

**Report to Congress
Under Section 319 of the
Fair and Accurate Credit
Transactions Act of 2003**



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Federal Trade Commission

Edith Ramirez	Chairwoman
Julie Brill	Commissioner
Maureen K. Ohlhausen	Commissioner
Joshua D. Wright	Commissioner
Terrell McSweeney	Commissioner

Report Contributors

Beth A. Freeborn, Economist, Bureau of Economics, Division of Consumer Protection

Julie Miller, Research Analyst, Bureau of Economics, Division of Consumer Protection

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Executive Summary

Pursuant to Section 319 of the Fair and Accurate Credit Transactions Act (“FACT Act”), the Federal Trade Commission (“FTC”) submits its sixth interim and final report on a national study of credit report accuracy.

Section 319 of the FACT Act requires the FTC to conduct a national study of the accuracy and completeness of consumer credit reports. The results of the national accuracy study are described in detail in the *Report to Congress under Section 319 of the Fair and Accurate Credit Transactions Act of 2003 (December 2012)* (“2012 FTC 319 Study”). This report (“Follow-Up Study”) is an extension of the main study fully described in the 2012 FTC 319 Study.

The FTC contracted a research team to collect data for this national study of credit report accuracy and contracted the same research team to conduct a Follow-Up Study in the year following the collection of the data for the main study. The research team included members from the University of Missouri, St. Louis (UMSL), the University of Arizona, and the Fair Isaac Corporation. At the conclusion of the study, the contractor provided data in a de-identified format as well as a report summarizing the findings; the contractor’s report is included as Appendix B. Economists in the Bureau of Economics at the FTC independently analyzed the data and drafted this report.

2012 FTC 319 Study

The 2012 FTC 319 Study was the first national study designed to engage all the primary groups that participate in the credit reporting and scoring process: consumers, lenders/data furnishers, the Fair Isaac Corporation (“FICO”), and the national credit reporting agencies (“CRAs”). In brief, the 2012 study design called for 1,001 randomly selected consumers to review their three national credit reports with a study associate who helped them identify potential errors. Study participants were encouraged to use the Fair Credit Reporting Act (“FCRA”) dispute process to challenge potential errors that might have a material effect on the participant’s credit standing (i.e., potentially change the credit score associated with that credit report). After the completion of the FCRA dispute process, study participants were provided with new credit reports and credit scores. The new credit reports were compared with the old reports to assess whether modifications were made by the CRAs in response to the consumer disputes.

Findings from the 2012 FTC 319 Study

The 2012 FTC 319 Study is described in more detail herein, along with a brief discussion of changes made within the credit reporting industry following the release of the study. Here we summarize the main findings from the 2012 study.

- Of the 1001 participants, 262 consumers (26%) identified at least one potentially material error on at least one of their three credit reports.
- When the redrawn credit reports were reviewed, we found that 206 consumers (21% of the total participants) had a modification to at least one of their credit reports after the dispute process.
- There were 129 consumers (representing 13% of total participants) who experienced a change in their credit score as a result of these modifications.

- Of the 129 consumers with any score change, more than half experienced a maximum change in score of fewer than 20 points. (Each affected participant may have as many as three score changes and so we focused on the largest score change the consumer experienced after receiving a modification.)
- Lastly, the 2012 FTC 319 Study examined score changes that resulted in the consumer moving from one credit risk tier to another. Out of the entire population of participants, we found that 52 consumers (5% of the total participants) experienced an increase in score such that their credit risk tier decreased and the consumer may have been more likely to be offered a lower auto loan interest rate. Conditional on identifying and alleging an error, 20% (52 out of 262 consumers with disputes) experience this meaningful credit score increase.

Although the 2012 FTC 319 Study contains the main assessment of credit reporting accuracy at the time, the main study revealed a number of issues of interest to policymakers, thus leading to additional data collection for this Follow-Up Study. First, this Follow-Up Study quantifies the frequency of reinsertion, or the reappearance of previously removed negative information. Next, the Follow-Up Study investigates several questions relating to the consumers who disputed items that were not modified in the original dispute process. Specifically, we assess whether consumers continue to allege inaccuracies after the CRA has verified the disputed information as accurate, whether consumers recall receiving notifications and explanations from the CRA when information was not modified, and whether consumers plan to continue their disputes.

