



FCRA Compliance: What's on the Front Burner and What's on the Back

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Agenda

- What's New and What Hasn't Changed on the Regulatory Front for Credit Reporting
- How to Satisfy Compliance Expectations While Achieving Operational Efficiencies



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CFPB Rulemaking

Medical Debt Reporting Final Rule

- Vacated 7/11/25 by N.D. TX.
- To date, 15 states have enacted their own laws restricting medical debt reporting

Data Broker Proposed Rule

- Proposed 12/24, formally withdrawn 5/15/25
- CFPB cited misalignment with its current interpretation of the FCRA and a determination that rulemaking was "not necessary or appropriate at this time" to support withdrawal

Coerced Debt ANPR

- Proposed 12/24; comment period closed 4/7/25; not formally withdrawn
- Current regulatory agenda cites May 2026 for the target timeframe for next rulemaking steps
- Industry commenters (ABA, CDIA, and others) argued that the proposed expansion of "identity theft" exceeds the CFPB's statutory authority under the FCRA



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CFPB Enforcement

Equifax 1/17/25 Consent Order

Found FCRA violations relating to:

- failing to properly conduct reinvestigations of disputed information;
- allowing previously deleted information to be reinserted;
- failing to provide adequate written notice of reinvestigation results;
- failing to follow reasonable procedures to assure maximum possible accuracy; and
- failing to block information consumers identified as resulting from identity theft.

\$15 million civil penalty and required updates to Equifax's dispute resolution process



American Honda Finance Corporation 1/17/25 Consent Order

Determined that Honda Finance violated the FCRA by:

- falsely reporting approximately 85,000 borrowers as delinquent during COVID-19 deferral periods when it had promised to report them as current;
- continuing to furnish inaccurate information after identifying the errors; and
- failing to conduct reasonable dispute investigations or report results to consumers from 2019 through 2024.

Ordered **\$10.3 million** in consumer redress and **\$2.5 million** civil penalty

Experian 1/7/25 Litigation (Ongoing)

Complaint alleged that Experian:

- conducted sham dispute investigations;
- failed to forward relevant consumer-submitted documentation to furnishers;
- exercised uncritical deference to furnishers' responses; and
- improperly reinserted previously deleted tradelines.

The case is still in litigation — a motion to dismiss is pending after the CFPB filed an amended complaint in August 2025



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CFPB Supervision

CRA list updated 1/30/25

Key additions and changes:

- gaming expanded to include sports betting;
- telecom added as a category;
- employment screening reports may include social media data;
- new guidance clarifying that deposit account history can affect credit eligibility and that consumers are entitled to an adverse action notice if denied a checking account;
- increased fee that can be charged for a consumer report copy to \$15.50

Supervisory Highlights – None published under new Administration

Findings from last issued January 2025, which covered Winter 2024:

- Furnishers lacked reasonable written procedures to respond to identity theft block request notifications
- Student loan furnishers lacked sufficient policies and procedures, resulting in systemic errors, including reporting loans in bankruptcy, inaccurate loan durations, and mismatched personal information
- Furnishers using automated dispute response systems frequently only reviewed their own records in responding to disputes without considering the records of the underlying creditors on whose behalf they were acting
- Furnishers continued to report inaccurate or incomplete information after identifying related deficiencies, sometimes over multiple months or years.

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State Legislation

Medical Debt

- CA AB2297, CA SB1061, GA HB765, IL SB2933, KS HB2246, KY SB243, MA H476, MA H1386, MA S214, MD HB765, MD HB268, MD SB981, MD HB 1020, ME LD558, MI SB95, MO SB724, NJ A3861, NC S672, OK SB889, PA SB371, SC H4149, VA HB1370, VA HB1725, VT S27, VT S83, WA SB5493, WV SB5480
- Pending litigation challenging medical debt furnishing bans on preemption grounds: CO, ME, MN

Coerced Debt

- CT SB123, IL HB3352, NC S650, NV AB250, NY S1353, VT H385

Other Debt • NC S426, NM HB224, NY S7167, NY S2011

Other Content Restrictions • MD HB662, MD SB41, UT SB70

Trigger Leads:

