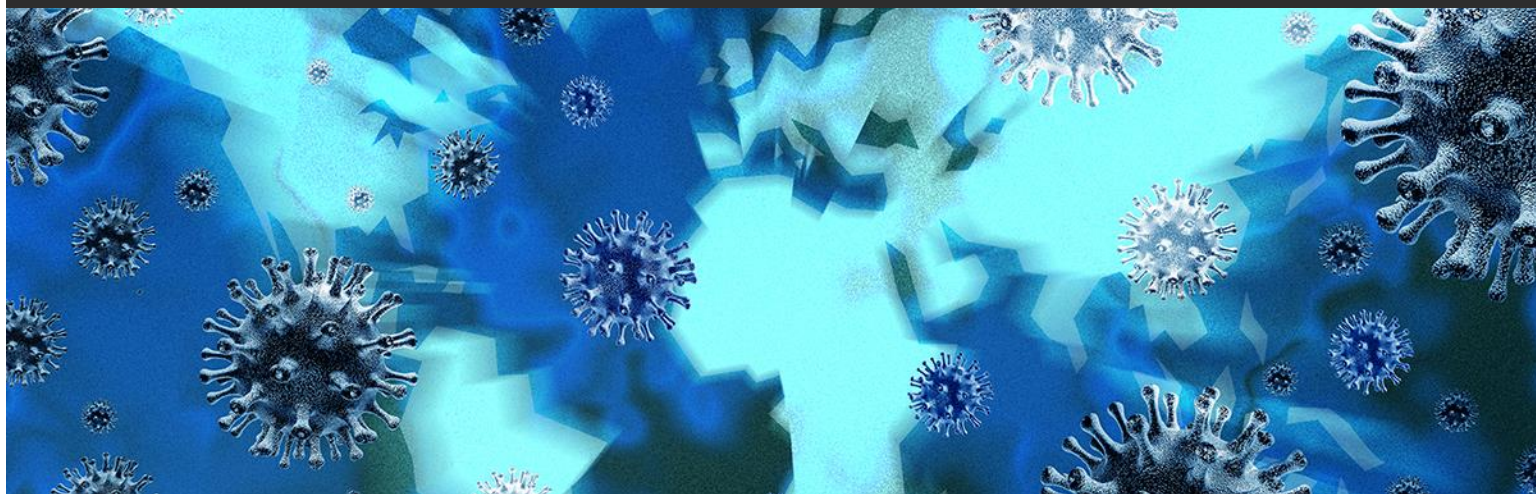


Alert | Health Emergency Preparedness Task Force: Coronavirus Disease 2019



April 9, 2020

CFPB Issues Credit Reporting Guidance in Light of COVID-19 and CARES Act

On April 1, 2020, the Consumer Financial Protection Bureau ([CFPB](#)) issued a [policy statement](#) on supervision and enforcement duties of furnishers of consumer credit information (Furnishers) and consumer reporting agencies (CRAs) in light of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CFPB's guidance is intended to highlight Furnishers' responsibilities under the CARES Act and inform Furnishers and CRAs of the CFPB's "flexible supervisory and enforcement approach" regarding compliance with the Fair Credit Reporting Act, 15 U.S.C. §§ 1681, *et seq* (FCRA) and the CFPB's Regulation V, 12 C.F.R. Part 1022 (Regulation V) during the COVID-19 pandemic. The CFPB's policy statement describes the agency's intention to consider the circumstances that Furnishers and CRAs face as a result of the Coronavirus Disease 2019 (COVID-19) pandemic and their obligations to comply with statutory and regulatory obligations in a timely manner.

Background

On March 27, 2020, the president signed the CARES Act into law, which among other things, provides new consumer protections to consumers impacted by the COVID-19 pandemic.

Section 4021 of the CARES Act amends the FCRA by adding a new subsection (F) to Section 623 (15 U.S.C. § 1681s-2(a)(i)) to the reporting obligations of creditors that provide an "accommodation" to consumers affected by COVID-19 who have requested accommodations during the "covered period" of the COVID-19 pandemic. The covered period began on Jan. 31, 2020 and ends 120 days after the later of (a)

enactment of the CARES Act (i.e., July 26, 2020) or (b) termination of the president's COVID-19 outbreak national emergency proclamation.

For more information on information regarding section 4021 of the CARES Act, please see the GT Alert, [“Fair Credit Reporting Act \(FCRA\) Furnishers’ Responsibilities Under the CARES Act.”](#)

CFPB’s Flexible Approach Regarding Compliance with FCRA and Regulation V

Furnishing Consumer Information Impacted by COVID-19

The policy statement reiterates the CFPB’s prior guidance encouraging financial institutions to work with borrowers and customers affected by the COVID-19 pandemic. While the CFPB acknowledges that companies generally are not required to furnish information to CRAs, the CFPB encourages the continuation of furnishing such information as the agency believes that providing accurate information to consumer reporting agencies will produce substantial benefits for consumers, users of reports, and the economy.

The CFPB also encourages the voluntary efforts of Furnishers to provide payment relief to consumers impacted by the COVID-19 pandemic. Such efforts, in addition to payment relief required under the CARES Act, would help to avoid the reporting of delinquencies resulting from the impact of the COVID-19 pandemic. As to Furnishers use of payment relief accommodations, the CFPB also notes that the agency “does not intend to cite in examinations or take enforcement actions against those who furnish information to consumer reporting Bureau that accurately reflects the payment relief measures they are employing.”

Consumer Disputes

The CFPB recognizes that due to the disruption caused by the COVID-19 pandemic, it may be difficult for Furnishers and CRAs to comply with their obligations under the FCRA to investigate consumer reporting disputes within the timeframes required by the statute. Given such difficulty, the CFPB will consider a consumer reporting agency’s or furnisher’s individual circumstances and does not intend to cite in an examination or bring an enforcement action against a consumer reporting agency or furnisher making good faith efforts to investigate disputes as quickly as possible, even if dispute investigations take longer than the statutory timeframe.

The CFPB also reminded Furnishers as well as CRAs that they may also take advantage of existing statutory and regulatory provisions that relieve them of the obligation to investigate disputes submitted by credit repair organizations and disputes that are reasonably determined to be frivolous and irrelevant.

As the COVID-19 pandemic may have a significant financial impact on consumers, financial institutions, Furnishers of consumer credit information and CRAs, each of these entities should consider taking steps to ensure compliance with the requirements under FCRA and Regulation V.

For more information and updates on the developing COVID-19 situation, visit [GT’s Health Emergency Preparedness Task Force: Coronavirus Disease 2019](#).

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