Unresolved Disputes

In the 2012 FTC 319 Study, a consumer is classified as having a confirmed material error if the consumer experienced a modification in response to the dispute. However, many consumers did not receive any modifications, and a substantial number experienced modifications but also had some disputed items remain unchanged on their credit reports. At the conclusion of the 2012 FTC 319 Study, an unchanged item may be considered unresolved, since the consumer initially stated the item was an error and the CRA disagreed. These unresolved items could potentially continue to be disputed if the consumer continues to allege the items are inaccurate. Throughout the report, we will refer to these types of disputes as “unresolved,” although we recognize these disputes are only potentially unresolved from the consumer perspective. From the CRA perspective, the items were investigated and verified as accurate. This Follow-Up Study explores the discrepancy at the end of the initial dispute process with respect to unresolved items by conducting a follow-up interview with consumers who have disputed items unchanged on their credit reports.

All information on unresolved disputes provided in this Follow-Up Study is self-reported by the consumer. Following the 2012 FTC 319 Study, a large number of consumers had unresolved items on their credit reports. The contractor was able to contact 68% of 179 participants who were eligible for the follow-up interview due to an unresolved dispute, resulting in 121 follow-up interview participants. Because some eligible consumers were not able to be contacted and did not participate in the Follow-Up Study, the follow-up participants represent a sample of the eligible participants. We performed some basic statistical analyses to show that the follow-up interview sample of consumers is generally representative of the type of disputes filed by the population of participants in the main study.

Although the follow-up interview was conducted a year after the initial contact with consumers and represents a sample of the eligible participants, the consumer responses to the interview questions revealed several noteworthy features regarding the unresolved items.

Summary of Follow-Up Study Findings

- **Acceptance of CRA Decision:** Of the 121 consumers who had at least one unresolved dispute and participated in the follow-up interview, 37 consumers (31%) stated that they now accepted the original information as correct, thus accepting the decision of the CRA.
- **Continuation of Dispute:** The majority of follow-up interview participants (almost 70%) still believe that at least one piece of previously disputed information is inaccurate. Of these 84 consumers who continue to believe the disputed information is inaccurate, 38 consumers (45%) plan to continue their dispute(s), 42 consumers (50%) plan to abandon their dispute(s), and 4 consumers (5%) are undecided.
- **Reasoning for Abandoning Disputes:** As noted above, half of the consumers who believe their disputes are still valid and that they still have inaccurate information on their credit reports choose not to continue their disputes. Because consumers may have disputes at multiple CRAs, this results in 42 consumers abandoning 93 potential disputes. The most common reason given for abandoning the dispute process is that consumers feel that the inaccurate information is not important or the consumer is not interested in pursuing the matter (40%). For another 23% of the unresolved and abandoned disputes, the consumers indicated that they do not have enough time to continue the dispute.
- **Notification and Explanation:** Of the 121 consumers who had at least one unresolved dispute and participated in the follow-up interview, 49 consumers (40%) stated that they did not receive a notification from the CRA that the item was not changed. Of the 56 consumers who stated they received a notification, over half (29 consumers) stated that no explanation was provided by the CRA for the lack of modification.

Reinsertion

A great deal of law enforcement and policy work in the mid-1990's addressed the issue of reinsertion on credit reports of previously deleted information, culminating in the 1996 Amendments to the FCRA. One aspect of the 1996 Amendments required data furnishers (who provide information to CRAs) to delete, modify, or permanently block the reporting of disputed information that was found to be inaccurate, thus reducing the likelihood of negative information being reinserted. As a result of this regulatory requirement, we would expect reinsertion to be relatively infrequent. The credit report "reinsertion" rate, however, has been essentially impossible to objectively ascertain because it requires analysis of credit reports that have been modified in response to a consumer dispute. Given the large sample of consumers in the main study who experienced modifications in response to disputes (206 consumers), the study associates were able to redraw the modified credit reports a year after the modifications appeared for 202 of those consumers and assess the rate of reinsertion.

