**Policy 11003: Accuracy and Integrity of Information Reported**

**Model Policy Revised Date: 05/13/2024**

**Introduction:**

The Fair and Accurate Credit Transactions Act (FACT Act) amended the Fair Credit Reporting Act (FCRA) in 2003. The amendments were made to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information and for other purposes. The Consumer Financial Protection Bureau (CFPB) has rulemaking authority for the FCRA and is implemented in Regulation V. Rulemaking authority for the disposal of consumer information, identity theft regulations, and rules on the duties of card issuers regarding change of address are left with the NCUA for federally chartered credit unions and the Federal Trade Commission (FTC) for state-chartered credit unions. Collectively, those entities establish and maintain guidelines for use by credit unions that furnish information to credit reporting agencies (CRAs) addressing the accuracy and integrity of the information reported. Under the FCRA, financial institutions must investigate disputes about the accuracy of information in a credit report, based on a direct request from a consumer.

1. **DEFINITIONS**. Under Regulation V, the following definitions apply:

	1. **Accuracy** - The information a furnisher provides to a CRA about an account or other relationship with a consumer that correctly:

		1. Reflects the terms of and liability for the account or other relationship;
		2. Reflects the consumer’s performance and other conduct with respect to the account or other relationship; and
		3. Identifies the appropriate consumer.
	2. **Direct Dispute** - A dispute submitted directly to a furnisher (i.e., credit union) by a consumer concerning the accuracy of any information contained in a consumer report and pertaining to an account or other relationship that the furnisher has or had with the consumer.
	3. **Furnisher** means an entity that furnishes information relating to consumers to one or more CRAs for inclusion in a consumer report. This includes furnishing deposit account information to specialty CRAs. The Credit Union is not a furnisher when it:

		1. Provides information to a CRA solely to obtain a consumer report in accordance with the Fair Credit Reporting Act (FCRA);
		2. Is acting as a CRA as defined in the FCRA;
		3. Is a consumer to whom the furnished information pertains; or
		4. Is a neighbor, friend, or associate of the consumer, or another individual with whom the consumer is acquainted or who may have knowledge about the consumer, and who provides information about the consumer’s character, general reputation, personal characteristics, or mode of living in response to a specific request from a CRA.
	4. **Identity Theft** has the same meaning as in the FTC’s regulations, which define it as ‘‘a fraud committed or attempted using the identifying information of another person without authority.’’
	5. **Integrity** means that information that a furnisher provides to a CRA about an account or other relationship with the consumer:

		1. Is substantiated by the furnisher’s records at the time it is furnished;
		2. Is furnished in a form and manner that is designed to minimize the likelihood that the information may be incorrectly reflected in a consumer report; and thus the information should:

			1. Include appropriate identifying information;
			2. Be furnished in a standardized and clearly understandable form and manner and with a date specifying the time period to which the information pertains; and
		3. Includes the information in the furnisher’s possession about the account or other relationship that the Regulator has:

			1. Determined that the absence of which would likely be materially misleading in evaluating a consumer’s creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living; and
			2. Includes the credit limit, if applicable and in the furnisher’s possession.
2. **DIRECT DISPUTES**.

	1. **General Rule**. Except as otherwise provided in this section, the Credit Union will conduct a reasonable investigation of a direct dispute if it relates to the following:

		1. The member’s liability for a credit account or other debt with the Credit Union, such as direct disputes relating to whether there is or has been identity theft or fraud against the member, whether there is individual or joint liability on an account, or whether the member is an authorized user of a credit account;
		2. The terms of a credit account or other debt with the Credit Union, such as direct disputes relating to the type of account, principal balance, scheduled payment amount on an account, or the amount of the credit limit on an open-end account;
		3. The member’s performance or other conduct concerning an account or other relationship with the Credit Union, such as direct disputes relating to the current payment status, high balance, date a payment was made, the amount of a payment made, or the date an account was opened or closed; or
		4. Any other information contained in a consumer report regarding an account or other relationship with the Credit Union that bears on the member’s creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.
	2. **Exceptions**. The requirements of paragraph (A) of this section do not apply to the Credit Union if:

