




**RMAI Debt Buyers and Debt Collectors:
The Current Landscape of Credit
Reporting**

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Program Objectives

- Review legal requirements under FCRA, Regulation V, CARES Act and Regulation F
- Highlight areas of regulatory scrutiny and concern
- Provide overview of reports and tools available through e-OSCAR to help evaluate compliance with legal requirements and address regulatory concerns

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Legal Landscape

Fair Credit Reporting Act and CARES Act Requirements

- Report accurately, reporting cannot be misleading
 - ✓ Account Status
 - ✓ Date of First Delinquency – verified with original creditor or reasonable
 - ✓ Current Balances, Amount Past Due
 - ✓ Identify original creditor and company from whom account purchased
- CARES Act
 - ✓ Accounts charged-off not included; silent as to accounts in collection status
 - ✓ Marking accounts as impacted by declared disaster
 - ✓ Risk of increased disputes

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Legal Landscape

Debt Collection Practices Under Regulation F

- Under §1006.30(a), debt collector cannot furnish to consumer reporting agency until after:
 - ✓ Speaking to the consumer about the debt in person or by telephone; or
 - ✓ Placing a letter in the mail or sending an electronic message about the debt and waiting a reasonable time [Safe Harbor = 14 consecutive days] to receive a notice of undeliverability.
 - ✓ Notice does not apply to furnishing on a consumer's check writing history
- Notice may improve accuracy and reduce disputes

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Regulatory Landscape

Consumer Financial Protection Bureau rescinded statements about compliance during COVID-19

- April 1, 2020 CFPB issued Policy Statement on Supervisory and Enforcement Practices
 - ✓ Recognized challenges of COVID-19 and impact on businesses
 - ✓ Stated agency would consider furnisher's good faith efforts to comply with FCRA requirements (disputes) in light of COVID-19 impact
- Effective April 1, 2021, Statement rescinded
 - ✓ Fournishers and CRAs have had sufficient time to adapt to COVID-19 challenges. See [CFPB Rescission Statement](#)

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Regulatory Landscape – CFPB & FTC


Policies and Procedures for Furnishing – must be in writing and reasonable

Expectations for Debt Collectors

- ✓ Reasonable policies and procedures to ensure accuracy and integrity
- ✓ Reasonable procedures to obtain actual DOFD from clients
- ✓ Cannot report DOFD later than delinquency (e.g., charge-off date is not DOFD)
- ✓ Cannot make false representation that debts will be reported to CRAs if collector does not furnish for creditor or client
- ✓ Audit furnishing program
- ✓ Train staff

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Regulatory Landscape – CFPB & FTC

Dispute Investigations – must be reasonable and timely

Expectations for Debt Collectors

- ✓ Proper classification of consumer dispute vs. validation request
- ✓ Timelines for responding to FCRA disputes
- ✓ Conducting a reasonable investigation
 - ☐ Dispute from consumer and documents from consumer
 - Receipts, canceled checks, bank statements, credit card statements, other evidence of payment
 - ☐ Information from creditor
 - Credit application, loan or account agreement, account number and statements, payment history
 - ☐ Information in debt collector file/notes
 - ☐ Passive debt collection

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Regulatory Landscape – 605B Blocks

FTC Identity Theft Report and Use in Requesting 605B Blocks

- ID Theft Report - copy of official, valid report filed by consumer with a Federal, State, or local law enforcement agency, under penalty of perjury
- Used by consumers but often by credit repair companies
- CRA receives report and sends notice of the "Block" to Furnisher
- Blocked tradelines/accounts not included on consumer report unless Block rescinded

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Regulatory Landscape – 605B Blocks

- Block may be rescinded by CRAs if:
 - ✓ Information blocked in error
 - ✓ Consumer requested block in error
 - ✓ Material misrepresentation of fact in block request
 - ✓ Consumer obtained goods, services or money
- Furnisher may send request and certification to CRAs

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Regulatory Landscape – CFPB & FTC

Sources

- CFPB Supervisory Highlights, Issue 23, Winter 2021
- CFPB Supervisory Highlights, Issue 22, Summer 2020
- CFPB Supervisory Highlights, Issue 20, Winter 2019
- CFPB Consent Order Filed 11.12.2020
- Letter from FTC to CFPB re FDCA
- FTC Stipulated Order Filed 11.25.2020
- FTC ID Theft Portal

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Tools to Help Navigate the Landscape

e-OSCAR®

- Understand the system
- Use Reports to Track Trends in Volume and Types of Disputes
- Integrate into Audit Program

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e-OSCAR®: Package Delivery Service for Consumer Dispute Data



The diagram illustrates the data flow for e-OSCAR. On the left, 'Credit Reporting Agencies' (represented by building icons) send data to a central database icon labeled 'e-OSCAR'. On the right, 'Data Furnishers' (represented by bank building icons) also send data to the 'e-OSCAR' database. Arrows indicate the direction of data flow from both groups to the central database.