- Of the 202 consumers who received modifications during the original dispute process in the 2012 FTC 319 Study and whose reports were redrawn a year later, 2 consumers (1%) each had one previously removed negative information item reappear on their credit

report. The two consumers who experienced reinsertion had disputed different types of information at different CRAs, so reinsertion does not appear to be systematic at a particular CRA. While it is reassuring to find that reinsertion is relatively rare, the continued presence of the reinsertion issue suggests that consumers, the CRAs, and policymakers must remain vigilant regarding the reappearance of negative information.

Recommendations

Although the findings from the Follow-Up Study are interesting, due to the relatively small number of consumers who participated in the follow-up interview, the Commission has determined not to recommend any specific legislative action regarding credit reporting accuracy at this time.

However, given the findings of the Follow-Up Study, we recommend that

- The CRAs review and improve the dispute results notification process to ensure the notices and explanation of investigation results are provided to consumers.
- The CRAs continue to explore efforts to educate consumers regarding their rights to review their credit reports and dispute inaccurate information.
- Consumers continue to examine their credit reports annually by using <https://www.annualcreditreport.com> and follow the FCRA dispute process when inaccuracies are identified. Following the resolution of a dispute, consumers should continue to check their credit reports for potential rare instances of reinsertion.

1 Introduction

The Federal Trade Commission (“FTC” or “the Commission”) submits this report pursuant to Section 319 of the Fair and Accurate Credit Transactions Act of 2003 (“the FACT Act”). The FACT Act amends the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* (“FCRA”) and contains a number of provisions designed to enhance the accuracy and completeness of credit reports. Section 319 of the FACT Act requires the Commission to conduct:

an ongoing study of the accuracy and completeness of information contained in consumer reports prepared or maintained by consumer reporting agencies and methods for improving the accuracy and completeness of such information.¹

Congress instructed the FTC to complete this study by December 2014. Further, starting with the interim 2004 report, a total of five interim reports were required over respective two-year intervals. The results of the national accuracy study are described in detail in the *Report to Congress under Section 319 of the Fair and Accurate Credit Transactions Act of 2003 (December 2012)* (“2012 FTC 319 Study”). This report is the sixth and final report and represents an extension of the 2012 FTC 319 Study.

1.1 Overview of the Credit Reporting Industry²

The U.S. credit reporting industry consists primarily of three national CRAs that maintain a wide range of information on approximately 200 million consumers.³ Roughly 30,000 data furnishers, including creditors, collections agencies, public offices, and others voluntarily submit information to these centralized, nationwide repositories of information. The submitted information is attached to identifying information such as name, Social Security number

¹ “Completeness” as used in Section 319 of the FACT Act refers to the quantity of information in a consumer’s file that would be increased by the addition of more transactions, such as those referred to in FACT Act Section 318(a)(2)(D) and (E) to the consumer reporting system. For example, a file would be more “complete” if it included information about the consumer’s rental payments.

² For a more complete discussion of the Fair Credit Reporting Act of 1970 (FCRA) and the relevant amendments of 1996 and the 2003 FACT Act, please see the 2004 FTC 319 Report or *40 Years of Experience with the Fair Credit Reporting Act: An FTC Staff Report with Summary of Interpretations (July 2011)* (hereinafter “2011 FTC FCRA Report”) available at <http://www.ftc.gov/os/2011/07/110720fcra-report.pdf>.

³ See Robert B. Avery, Paul S. Calem, Glenn B. Canner & Raphael W. Bostic, An Overview of Consumer Data and Credit Reporting, Federal Reserve Bulletin (Feb. 2003), (hereinafter “2003 FRB Study”); and also The Accuracy of Credit Report Information and the Fair Credit Reporting Act: Hearing Before the Senate Committee on Banking, Housing, and Urban Affairs, 108th Cong. (July 10, 2003) (statement of Stuart K. Pratt, Consumer Data Industry Association (“CDIA”)) (hereinafter “Statement of Stuart K. Pratt”).