		1. The direct dispute relates to:

			1. The member’s identifying information (other than a direct dispute relating to a member’s liability for a credit account or other debt with the Credit Union, such as name(s), date of birth, Social Security number, telephone number(s), or address(es);
			2. The identity of the member’s past or present employers;
			3. Inquiries or requests for a consumer report;
			4. Information derived from public records, such as judgments, bankruptcies, liens, and other legal matters (unless provided by the Credit Union with an account or other relationship with the member);
			5. Information related to fraud alerts or active duty alerts; or
			6. Information provided to a CRA by another furnisher; or
		2. The Credit Union has a reasonable belief that the direct dispute is submitted by, is prepared on behalf of the member by, or is submitted on a form supplied to the member by, a credit repair organization, as defined in the Credit Repair Organization Act (CROA) (15 U.S.C. 1679a), or an entity that would be a credit repair organization, but for the CROA (15 U.S.C. 1679a(3)(B)(i)).
	3. **Direct Dispute Address**. The Credit Union will investigate a direct dispute only if a member submits a dispute notice to the Credit Union at:

		1. The address of the Credit Union provided by the Credit Union and set forth on a consumer report relating to the member;
		2. An address clearly and conspicuously specified by the Credit Union for submitting direct disputes that is provided to the member in writing or electronically (if the member has agreed to the electronic delivery of information from the Credit Union); or
		3. Any business address of the Credit Union if the Credit Union has not so specified and provided an address for submitting direct disputes.
	4. **Direct Dispute Notice Contents**. A dispute notice must include the following information:

		1. Sufficient information to identify the account or other relationship that is in dispute, such as an account number and the name, address, and telephone number of the member, if applicable;
		2. The specific information that the member is disputing and an explanation of the basis for the dispute; and
		3. All supporting documentation or other information reasonably required by the Credit Union to substantiate the basis of the dispute. This documentation may include, for example: a copy of the relevant portion of the consumer report that contains the allegedly inaccurate information; a police report; a fraud or identity theft affidavit; a court order; or account statements.
	5. **Duties of the Credit Union Upon Receipt of a Direct Dispute Notice**. After receiving a proper dispute notice from a member, the Credit Union will do the following:

		1. Conduct a reasonable investigation with respect to the disputed information;
		2. Review all relevant information provided by the member with the dispute notice;
		3. Complete its investigation of the dispute and report the results of the investigation to the member before the expiration of the period under section 611(a)(1) of the FCRA within which a CRA would be required to complete its action if the member had elected to dispute the information under that section; and
		4. If the investigation finds that the information reported was inaccurate, promptly notify each CRA to which the Credit Union provided inaccurate information of that determination, and provide to the CRA any correction to that information that is necessary to make the information provided by the Credit Union accurate.
	6. **Frivolous or irrelevant disputes**. The Credit Union is not required to investigate a direct dispute if the Credit Union has reasonably determined that the dispute is frivolous or irrelevant. A dispute qualifies as frivolous or irrelevant if:

		1. The member did not provide sufficient information to investigate the disputed information;
		2. The direct dispute is substantially the same as a dispute previously submitted by or on behalf of the member, either directly to the Credit Union or through a CRA, with respect to which the Credit Union has already satisfied the applicable requirements of the FCRA or this section; provided, however, that a direct dispute is not substantially the same as a dispute previously submitted if the dispute includes information that had not previously been provided to the Credit Union; or
		3. The Credit Union is not required to investigate the direct dispute because one or more of the exceptions listed in paragraph (2)(B) applies.
		4. **Notice of Determination**. Upon making a determination that a dispute is frivolous or irrelevant, the Credit Union will notify the member of the determination not later than five (5) business days after making the determination, by mail or, if authorized by the member for that purpose, by any other means available to the Credit Union.
		5. **Contents of notice of determination that a dispute is frivolous or irrelevant**. A notice of determination that a dispute is frivolous or irrelevant will include the reasons for such determination and identify any information required to investigate the disputed information, which notice may consist of a standardized form describing the general nature of such information.
	7. **Reporting on Disputed Information.**When the accuracy or completeness of any information reported to a CRA is disputed by the member, the Credit Union may not furnish the information to a CRA without notice that such information is disputed by the member.
3. **ACCURACY AND INTEGRITY OF INFORMATION FURNISHED TO CRAs**.

