

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

**UNITED STATES OF AMERICA,  
Plaintiff,**

**v.**

Civil Action No. \_\_\_\_\_

**TELECHECK SERVICES, INC., a  
Delaware corporation,**

**and**

**TRS RECOVERY SERVICES, INC., a  
Delaware corporation,**

**Defendants.**

**STIPULATED FINAL JUDGMENT AND ORDER FOR CIVIL PENALTIES,  
PERMANENT INJUNCTION, AND OTHER EQUITABLE RELIEF**

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“FTC” or “Commission”), filed its complaint for a permanent injunction, civil penalties, and other equitable relief, pursuant to sections 5(a), 5(m)(1)(A), 13(b), 16(a)(1), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), 56(a)(1), and 57b; and section 621(a) of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681s(a). Defendants have been represented by attorneys whose names appear hereafter. Defendants have waived service of the Summons and Complaint. Plaintiff and Defendants stipulate to the entry of this Stipulated Final Judgment and Order for Civil Penalties, Permanent Injunction, and Other Equitable Relief (“Order”) to resolve all matters in dispute in this action between them.

**THEREFORE, IT IS ORDERED** as follows:

### **FINDINGS**

1. This Court has jurisdiction over this matter.
2. The Complaint charges that TeleCheck, a consumer reporting agency (“CRA”), participated in deceptive or unfair acts or practices in violation of the FTC Act, 15 U.S.C. § 45(a); and sections 611(*et seq.*) and 607(b) of the FCRA, 15 U.S.C. §§ 1681i (*et seq.*) and 1681e(b).
3. The Complaint charges that TRS, a debt-collector, participated in deceptive or unfair acts or practices in violation of section 5 of the FTC Act, 15 U.S.C. § 45(a); and violated the Duties of Furnishers of Information to Consumer Reporting Agencies Rule, 16 C.F.R. § 660.3, recodified at 12 C.F.R. § 1022.42 (“Furnisher Rule”).
4. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts necessary to establish jurisdiction.
5. The parties waive all rights to appeal or otherwise challenge or contest the validity of this Order.
6. Defendants waive any claim they may have against the Commission, its employees, representatives, or agents that relate to the matter stated herein.
7. Defendants waive any claim they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and Defendants agree to bear their own costs and attorneys’ fees.
8. Entry of this Order is in the public interest.

### **DEFINITIONS**

For the purpose of this Order:

1. “Defendants” shall mean TeleCheck Services, Inc. (“TeleCheck”) and TRS Recovery Services, Inc. (“TRS”), their subsidiaries and operating companies, and their successors and assigns.

2. The definitions set forth in the FCRA, 15 U.S.C. § 1681a, *et seq.*, shall apply, including but not limited to:

- a. “Person” shall mean any individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity.
- b. “Consumer” shall mean an individual.
- c. “Consumer Report” shall mean any written, oral, or other communication of any information by a CRA bearing on a consumer’s credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer’s eligibility for (1) credit or insurance to be used primarily for personal, family, or household purposes; (2) employment purposes; or (3) any other purpose authorized under section 604 of the FCRA, 15 U.S.C. § 1681b. For exclusions, *see* section 603(d)(2) of the FCRA, 15 U.S.C. § 1681a(d)(2), a copy of which is attached as Exhibit A.
- d. “Consumer Reporting Agency” or “CRA” shall mean any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing

consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

**ORDER**

**I. CIVIL PENALTY**

**IT IS ORDERED** that judgment in the amount of three million five hundred thousand dollars (\$3,500,000) is entered in favor of Plaintiff against Defendants, jointly and severally, as a civil penalty, pursuant to section 621(a) of the FCRA, 15 U.S.C. § 1681s(a).

Defendants are ordered to pay Plaintiff, by making payment to the Treasurer of the United States, three million five hundred thousand dollars (\$3,500,000) within seven (7) days of entry of this Order by electronic fund transfer in accordance with instructions previously provided by a representative of Plaintiff.