(“SSN”), address, or birth date.⁴ The CRAs organize these records into “files,” which refer to all data that the CRA believes belong to the same person. Users of credit reports analyze the data and other information to assess the risk posed by credit applicants, often using sophisticated predictive models called credit scores.⁵ This flow of information enables credit grantors and others to make fast and generally reliable decisions about a consumer’s eligibility for various products and services, allowing consumers to obtain credit within minutes of applying.

Since 1996, the FCRA has also imposed certain accuracy and reinvestigation duties on both the furnishers of information to CRAs and the users of reports. For example, users of consumer reports (i.e., creditors who use report information provided by CRAs) are required to send notice to consumers if the consumer’s credit report was used to deny credit (known as an “adverse action notice”). The 2003 FACT Act imposed additional reinvestigation duties on furnishers. These amendments also recognize that furnishers – the original source of the information – have a critical role to play in the overall accuracy of consumer report information. Thus, Section 623 of the FCRA requires furnishers to investigate disputes received from CRAs and to correct and update information provided to CRAs that they later learn is inaccurate. Furnishers are also required to investigate and respond to disputes made directly to them by consumers regarding the accuracy of their information.

For additional discussion of the importance of studying credit reporting accuracy and non-FTC studies of accuracy, please see the 2012 FTC 319 Study.

⁴ Identifying information is used to link information provided by different furnishers and to determine to which consumer file a subscriber’s inquiry pertains. Although the SSN is a unique identifier, it is often missing from consumer credit information and errors in recording SSNs occur. The CRAs do not require that subscribers submit a SSN as part of an inquiry and some creditors do not require consumers to provide a SSN as part of a credit application. Errors in SSNs may arise when a consumer does not know his or her number when filling out an application, from illegible handwriting or faulty transcription, or from mistyping the number when entering it into a database. Because of these problems, the CRAs do not rely exclusively on SSNs in their matching procedures. Instead, the CRAs will rely on SSNs that do not match if the match on other data elements is strong enough. (See 2004 FTC 319 Report).

⁵ Scoring products (including “risk scores” and “credit scores”) are predictive models based on analyses of historical consumer credit history and performance data. When a consumer applies for credit or insurance, the models use information in the consumer’s credit history to predict the risk posed by that consumer. The risk is typically summarized in a numerical score. There are many different types of credit scores in use today. Each of the national CRAs offers a variety of scores, such as scores that measure general creditworthiness, scores that are specific to certain types of credit such as auto loans or mortgages, and credit-based scores used to measure risk for auto or homeowners insurance, default risk, or bankruptcy risk. Some of these scores are developed by the CRAs themselves (e.g., VantageScore) and others are developed by third parties (e.g., the Fair Isaac Corporation developed and produces the widely used “FICO” scores).

1.2 Previous Reports to Congress: 2004, 2006, 2008, and 2010

In 2004, the FTC delivered the first report to Congress in response to Sections 318 and 319; this initial report was a thorough literature review and exploration of the potential accuracy issues in credit reporting.⁶ In reviewing the literature, it became clear there was no statistically reliable, nationally representative study on consumer credit reporting accuracy. The initial 2004 FTC 319 Report laid the groundwork for the subsequent large-scale consumer study completed in 2012.