- AR HB 1184, IA HF857, IA SB1145, IL SB2232, IS HSB150, MA H1122, MA H1199, MT HJ33, UT HB99

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FCRA Legislation

FCRA Complaint Filings

- In 2025, filed FCRA complaint filings rose 37.4% compared to 2024 (WebRecon December 2025)

Continuing Litigation Trends

- Inaccurate reporting, failing to conduct a reasonable reinvestigation, employer background checks, medical debt reporting-related disputes, AI-generated disputes, adverse action notices, permissible purpose

Active FCRA Litigation Environment:

- The combination of serial plaintiffs, AI-generated disputes, expanding state law requirements, combined with a vacuum in federal enforcement, has produced a FCRA litigation environment that is more active and more complex than at any prior point — and shows no signs of decelerating into 2026



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How to Satisfy Compliance Expectations While Achieving Operational Efficiencies



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Regulatory Expectations & Best Practices



Maintain appropriate policies and procedures



Furnish accurately through appropriate internal controls and correct inaccurate information



Perform reasonable investigations of disputed information



Analyze complaints & disputes; perform root cause analysis



Log, track and execute on self-identified issues with a credible remediation plan (action & timing)



Ensure permissible purpose exists for use of consumer reports with appropriate access and controls



Maintain records for a reasonable period



Conduct a periodic evaluation of a Furnisher's own practices



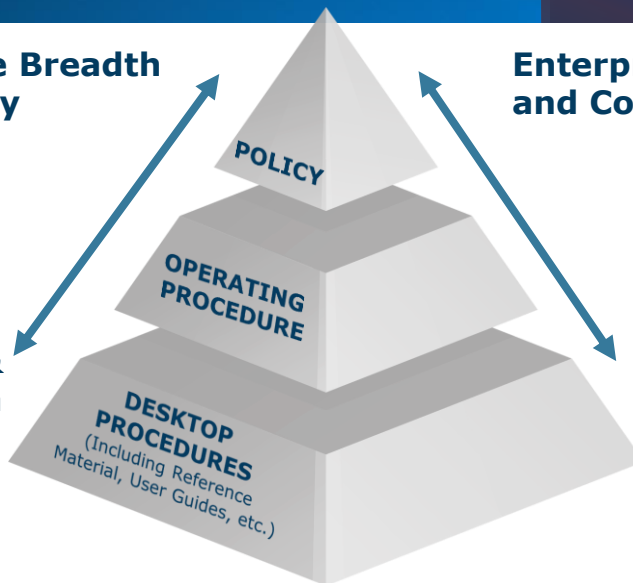
Policies & Procedures

Enterprise-wide Breadth and Applicability

Enterprise Governance and Control

Business Unit & Functional Area Breadth and Applicability

Business Unit Governance Control & Execution



8-Stage Furnishing Data Validation Process

PRE-TRANSMISSION CONTROLS

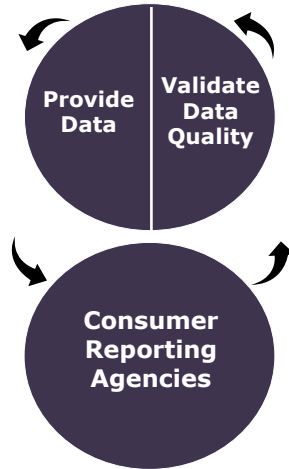
STAGE 1 – Pre-transmission review of certain file statistics

STAGE 2 – Quarterly evaluation of the reporting criteria, data mapping, and conversion from the core system to the Metro 2® file

STAGE 3 – Quarterly evaluation of the actual reporting file, to confirm that each of the fields are reporting in the correct byte # or position # on the file

STAGE 4 – Inclusion of consumer reporting processes and file criteria in all regression testing plans

DATA FURNISHERS



POST-TRANSMISSION CONTROLS

STAGE 8 – Periodic evaluation of a sample of records to assess the data as it appears on the credit bureau to confirm data is mapped correctly

STAGE 7 – Annual data audit with each CRA to identify opportunities for enhancement

