



AG STRANGE ANNOUNCES SETTLEMENT WITH CREDIT REPORTING AGENCIES

(MONTGOMERY) – Attorney General Luther Strange and 30 other state Attorneys General today announced a major settlement with the three national credit reporting agencies – Equifax Information Services LLC, Experian Information Solutions Inc. and TransUnion LLC.

Under the settlement, the credit reporting agencies have agreed to make a number of changes to their business practices to benefit consumers, as well as to compensate the participating states a total of \$6 million for costs of the investigation. Alabama will receive \$137,018.

“I am pleased that our agreement brings about reforms that will provide for more effective dealings and better communication between consumers and the credit reporting agencies,” said Attorney General Strange. “These changes will make for smoother operations and better service to the consumers of Alabama and throughout the nation.”

The investigation focused on consumer disputes about credit report errors, monitoring and disciplining data furnishers (providers of credit reporting information), accuracy in consumer credit reports, and the marketing of credit monitoring products to consumers who call the credit reporting agencies to dispute information on their credit report.

Key provisions of the settlement include:

Higher standards for data furnishers:

- The credit reporting agencies must maintain information about problem data furnishers and provide a list of those furnishers to the states upon request.
- The credit reporting agencies and data furnishers must use a better, more detailed system to share data.

Limits to direct-to-consumer marketing:

- The credit reporting agencies cannot market credit monitoring services to a consumer during a dispute phone call until the dispute portion of the call has ended.
- The credit reporting agencies must tell consumers that purchasing a product is not a requirement for disputing information on their credits reports.

Added protections for consumers who dispute credit reporting information:



- The credit reporting agencies must implement an escalated process for handling complicated disputes, such as those involving identity theft, fraud, or mixed files — where one consumer's information is mixed with another's.
- Each credit reporting agency must notify the other agencies if it finds that one consumer's information has been mixed with another's.
- The credit reporting agencies must send a consumer's supporting documents to the data furnisher. (The credit reporting agencies implemented this change after the Attorneys General initiated their investigation and raised the concern that the pertinent complaint documents were not being sent to the furnishers.)
- Consumers may obtain one additional free credit report in a 12-month period if they dispute information on their credit report and a change is made as a result of the dispute.

Limits to certain information that can be added to a consumer's credit report:

- The credit reporting agencies are generally prohibited from adding information about fines and tickets to credit reports.
- The credit reporting agencies cannot place medical debt on a credit report until 180 days after the account is reported to the credit reporting agency, which gives consumers time to work out issues with their insurance companies.
- The credit reporting agencies must require debt collectors to provide the original creditor's name and information about the debt before the debt information can be added to a credit report.

Additional consumer education:

- The credit reporting agencies must tell consumers how they can further dispute the outcome of an investigation into a dispute, such as by filing a complaint with other agencies.
- Each credit reporting agency must provide a link to its online dispute website on the website www.annualcreditreport.com, and the credit reporting agency's dispute website must be free of ads and any marketing offers.

The changes required under the settlement will be implemented in three phases to allow the credit reporting agencies to update their IT systems and procedures with data furnishers. All changes must be completed by three years and 90 days following the settlement's effective date. If any credit reporting agency violates the settlement, it may be enforced according to state laws.

Participating in the settlement are the Attorneys General from the states of: Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, and Wisconsin.