**II. ADDITIONAL MONETARY PROVISIONS**

**IT IS FURTHER ORDERED** that:

A. If Defendants are in default on any obligations under this Section, then the judgment amount, together with interest computed pursuant to 28 U.S.C. § 1961 from the date of default to the date of payment, minus any payments previously made pursuant to this Section, becomes immediately due.

B. Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

C. The facts as alleged in the Complaint filed will be taken as true, without further proof, in any subsequent civil litigation filed by or on behalf of the Commission to enforce its rights to any payment or monetary judgment pursuant to this Order.

### **III. PROHIBITED BUSINESS ACTIVITIES AS TO TELECHECK**

**IT IS FURTHER ORDERED** that TeleCheck, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with TeleCheck's activities as a CRA, are hereby permanently restrained and enjoined from:

A. Failing to comply with section 611 of the FCRA, 15 U.S.C. § 1681i, a copy of which is attached as Exhibit B, including by:

1. Requiring the consumer to contact a third party directly to resolve a dispute over the completeness or accuracy of any item of information contained in the consumer's file;
2. Imposing limitations or conditions before conducting a reinvestigation unless such limitations or conditions are expressly allowed by the FCRA;
3. Failing to complete reinvestigations of disputes within 30 days or, if TeleCheck receives information from the consumer during that 30-day period that is relevant to the reinvestigation, within 45 days, and failing to adequately track the handling and resolution of consumer disputes to ensure their timely resolution;
4. Failing to provide, before the expiration of the 5-business-day period beginning on the date on which TeleCheck receives notice of a dispute from any consumer, notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with the person, which includes all relevant information regarding the dispute that TeleCheck has received from the consumer;

5. Failing to notify the consumer, within 5 business days, by mail or other means authorized by the consumer for that purpose, when it has terminated a reinvestigation of information disputed by a consumer, because it reasonably determined that the consumer's dispute was frivolous or irrelevant;
6. After conducting a reinvestigation of any information disputed by a consumer and finding that an item of information is inaccurate, incomplete, or cannot be verified, failing to:
  - i. promptly delete or modify an item of information from the consumer's file, as appropriate, based on the results of the reinvestigation; and
  - ii. promptly notify the furnisher of that information that the information has been modified or deleted from the consumer's file;
7. Failing to maintain reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of information that is deleted pursuant to a reinvestigation;
8. Failing to provide written notice to a consumer of the results of a reinvestigation not later than five (5) business days after the completion of the reinvestigation;

B. Failing to comply with section 607(b) of the FCRA, 15 U.S.C. § 1681e(b), a copy of which is attached as Exhibit C, including by failing to promptly delete or modify an item of information from the consumer's file after conducting a reinvestigation and finding that an item of information was inaccurate or unverifiable.

#### **IV. PROHIBITED BUSINESS ACTIVITIES AS TO TRS**

**IT IS FURTHER ORDERED** that TRS, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them, who receive actual

notice of this Order, whether acting directly or indirectly, in connection with TRS's activities as a debt-collector, are hereby permanently restrained and enjoined from:

A. Failing to comply with 12 C.F.R. § 1022.42, a copy of which is attached as Exhibit D, including by failing to consider the guidelines in 12 C.F.R. § 1022, subpart E, in TRS's written policies and procedures.

#### **V. ORDER ACKNOWLEDGMENTS**

**IT IS FURTHER ORDERED** that Defendants obtain acknowledgments of receipt of this Order:

A. Each Defendant, within seven (7) days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For five (5) years after entry of this Order, each Defendant for any business that such Defendant, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within seven (7) days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Defendant delivered a copy of this Order, that Defendant must obtain, within thirty (30) days, a signed and dated acknowledgment of receipt of this Order.