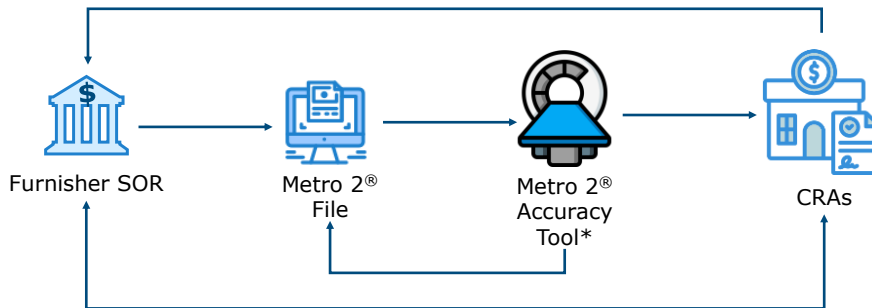
STAGE 6 – Review of CRA-generated statistics report (aka Reject & Error)

STAGE 5 – Post-transmission confirmation (e.g., # of records)

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Automation Opportunities – Furnishing Accuracy

Monthly Statistics / Feedback Reports (aka “Rejects & Errors”)



Post-Processing Evaluation of Tradelines
(Bullseye, ADV, Account Review, Pinpointe)

*While ideal to evaluate Metro 2® file prior to transmission to CRAs, alternative is post-transmission, especially for furnishers whose servicers report on their behalf.



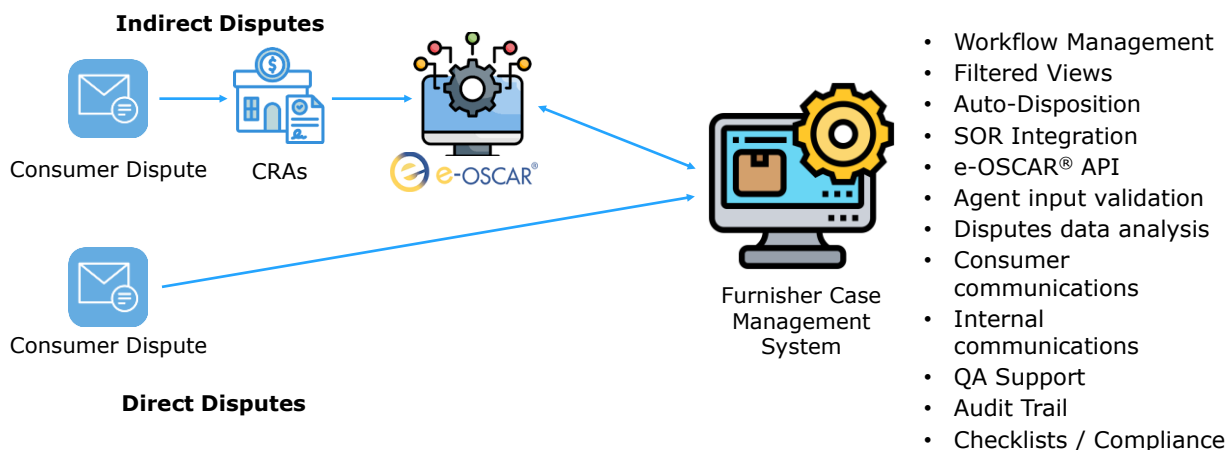
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Reasonable Dispute Investigations



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Automation Opportunities – Disputes Efficiency



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Consumer Report Use: Know "Where" & "How"

- What triggers are needed for consumer report data?
- How is consumer's permission confirmed?
- Who has access to obtain consumer reports?
- How is consumer data utilized?
- What notifications are required?

TYPICAL AREAS USING CONSUMER REPORTING DATA

Marketing & Cross Sell

- Pre-Screen Offers
- New Products to Existing Customers

Account Origination & Underwriting

- Evaluation of New Account Application - Decision & Pricing

Servicing

- Pricing Changes
- Account Action Notices
- Responses to Customer Calls

Portfolio Management

- Account Reviews
- Proactive Account Repricing

Collections & Recovery

- Early Warning Analysis
- Collections Efforts
- Loan Modification

Fraud Management

- ID Alert Processes
- Account Takeover Review

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Questions?



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THANK YOU