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What can be done in e-OSCAR®?

There are **SIX** key transaction types available in the e-OSCAR application, plus various administration capabilities

- View & respond to indirect consumer disputes (**ACDVs**)
- Create & submit interim tradeline maintenance requests for previously submitted tradelines (**AUDs**)
- Review Dispute Response, Block and AUD **Notifications**
- Facilitate account **reinsertion requests** subsequent to investigation of 605B Block Notifications
- Review transaction, maintenance, and audit **reporting**
- Request & download transaction and image **Archives** for long term data retention

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Additional e-OSCAR® Facts


Key notes about e-OSCAR and our team:

- Based on Metro2 Guidelines & other CRA-influenced requirements
- Majority of disputes are initiated by consumer via web
- e-OSCAR does not determine ACDV Response Due Dates
- e-OSCAR team cannot give guidance on how to respond. Can only give guidance on how to use application

E-OSCAR **CANNOT** be used to:

- Retrieve or view consumer tradeline information not associated with disputes
- Submit Metro2 data files to Consumer Reporting Agencies
- Delete inaccurate or fraudulent inquiries from credit files
- Remove judgements, public record items or liens

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Key & Upcoming e-OSCAR® Enhancements





- Complete UI and UX redesign of e-OSCAR application
- Intended for human interaction & utilization
- Simplified processes, easier navigation, modern design
- Federated logon, MFA
- Cloud-based architecture
- Redesigned image handling, archive process
- Linkages with Insights by e-OSCAR
- API integration between Data Furnishers & e-OSCAR: Available **NOW**
- ACDV, AUD, Notifications, BRR, Archive endpoints available
- Low-cost start up & monthly fees
- 3rd Party licensing available

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Insights by e-OSCAR™ REINVENTS Analysis

Robust and Dynamic Business Intelligence & Analysis powered by Microsoft Power BI Platform

- Supplements Reporting available in e-OSCAR
- Facilitates historical trend & root cause analysis
- Eases operational & management hurdles associated with productivity & Inventory management tracking

FREE to all DFs

Core Report Groups

- Inventory & Productivity Management
- Analytics & Forecasting
- Management Reporting
- Case Management Reporting
- More than FIFTY unique reports

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Example Active ACDV Inventory Dashboard

Step 1 of 10: Select Inventory

Inventory: 1,222 (Inventory Available for Shipping) | 1,477 (Inventory Available for Sale) | 11,074 (Inventory Available for Sale) | 8 (Inventory Available for Sale) | 112 (Inventory Available for Sale)

Inventory Available for Shipping: 1,222

Inventory Available for Sale: 1,477

Inventory Available for Sale: 11,074

Inventory Available for Sale: 8

Inventory Available for Sale: 112

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Example Historical Dispute Analysis

Received Date: 1/1/2017 to 4/15/2021

Total Received Disputes: 4,100,618

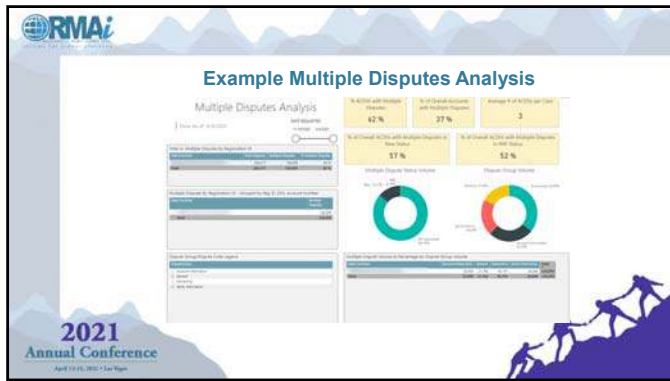
Average Daily Disputes Received: 2,644

Total Received Disputes By Month

Month | Total Received Disputes

Month	Total Received Disputes
Jan-2017	91,311
Feb-2017	91,340
Mar-2017	107,054
Apr-2017	100,404
May-2017	102,711
Jun-2017	104,450
Jul-2017	97,161
Aug-2017	98,340
Sep-2017	97,801
Oct-2017	98,841
Nov-2017	98,000
Dec-2017	97,809
Jan-2018	98,264
Feb-2018	97,450

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Case Management Aids Multiple, Repetitive Dispute Handling

e-OSCAR® CASE MANAGEMENT

- Optional, free enhancement to core e-OSCAR capabilities
- Group records by Consumer SSN and Account Number (other options available)
- Facilitates greater consistency in dispute responses & processing efficiency
- Leverage one investigation across multiple disputes
- Review Block Notifications & submit Block Rescission Requests from e-OSCAR

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Contact Information

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