#### **VI. COMPLIANCE REPORTING**

**IT IS FURTHER ORDERED** that Defendants make timely submissions to the Commission:

A. One hundred eighty (180) days after entry of this Order, each Defendant must submit a compliance report, sworn under penalty of perjury. Each Defendant must: (1) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission or Plaintiff may use to communicate with Defendant; (2) identify all of that Defendant's businesses by all of their names, primary telephone numbers, and physical, postal, email, and Internet addresses; (3) describe the activities of each business, including the products and services offered, the means of consumer reporting and debt collection, and, the involvement of any other Defendant; (4) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (5) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

B. For ten (10) years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within fourteen (14) days of any change in the following: (1) any designated point of contact; or (2) the structure of Defendant or any entity that Defendant has any ownership interest in or directly or indirectly controls that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices of subject to this Order.

C. Each Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against such Defendant within fourteen (14) days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by



concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on:\_\_\_\_\_” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *U.S. v. TeleCheck Svcs, Inc.; TRS Recovery Svcs, Inc.*

## **VII. RECORDKEEPING PROVISIONS**

**IT IS FURTHER ORDERED** that Defendants must create certain records for ten (10) years after entry of the Order, and retain each such record for five (5) years. Specifically, Defendants, in connection with providing consumer reports, must create and retain the following records:

A. Accounting records showing the revenues from all goods or services sold, all costs incurred in generating those revenues, and the resulting net profit or loss;

B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person’s: name, addresses, and telephone numbers; job title or position; dates of service; and, (if applicable) the reason for termination;

C. Consumer complaints, whether received directly or indirectly, such as through a third party, and any response;

D. Copies of all training materials and written policies and procedures that relate to Defendants’ activities in consumer reporting or debt-collection or Defendants’ compliance with the provisions of this Order;

E. Consumer dispute files that include correspondence between consumers and Defendants, and correspondence between Defendants and furnishers of disputed information, sufficient to demonstrate compliance with section 611 of the FCRA, 15 U.S.C. § 1681, a copy of which is attached as Exhibit B; and

F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission.

### **VIII. COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring Defendants' compliance with this Order:

A. Within fourteen (14) days of receipt of a written request from a representative of Commission or Plaintiff, each Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission and Plaintiff are also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69, provided that Defendant, after attempting to resolve a dispute without court action and for good cause shown, may file a motion with this Court seeking an order including one or more of the protections set forth in Rule 26(c).

B. For matters concerning this Order, the Commission and Plaintiff are authorized to communicate directly with each Defendant. Defendants must permit representatives of the Commission and Plaintiff to interview any employee or other person affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.

C. The Commission and Plaintiff may use all other lawful means, including posing, through its representatives, as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

**IX. RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

**IT IS SO ORDERED:**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2014

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UNITED STATES DISTRICT JUDGE

The parties, by their respective counsel, hereby consent to the terms and conditions of the Stipulated Order as set forth above and consent to the entry thereof.

**FOR THE PLAINTIFF  
FOR THE UNITED STATES OF AMERICA:**

STUART F. DELERY  
Assistant Attorney General, Civil Division  
U.S. DEPARTMENT OF JUSTICE

MAAME EWUSI-MENSAH FRIMPONG  
Deputy Assistant Attorney General  
Civil Division

MICHAEL S. BLUME  
Director  
Consumer Protection Branch

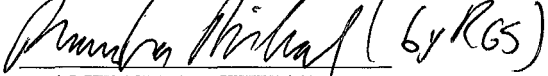
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**FOR THE FEDERAL TRADE COMMISSION:**

 (by RGS)

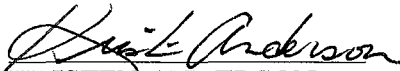
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Division of Privacy and Identity Protection



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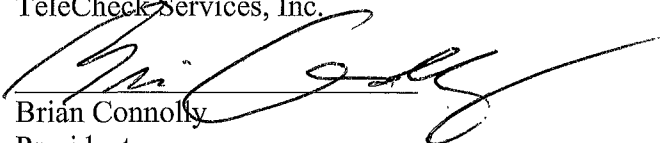


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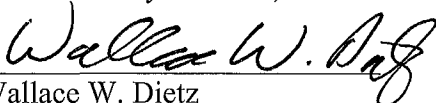
**FOR THE DEFENDANTS:**



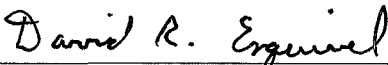
Mark Wallin  
President  
TeleCheck Services, Inc.



