FAIR CREDIT REPORTING ACT (FCRA)

REVIEW CONSIDERATIONS

Review Considerations

Review Area	Requirements / Recommendations
General Coverage	Determine whether the credit union obtains or uses consumer reports for a permissible purpose under Section 604 of the FCRA. Determine whether the credit union as a user of consumer reports and furnisher of credit information complies with all applicable FCRA provisions. Determine whether all communication of consumer credit information to third-parties fall within the exclusions from the definition of "consumer report" or whether the credit union is acting as a Consumer Reporting Agency (CRA) as defined in Section 603(f) and, is in compliance with the CRA requirements of FCRA.
Procedures	Ensure procedures for implementing and complying with FCRA are in place.
Permissible Purposes for Consumer Reports	Use consumer reports for the following permissible purposes in accordance with the conditions in Section 604: credit or insurance to be used primarily for personal, family, or household purposes; employment purposes; in accordance with written instructions of the consumer; to establish eligibility for government licenses or benefits; to assess the credit or prepayment risks of existing credit obligation; for legitimate business need when consumer initiates the transaction; and to review current accounts.
Adverse Action Based on Consumer Reporting Agency Information	Provide oral, written, or electronic notice of any adverse action to a member. Provide the name, address, and telephone number of the CRA that furnished the report. Provide oral, written, or electronic notice to the member of the member's right to obtain a free copy of the member's consumer report and to dispute with a CRA the accuracy or completeness

	of any information. Additional disclosures and requirements for employment adverse actions in Section 604. Note: No credit union will be held liable for a violation of Section 615 if the credit union can show by a preponderance of the evidence that at the time of the alleged violation the credit union maintained reasonable procedures to ensure compliance with the requirements on users of consumer reports, Section 615 of FCRA.
Adverse Action Related to Consumer Credit Based on Information from Other Sources	Clearly and accurately disclose to the member the right to make a written request for the reasons for adverse action within 60 days of learning of the adverse action. Disclose the nature of the information to the member within a reasonable period of time, upon receipt of the member's written request.
Credit or Insurance Transactions Not Initiated By the Member	Ensure pre-approved or pre-screened credit to members meet the conditions outlined in Section 604: ▪ Member authorizes the CRA to provide prescreened consumer reports; or ▪ The transaction consists of a firm offer of credit or insurance A firm offer of credit is one that the credit union will honor if the member meets the criteria used in the pre-screened report. An offer based on a pre-screened list must be accompanied by a clear and conspicuous disclosure statement informing the member of certain information.
Furnishing Information to the CRA	Ensure accurate information is provided to the CRA and that information is corrected and updated if the credit union determines incompleteness or inaccurateness.
Disputed Information	Refrain from furnishing information to any CRA without notice that such information is in dispute.
Notice of Closed Accounts	Notify the CRA of the voluntary closure of an account by a member when the credit union regularly and in the ordinary course of business

	furnishes information to a CRA regarding a member who has a credit account with them.
Notice of delinquency of accounts	Notify the CRA of the month and year of the commencement of the delinquency that immediately preceded the action within 90 days of furnishing the information to the CRA.
Notice of Dispute	After receiving notice of a dispute with regard to the completeness or accuracy of any information provided by a credit union to a CRA, the credit union must: ▪ Conduct an investigation ▪ Review all relevant information provided by the CRA ▪ Report the results of the investigation to the CRA ▪ If the investigation finds the information is incomplete or inaccurate, report those results to all other CRAs where the credit union furnished the information Complete all investigations, reviews, and reports within required timeframes.
Training	Provide training to employees whose duties are impacted by FCRA.