

Fair Credit Reporting Act Compliance: Are You Sitting On A Ticking Time Bomb?

The Fair Credit Reporting Act (“FCRA”) and its panoply of requirements can make even the most experienced consumer finance attorney shudder. Failure to comply with any one of the statute’s provisions may expose your business to liability and bring into play the FCRA’s generous remedies, which include actual, statutory and punitive damages and attorney fees. Making matters worse, often times a violation of the FCRA’s proscriptions in one instance may mean that your business violated the statute in hundreds or thousands of additional instances. These types of violations often lead to expensive class action litigation and significant regulatory penalties.

The good news is that many of these cases and penalties can be avoided if you proactively invest in assessing your FCRA risk and implementing FCRA-compliant policies and procedures. Given the statute’s many nuances, handling FCRA compliance and litigation requires an approach that incorporates a detailed understanding of your company’s business operations.

Maddin Hauser’s Consumer Finance Group has extensive FCRA expertise, and is well equipped to assist you with navigating this complex and consumer-friendly statute. For example,

- We regularly defend FCRA loan-level and class litigation on behalf of furnishers and credit reporting agencies. Our experience includes:
 - Serving as local counsel for a major credit reporting agency in literally hundreds of FCRA cases
 - Assisting in the defense of a purported class action lawsuit where the plaintiffs claimed reporting agencies were reporting judgments but not satisfactions of those judgments
 - Excluding the bulk of plaintiff’s alleged damages as business losses in a significant FCRA jury trial
 - Participating in the coordinated defense of consumer claims regarding how charge-offs appear on consumer tradelines
 - Defending institutions from consumer claims alleging violations of the FCRA relating to a wide range of alleged reporting errors
- Our experience also includes counseling and assisting clients with FCRA compliance issues by:
 - Analyzing historical data on credit dispute investigations in connection with major regulatory exams
 - Responding to consumer credit reporting complaints
 - Revising policies and procedures relating to credit reporting
 - Recommending credit reporting enhancements to conform to industry best practice
 - Reviewing how company systems are “mapped” to the Metro 2 credit file
 - Assessing institutional failure to timely respond to incoming disputes from credit reporting agencies (a/k/a DNR rate)

There is no need for the FCRA to become yet another “headache” on your desk. Our unique FCRA litigation and compliance expertise, and our familiarity with reporting systems, complaint response procedures, industry best practices, data storage and retrieval practices, and accuracy and integrity requirements, allow us to be a “go to” resource for our clients.