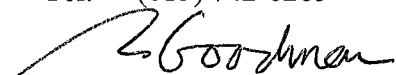
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**Attachments:**

Exhibit A: Section 603(d)(2) of the FCRA, 15 U.S.C. § 1681a(d)(2)

Exhibit B: Section 611 of the FCRA, 15 U.S.C. § 1681i

Exhibit C: Section 607(b) of the FCRA, 15 U.S.C. § 1681e(b)

Exhibit D: Reasonable policies and procedures concerning the accuracy and integrity of  
furnished information, 12 C.F.R. § 1022.42

**Exhibit A**

§ 603. Definitions; rules of construction [15 U.S.C. § 1681a]

...

(d) Consumer report.

...

(2) *Exclusions.* Except as provided in paragraph (3), the term "consumer report" does not include

- (A) subject to section 624, any
  - (i) report containing information solely as to transactions or experiences between the consumer and the person making the report;
  - (ii) communication of that information among persons related by common ownership or affiliated by corporate control; or
  - (iii) communication of other information among persons related by common ownership or affiliated by corporate control, if it is clearly and conspicuously disclosed to the consumer that the information may be communicated among such persons and the consumer is given the opportunity, before the time that the information is initially communicated, to direct that such information not be communicated among such persons;
- (B) any authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;
- (C) any report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys his or her decision with respect to such request, if the third party advises the consumer of



the name and address of the person to whom the request was made, and such person makes the disclosures to the consumer required under section 615 [§ 1681m]; or

- (D) a communication described in subsection (o) or (x) among such persons;

**Exhibit B**

§ 611. Procedure in case of disputed accuracy [15 U.S.C. § 1681i]

(a) Reinvestigations of Disputed Information

(1) Reinvestigation Required

- (A) *In general.* Subject to subsection (f), if the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly, or indirectly through a reseller, of such dispute, the agency shall, free of charge, conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5), before the end of the 30-day period beginning on the date on which the agency receives the notice of the dispute from the consumer or reseller.
- (B) *Extension of period to reinvestigate.* Except as provided in subparagraph (c), the 30-day period described in subparagraph (A) may be extended for not more than 15 additional days if the consumer reporting agency receives information from the consumer during that 30-day period that is relevant to the reinvestigation.
- (C) *Limitations on extension of period to reinvestigate.* Subparagraph (B) shall not apply to any reinvestigation in which, during the 30-day period described in subparagraph (A), the information that is the subject of the

reinvestigation is found to be inaccurate or incomplete or the consumer reporting agency determines that the information cannot be verified.

(2) Prompt Notice of Dispute to Furnisher of Information

(A) *In general.* Before the expiration of the 5-business-day period beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer or a reseller in accordance with paragraph (1), the agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with the person. The notice shall include all relevant information regarding the dispute that the agency has received from the consumer or reseller.

(B) *Provision of other information.* The consumer reporting agency shall promptly provide to the person who provided the information in dispute all relevant information regarding the dispute that is received by the agency from the consumer or the reseller after the period referred to in subparagraph (A) and before the end of the period referred to in paragraph (1)(A).

(3) Determination That Dispute Is Frivolous or Irrelevant

(A) *In general.* Notwithstanding paragraph (1), a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under that paragraph if the agency reasonably determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure

by a consumer to provide sufficient information to investigate the disputed information.

(B) *Notice of determination.* Upon making any determination in accordance with subparagraph (A) that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer of such determination not later than 5 business days after making such determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the agency.

(C) *Contents of notice.* A notice under subparagraph (B) shall include

- (i) the reasons for the determination under subparagraph (A); and
- (ii) identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of such information.

(4) *Consideration of consumer information.* In conducting any reinvestigation under paragraph (1) with respect to disputed information in the file of any consumer, the consumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in paragraph (1)(A) with respect to such disputed information.