As part of the FTC 319 Accuracy Study, the Bureau of Economics conducted two pilot studies described in the 2006 and 2008 reports to Congress.⁷ These pilot studies helped to clarify certain issues of studying accuracy, such as sample selection and what constitutes a meaningful error (discussed in more detail below). The 2006 and 2008 FTC 319 Reports to Congress develop a more complete methodology for assessing inaccuracies in credit reports; that is, the pilot studies revealed the need for the involvement of the consumer, the data furnishers, the credit reporting agencies (“CRAs”), and the use of the FCRA dispute process to identify confirmed errors. The final methodology was put in place in late 2009; the 2010 FTC 319 Report described the full methodology in detail and reported the status of the nationally representative study at that time.⁸

1.3 2012 FTC Credit Report Accuracy Study

The 2012 FTC 319 Study described in the *Report to Congress under Section 319 of the Fair and Accurate Credit Transactions Act of 2003 (December 2012)* presented the results of the nationally representative study and was delivered to Congress in December 2012.⁹ The overall

⁶ *Report to Congress under Sections 318 and 319 of the Fair and Accurate Credit Transactions Act of 2003*, Federal Trade Commission, December 2004, at 22-31 (hereinafter “2004 FTC 319 Report”), available at <http://www.ftc.gov/reports/facta/041209factarpt.pdf>.

⁷ *Report to Congress under Section 319 of the Fair and Accurate Credit Transactions Act of 2003*, Federal Trade Commission, December 2006 (hereinafter “2006 FTC 319 Report”), available at http://ftc.gov/reports/FACTACT/FACT_Act_Report_2006.pdf and *Report to Congress under Section 319 of the Fair and Accurate Credit Transactions Act of 2003*, Federal Trade Commission, December 2008 (hereinafter “2008 FTC 319 Report”), available at <http://ftc.gov/os/2008/12/P044804factarptcongress.pdf>.

⁸ *Report to Congress under Section 319 of the Fair and Accurate Credit Transactions Act of 2003*, Federal Trade Commission, December 2010 (hereinafter “2010 FTC 319 Report”), available at <http://www.ftc.gov/reports/section-319-fair-accurate-credit-transactions-act-2003-fourth-interim-federal-trade>.

⁹ We engaged the services of an academic contractor from University of Missouri, St. Louis for data collection purposes. During January 2010, the FTC solicited competitive bids for performing certain work for the 319 FACT Act Study. The Statement of Work is attached to the 2012 Report. The complete solicitation may be found on *FedBizOps*, FTC-10-Q-0007, January 22, 2010. The FTC’s full study contractor is a research team comprised of members from the Center for Business and Industrial Studies at the University of Missouri-St. Louis (UMSL), the Norton School of Family and Consumer Sciences at the University of Arizona (UA), and the Fair Isaac Corporation (FICO) [hereafter the entire research team is referred to as “the contractor”].

objective of the 2012 FTC 319 Study was to assess the rate of errors in consumer credit reports. Previous studies of credit report accuracy did not use nationally representative samples or did not engage all the primary agents in the credit reporting and scoring process.¹⁰ The 2012 FTC 319 Study was novel in its design, which included consumers, data furnishers, CRAs, and FICO.

1.3.1 Methodology

As noted above, the 2006 and 2008 pilot studies made clear the difficulties in generating a nationally representative sample. Specifically, the pilot studies revealed that consumers with lower scores were both less likely to participate in a voluntary study and more likely to have material errors. Thus, the 2012 FTC 319 Study utilized a stratified sampling procedure. The three national CRAs (Equifax, Experian, and TransUnion) voluntarily provided VantageScore credit scores, zip code, gender and age for a large random sample of consumers.¹¹ This master list was then adjusted so that the study participants from a given CRA were proportional to its database, resulting in a total of 174,680 consumers in the sampling frame.¹²

From this large sample of consumers, the FTC mailer contractor sent invitations to consumers asking them to participate in the study to assess accuracy in credit reports. Due to variation in response rates, proportionally more invitations were sent to individuals with below-average credit scores to ensure that these consumers were adequately represented in the study.¹³ As the

This same research team was employed for the two pilot studies and the Follow-Up Study described below. The credentials of the research team are appended to the 2008 FTC 319 Report.