	1. **Prohibition Against Reporting Inaccurate Information.** The Credit Union will not report information relating to a member to any consumer reporting agency (CRA) if the Credit Union knows, or has reasonable cause to believe, that the information is inaccurate. “Reasonable cause to believe that the information is inaccurate” means having specific knowledge, rather than relying solely on allegations made by a member, that would cause a reasonable person to have substantial doubts about the accuracy of the information.
	2. **Accuracy**. The Credit Union will ensure that information furnished to CRAs regarding accounts or other relationships with members:

		1. Is accurate:
		2. Identifies the appropriate member;
		3. Reflects the terms of and liability for those accounts or other relationships; and
		4. Reflects the member’s performance and other conduct with respect to the account or other relationship;
	3. **Integrity**. The Credit Union will furnish information about accounts or other relationships with a member that has integrity, such that the furnished information:

		1. Is substantiated by the Credit Union’s records at the time it is furnished;
		2. Is furnished in a form and manner that is designed to minimize the likelihood that the information may be incorrectly reflected in a consumer report; thus, the furnished information will:

			1. Include appropriate identifying information about the member to whom it pertains; and
			2. Be furnished in a standardized and clearly understandable form and manner and with a date specifying the time period to which the information pertains; and
			3. Includes the credit limit, if applicable and in the Credit Union’s possession;
	4. **Conducting Investigations**. The Credit Union will conduct reasonable investigations of member disputes and take appropriate actions based on the outcome of such investigations.
	5. **Reporting Correct and Updated Information**. If at any time the Credit Union determines that the information provided is not complete or accurate, the Credit Union must promptly notify all CRAs that received the information of any corrections to that information or must provide any additional information. This is necessary to ensure the information provided is complete and accurate, and the Credit Union must not, thereafter, report any of the information that remains incomplete or inaccurate. The Credit Union will also update the information it furnishes as necessary to reflect the current status of the member’s account or other relationship, including, for example:

		1. Any transfer of an account (e.g., by sale or assignment for collection) to a third party; and
		2. Any cure of the member’s failure to abide by the terms of the account or other relationship.
	6. **Reporting the Voluntary Closure of Accounts.**If the Credit Union regularly notifies the CRA of the voluntary closure of the account by the member, it shall do so using information regularly furnished for the period in which the account is closed.
	7. **Reporting Dates of Delinquency.** If the Credit Union furnishes information to a CRA regarding a delinquent account being placed for collection, charged off to profit or loss, or subjected to any similar action, the Credit Union will provide the CRA, within 90 days after furnishing that information, the date of delinquency on the account which shall be the month and year of the commencement of the delinquency that immediately preceded the delinquency action.

		1. The Credit Union will establish and follow reasonable procedures to ensure that the dates reported for the date of delinquency precedes the date upon which the account was placed for collection, charged to profit or loss, or subjected to any similar actions.
	8. **Reporting Negative Information.** If the Credit Union, in the ordinary course of its business, furnishes information to a CRA which contains negative information regarding credit extended to a customer, the Credit Union will provide notice in writing to the member that negative information was furnished to a CRA. The Credit Union may submit additional negative information to a CRA with respect to the same transaction, extension of credit, account or member, without providing additional notice to the member.