(5) **Treatment of Inaccurate or Unverifiable Information**

(A) *In general.* If, after any reinvestigation under paragraph (1) of any information disputed by a consumer, an item of the information is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency shall—

- (i) promptly delete that item of information from the file of the consumer, or modify that item of information, as appropriate, based on the results of the reinvestigation; and
- (ii) promptly notify the furnisher of that information that the information has been modified or deleted from the file of the consumer.

(B) Requirements Relating to Reinsertion of Previously Deleted Material

- (i) *Certification of accuracy of information.* If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate.
- (ii) *Notice to consumer.* If any information that has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing not later than 5 business days after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency.
- (iii) *Additional information.* As part of, or in addition to, the notice under clause (ii), a consumer reporting agency shall provide to a consumer in writing not later than 5 business days after the date of the reinsertion

- (I) a statement that the disputed information has been reinserted;
  - (II) the business name and address of any furnisher of information contacted and the telephone number of such furnisher, if reasonably available, or of any furnisher of information that contacted the consumer reporting agency, in connection with the reinsertion of such information; and
  - (III) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.
- (C) *Procedures to prevent reappearance.* A consumer reporting agency shall maintain reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of information that is deleted pursuant to this paragraph (other than information that is reinserted in accordance with subparagraph (B)(i)).
- (D) *Automated reinvestigation system.* Any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall implement an automated system through which furnishers of information to that consumer reporting agency may report the results of a reinvestigation that finds incomplete or inaccurate information in a consumer's file to other such consumer reporting agencies.
- (6) Notice of Results of Reinvestigation

- (A) *In general.* A consumer reporting agency shall provide written notice to a consumer of the results of a reinvestigation under this subsection not later than 5 business days after the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by other means available to the agency.
- (B) *Contents.* As part of, or in addition to, the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing before the expiration of the 5-day period referred to in subparagraph (A)
- (i) a statement that the reinvestigation is completed;
  - (ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;
  - (iii) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the business name and address of any furnisher of information contacted in connection with such information and the telephone number of such furnisher, if reasonably available;
  - (iv) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the information; and
  - (v) a notice that the consumer has the right to request under subsection (d) that the consumer reporting agency furnish notifications under that subsection.

- (7) Description of reinvestigation procedure. A consumer reporting agency shall provide to a consumer a description referred to in paragraph (6)(B)(iii) by not later than 15 days after receiving a request from the consumer for that description.
  - (8) Expedited dispute resolution. If a dispute regarding an item of information in a consumer's file at a consumer reporting agency is resolved in accordance with paragraph (5)(A) by the deletion of the disputed information by not later than 3 business days after the date on which the agency receives notice of the dispute from the consumer in accordance with paragraph (1)(A), then the agency shall not be required to comply with paragraphs (2), (6), and (7) with respect to that dispute if the agency
    - (A) provides prompt notice of the deletion to the consumer by telephone;
    - (B) includes in that notice, or in a written notice that accompanies a confirmation and consumer report provided in accordance with subparagraph (C), a statement of the consumer's right to request under subsection (d) that the agency furnish notifications under that subsection; and
    - (C) provides written confirmation of the deletion and a copy of a consumer report on the consumer that is based on the consumer's file after the deletion, not later than 5 business days after making the deletion.
- (b) *Statement of dispute.* If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit such statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.



- (c) *Notification of consumer dispute in subsequent consumer reports.* Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in any subsequent report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.
- (d) *Notification of deletion of disputed information.* Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the consumer reporting agency shall, at the request of the consumer, furnish notification that the item has been deleted or the statement, codification or summary pursuant to subsection (b) or (c) of this section to any person specifically designated by the consumer who has within two years prior thereto received a consumer report for employment purposes, or within six months prior thereto received a consumer report for any other purpose, which contained the deleted or disputed information.
- (e) Treatment of Complaints and Report to Congress
  - (1) *In general.* The Bureau shall –
    - (A) compile all complaints that it receives that a file of a consumer that is maintained by a consumer reporting agency described in section 603(p) contains incomplete or inaccurate information, with respect to which, the consumer appears to have disputed the completeness or accuracy with the consumer reporting agency or otherwise utilized the procedures provided by subsection (a); and
    - (B) transmit each such complaint to each consumer reporting agency involved.