¹⁰ In May 2011, the private consulting group Policy & Economic Research Council (PERC) published a study on credit report accuracy funded by the Consumer Data Industry Association (CDIA). See Turner, Michael A., Robin Varghese, and Patrick D. Walker (2011). *U.S. Consumer Credit Reports: Measuring Accuracy and Dispute Impacts* (hereinafter the “PERC Study”) available at <http://www.perc.net/wp-content/uploads/2013/09/DQreport.pdf>. The PERC Study used a methodology similar to the design of the 2012 FTC 319 Study and engaged consumers, data furnishers, and CRAs. For a full discussion of the similarities and differences, please see Appendix A of the 2012 FTC 319 Study.

¹¹ VantageScores provided by the CRAs were used solely to generate a sample that was representative of the national distribution of consumers with credit reports and credit scores. However, credit score products generated by FICO are more commonly used by the majority of lenders when making lending decisions. Thus, to determine whether dispute modifications resulted in a credit score change, analysts at FICO scored the initial credit reports, generated FICO scores, and rescored the reports with modifications. There are a number of differences between VantageScore and FICO credit scores, the first of which is the different scales used by the credit scoring models. VantageScores range from 500-999 and FICO credit scores range from 300 to 850. Overall, VantageScore and FICO score are highly correlated for an individual consumer and the use of VantageScores to generate the sample of participants resulted in a sample that was also representative of the FICO credit score distribution.

¹² In addition to providing enough data to estimate the distribution of credit scores, the use of a large random sample provided by the CRAs minimizes the likelihood that the CRA would be able to identify a study participant during the dispute process.

¹³ For example, the response rate for consumers with a VantageScore between 500 and 519

set of participants developed, the VantageScores and major demographic characteristics available (age, gender, and regional location via zip code) of the participant sample to date were analyzed and compared to the distribution of characteristics in the sampling frame.¹⁴ The sampling was sequentially adjusted so that the ultimate sample of approximately 1,000 participants would be representative in credit scores and in the stated demographics.¹⁵ This sampling strategy resulted in the most nationally representative research sample on credit scores to date.

To accept the invitation to participate in the study, participants registered at a secure website (through FICO) and gave permission for the contractor to draw their credit reports. The study associates drew three credit reports and mailed copies to the consumer for the phone interview. These credit reports were also saved securely at FICO for later analysis. Study associates conducted a phone interview with the consumer where they reviewed all the information in each of the three credit reports. If the consumer alleged no errors on any credit report, the study associate conducted an “exit interview” to collect some basic financial and demographic information about the consumer.

If the consumer alleged an error on a credit report, the study associate assessed whether the alleged error met the “materiality standard.” In the simplest terms, an error is considered “material” if it relates to information considered when generating a FICO credit score.¹⁶ If the error was material, the study associate prepared a dispute letter clearly stating the nature of the error and how the information on the credit report should be changed in order to be accurate. The study associate mailed the dispute letter to the participant, who amended it with their date of birth, SSN, and signature before mailing the dispute letter to the relevant CRA.¹⁷

At this point in the process, the study associate transmitted all of the disputed information to FICO; FICO analysts then calculated a provisional revised FICO score assuming all disputed information would be modified by the CRA. After a minimum of 8 weeks, the study associate redrew all the credit reports that were disputed and assessed what modifications were made in response to disputes. If no changes were made, the original FICO score was the relevant credit

was 2.2% and the response rate for consumers with a VantageScore in the range 960-980 was 6.7%. In addition to sending proportionally more invitation letters, the level of compensation differed. Potential participants with VantageScores below the sampling frame average were offered \$75 to participate and those with above average VantageScores were offered \$25 to participate.

¹⁴ For more detail on the methods used, see FTC Statement of Work attached as Appendix B to the 2012 FTC 319 Study.

¹⁵ There were a total of 10 mailing waves.

¹⁶ For a more detailed description of material errors, please see Section 2.3 in the 2012 FTC 319 Study.