		1. The notice will be provided either prior to reporting it to the CRA or, at least, no later than 30 days after the negative information was reported to the CRA.
		2. The notice must be clear and conspicuous, and, where it is provided to the member prior to the furnishing of negative information to the CRA, the notice may not be included in the initial disclosures required under the Truth in Lending Act.
		3. The notice may be included on or with any notice of default, any billing statement, or any other materials provided to the member.
4. **ENSURING THE ACCURACY AND INTEGRITY OF INFORMATION**. In order to ensure the accuracy and integrity of information, the Credit Union will do the following:

	1. Identify practices or activities of the Credit Union that can compromise the accuracy or integrity of information furnished to CRAs, such as by:

		1. Reviewing its existing practices and activities, including the technological means and other methods it uses to furnish information to CRAs and the frequency and timing of its furnishing of information;
		2. Reviewing its historical records relating to accuracy or integrity or to disputes; reviewing other information relating to the accuracy or integrity of information provided by the Credit Union to CRAs; and considering the types of errors, omissions, or other problems that may have affected the accuracy or integrity of information it has furnished about members to CRAs;
		3. Considering any feedback received from CRAs, members, or other appropriate parties;
		4. Obtaining feedback from the Credit Union’s staff; and
		5. Considering the potential impact of the Credit Union’s policies and procedures on members.
	2. Evaluate the effectiveness of existing policies and procedures of the Credit Union regarding the accuracy and integrity of information furnished to CRAs; consider whether new, additional, or different policies and procedures are necessary; and consider whether implementation of existing policies and procedures should be modified to enhance the accuracy and integrity of information about members furnished to CRAs.
	3. Evaluate the effectiveness of specific methods (including technological means) the Credit Union uses to provide information to CRAs; how those methods may affect the accuracy and integrity of the information it provides to CRAs; and whether new, additional, or different methods (including technological means) should be used to provide information to CRAs to enhance the accuracy and integrity of that information.
	4. Use standard data reporting formats and standard procedures for compiling and furnishing data, where feasible, such as the electronic transmission of information about members to CRAs.
	5. Maintain records for a reasonable period of time, not less than any applicable recordkeeping requirement, in order to substantiate the accuracy of any information about members it furnishes that is subject to a direct dispute.
	6. Establish and implement appropriate internal controls regarding the accuracy and integrity of information about members furnished to CRAs, such as by implementing standard procedures and verifying random samples of information provided to CRAs.
	7. Train staff that participates in activities related to the furnishing of information about members to CRAs to implement the policies and procedures.
	8. Provide for appropriate and effective oversight of relevant service providers whose activities may affect the accuracy or integrity of information about members furnished to CRAs to ensure compliance with the policies and procedures.
	9. Furnish information about members to CRAs following mergers, portfolio acquisitions or sales, or other acquisitions or transfers of accounts or other obligations in a manner that prevents re-aging of information, duplicative reporting, or other problems that may similarly affect the accuracy or integrity of the information furnished.
	10. Delete, update and correct information in the Credit Union’s records, as appropriate, to avoid furnishing inaccurate information.
	11. Conduct reasonable investigations of disputes.
	12. Design technological and other means of communication with CRAs to prevent duplicative reporting of accounts, erroneous association of information with the wrong member(s), and other occurrences that may compromise the accuracy or integrity of information provided to CRAs.
	13. Provide CRAs with sufficient identifying information in the Credit Union’s possession about each member about whom information is furnished to enable the CRA properly to identify the member.
	14. Conduct a periodic evaluation of its own practices, CRA practices of which the Credit Union is aware, investigations of disputed information, corrections of inaccurate information, means of communication, and other factors that may affect the accuracy or integrity of information furnished to CRAs.
	15. Comply with applicable requirements under the Fair Credit Reporting Act and its implementing regulations.
	16. Review the Credit Union’s policies and procedures periodically and update them as necessary to ensure their continued effectiveness.
5. **IDENTITY THEFT-RELATED INFORMATION AND PRVENTION OF REPORTING BLOCKED INFORMATION**. To prevent the refurnishing of blocked information, if the member presents the Credit Union with an identity theft report at the address specified by the Credit Union, stating that the information maintained by the Credit Union purports to relate to the member, resulted from identity theft, the Credit Union will not furnish such information to the CRA unless the Credit Union subsequently knows or is informed by the member that the information is correct. The Credit Union will also have processes in place to respond to any notification that it receives from a CRA relating to information resulting from identify theft, to prevent the Credit Union from refurnishing such block information.