- (2) *Exclusion.* Complaints received or obtained by the Bureau pursuant to its investigative authority under the Consumer Financial Protection Act of 2010 shall not be subject to paragraph (1).
  - (3) *Agency responsibilities.* Each consumer reporting agency described in section 603(p) that receives a complaint transmitted by the Bureau pursuant to paragraph (1) shall –
    - (A) review each such complaint to determine whether all legal obligations imposed on the consumer reporting agency under this title (including any obligation imposed by an applicable court or administrative order) have been met with respect to the subject matter of the complaint;
    - (B) provide reports on a regular basis to the Bureau regarding the determinations of and actions taken by the consumer reporting agency, if any, in connection with its review of such complaints; and
    - (C) maintain, for a reasonable time period, records regarding the disposition of each such complaint that is sufficient to demonstrate compliance with this subsection.
  - (4) *Rulemaking authority.* The Bureau may prescribe regulations, as appropriate to implement this subsection.
  - (5) *Annual report.* The Bureau shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual report regarding information gathered by the Bureau under this subsection.
- (f) Reinvestigation Requirement Applicable to Resellers

- (1) *Exemption from general reinvestigation requirement.* Except as provided in paragraph (2), a reseller shall be exempt from the requirements of this section.
- (2) *Action required upon receiving notice of a dispute.* If a reseller receives a notice from a consumer of a dispute concerning the completeness or accuracy of any item of information contained in a consumer report on such consumer produced by the reseller, the reseller shall, within 5 business days of receiving the notice, and free of charge –
  - (A) determine whether the item of information is incomplete or inaccurate as a result of an act or omission of the reseller; and
  - (B)
    - (i) if the reseller determines that the item of information is incomplete or inaccurate as a result of an act or omission of the reseller, not later than 20 days after receiving the notice, correct the information in the consumer report or delete it; or
    - (ii) if the reseller determines that the item of information is not incomplete or inaccurate as a result of an act or omission of the reseller, convey the notice of the dispute, together with all relevant information provided by the consumer, to each consumer reporting agency that provided the reseller with the information that is the subject of the dispute, using an address or a notification mechanism specified by the consumer reporting agency for such notices.
- (3) *Responsibility of consumer reporting agency to notify consumer through reseller.*  
Upon the completion of a reinvestigation under this section of a dispute

concerning the completeness or accuracy of any information in the file of a consumer by a consumer reporting agency that received notice of the dispute from a reseller under paragraph (2) –

(A) the notice by the consumer reporting agency under paragraph (6), (7), or (8) of subsection (a) shall be provided to the reseller in lieu of the consumer; and

(B) the reseller shall immediately reconvey such notice to the consumer, including any notice of a deletion by telephone in the manner required under paragraph (8)(A).

(4) *Reseller reinvestigations.* No provision of this subsection shall be construed as prohibiting a reseller from conducting a reinvestigation of a consumer dispute directly.

**Exhibit C**

§ 607. Compliance procedures [15 U.S.C. § 1681e]

...

(b) *Accuracy of report.* Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

**Exhibit D**

12 C.F.R. § 1022.42. Reasonable policies and procedures concerning the accuracy and integrity of furnished information.

- (a) *Policies and procedures.* Each furnisher must establish and implement reasonable written policies and procedures regarding the accuracy and integrity of the information relating to consumers that it furnishes to a consumer reporting agency. The policies and procedures must be appropriate to the nature, size, complexity, and scope of each furnisher's activities.
- (b) *Guidelines.* Each furnisher must consider the guidelines in appendix E of this part in developing its policies and procedures required by this section, and incorporate those guidelines that are appropriate.
- (c) *Reviewing and updating policies and procedures.* Each furnisher must review its policies and procedures required by this section periodically and update them as necessary to ensure their continued effectiveness.