

## Cabinet News and Views

Informed analysis for the financial services industry



### CFPB Imposes Several New Duties on Big Data Brokers



By [Mercedes Kelley Tunstall](#)  
Partner | Financial Regulation

The Consumer Financial Protection Bureau (“CFPB”) has issued several statements affecting the credit reporting industry in the last few months, including one on [medical debts](#) and one on [auto financing](#), while at the same time emphasizing that the definition of a consumer reporting agency (“CRA”) should be interpreted broadly to include not just credit reporting companies and tenant screeners [but also “other data brokers.”](#) This means that any company collecting “Big Data” and hoping to convert that data into profit by offering reports on individual consumers should beware and consider themselves a CRA that is subject to the Fair Credit Reporting Act (“FCRA”) and the CFPB.

CRA’s now must provide consumers with a means to remove, challenge or update items on their credit report that appear because the consumer has been the victim of a severe form of human trafficking or sex trafficking. This means that CRA’s must develop new processes to accept, evaluate and police these kinds of reports from consumers. [New changes to Regulation V](#), the implementing regulation of the FCRA, require completely new processes to be established to accommodate and manage such reports, and these obligations apply not just to the nationwide credit bureaus but to all companies that qualify as a CRA. Another new duty all CRA’s will have to face is to track and monitor state laws addressing credit reports, as a result of the CFPB’s [Interpretive Rule](#) that seeks to limit the preemptive effects of the FCRA. As the CFPB says in the rule, this means that, “[s]tates therefore retain substantial flexibility to pass laws involving consumer reporting to reflect emerging problems affecting their local economies and citizens.”

---