

Frequently Asked Question and Answer

October 1, 2015

Question

What is the Institution's responsibility regarding reporting corrected addresses back to the consumer reporting agency it received the information from once an address discrepancy has been resolved?

Short Answer

The Institution is responsible for reporting corrected addresses back to the consumer reporting agency. The Fair Credit Reporting Act (Regulation V) requires users of consumer reports to implement reasonable policies and procedures to ensure that they furnish an address to the consumer reporting agency when the Institution has received an address discrepancy and has reasonably confirmed that the address is correct.

Examples by which the regulation allows institutions to confirm addresses include: by verifying the address with the consumer, reviewing the address against its own records, verifying with a third party, or using other reasonable means.

Answer Details

Regulation V considers the information within consumer reports to be an integral resource for confirming the validity of consumer information and detecting potential identity theft. The primary goal of §1022.82(d) of the regulation is to ensure that consumer reports are accurate. The regulation requires that institutions formulate policies and procedures:

- When the Institution can form a reasonable belief that the report it pulled actually relates to the consumer on whom the report was originally requested;
- When the Institution establishes a continuing relationship with the consumer; and
- When the Institution regularly furnishes information to the consumer reporting agency from which the notice of address discrepancy was originally received

§1022.82(d)(3) states that the Institution must establish policies and procedures to ensure that the corrected address is furnished to the consumer reporting agency once the Institution has confirmed that the address is accurate or within the same reporting period in which the Institution establishes the relationship with the customer.

Some institutions may utilize tri-merge credit report service providers instead of working directly with the major nationwide credit bureaus. Institutions must ensure that corrected addresses are still provided to the original consumer reporting credit bureau that originally held the reported information for the address discrepancy.

If you are interested in a Fair Credit Reporting Act or Identity Theft Red Flags audit, please contact Brian Shea, CRCM, CAMS, Regulatory Compliance Senior Manager, at 617-261-8133 or bshea@wolfandco.com; or Erica Torres, CRCM, Regulatory Compliance Senior Manager, at 617-261-8121 or etorres@wolfandco.com.