¹⁷ The fact that the study associates prepared the dispute letter reduced the time cost to the consumer of disputing, but did not signal to the CRAs that the particular consumer was part of the FTC study on accuracy. The prepared dispute letter took a form similar to one available to all consumers on the FTC website: <http://www.consumer.ftc.gov/articles/0384-sample-letter-disputing-errors-your-credit-report>.

score. If all disputed changes were made, the provisional revised FICO score was the relevant credit score. In some cases, the CRA made some, but not all, of the requested modifications. In these cases, the study associates transmitted the new information to FICO, who provided an additional revised score. Thus, consumers identified and alleged errors by reviewing their own credit reports, and then the actual FCRA dispute process was utilized to evaluate the allegations. Using this process, we were able not only to assess the rate of alleged errors, but also the rate of confirmed material errors and their impact on credit scores.¹⁸ It is important to note that this methodology mimics the experience of the consumer; thus, the research design does not reveal whether the error is due to the data furnisher or the CRA.

1.3.2 Results of 2012 FTC 319 Accuracy Study

Please see the 2012 FTC 319 Study for a full discussion of all the results.

In the 2012 FTC 319 Study, we focus on providing error rates from the consumer perspective.¹⁹ There are 1,001 participants who reviewed their credit reports with a study associate in order to identify potential inaccuracies. Of the 1,001 consumers who participated, 262 consumers (26%) allege potentially material errors on at least one credit report. The CRAs make some of the alterations requested by most of the consumers; 206 participants (79% of those who file disputes) experience a modification in response to filing a dispute.

Looking more closely at the changes in score associated with these modifications, we find that 120 consumers (12%) experience a score increase and 9 consumers (0.9%) experience a score decrease once the alleged errors were modified. There is no established rule or threshold, however, for classifying the significance of a credit score change as minor or major because the impact of a change in score is dependent on the current score. For example, a 25-point change in FICO score that keeps the consumer in a particular credit risk category may not have a large impact on the person's likelihood of receiving credit. On the other hand, a one- or two-point change in credit score that moves a consumer from one risk tier to the next may have a large impact on the consumer's access to credit or the products and rates the consumer is able to secure. We find 52 consumers (5%) have a score change that improves their 'risk tier' classification.²⁰ In other words, there may be as many as one in twenty consumers who have an error on a credit report that may affect their terms or eligibility for credit if the error is not

¹⁸ In the 2012 FTC 319 Study, the phrase "confirmed material error" refers to material information on a credit report that a consumer alleges to be erroneous in this study and is modified as a result of the FCRA dispute process.

¹⁹ In contrast, the 2011 PERC Study provides statistics at the credit report level, which results in a lower error rate. Because the *consumer* is the primary unit of analysis in the 2012 FTC 319 Study, we are able to provide reliable estimates of the proportion of American consumers who would encounter material errors across their three credit reports. Considering that lenders often use a composite of the consumer's three reports and scores in making a credit decision, the impact of material errors on consumers (rather than individual reports) is the focal point of the study.

²⁰ Lenders may use credit risk categories to separate consumers and offer different loan products to consumers in different credit risk tiers.

identified, disputed, and modified. Given that 262 consumers identified potential errors, this finding implies there is a 1 in 5 chance that a consumer who identifies an error and obtains a correction may end up in a lower risk tier.

Because we track each item disputed by the consumer, the 2012 FTC 319 Study also presents the rate at which we observe certain types of alleged errors. The most common types of alleged and subsequently modified errors are errors in tradeline accounts (accounting for close to half of alleged errors) and collections accounts (representing almost one-third of alleged errors).²¹ Roughly 35% of the allegations regarding tradeline information is that the account is “not mine” or does not belong to the consumer. The incidence is much higher for collections accounts disputes, with over 80% of the disputes alleging the collections item does not belong to the consumer.

It is also important to note that the 2012 FTC 319 Study characterizes errors as confirmed material errors when the CRA modifies the credit report in response to the consumer dispute. However, there are 56 consumers (5.6% of the participants) who file disputes and yet the CRA makes no modification to their report. For the purpose of the analysis of the 2012 Report, these consumers are not defined as having a confirmed material error. In addition, there are 109 consumers who had *some, but not all, of the requested changes* made to their reports. These consumers who alleged potentially material errors, which were not confirmed through the initial FCRA dispute process, may still have inaccurate items on their credit reports; however, we are unable to verify the inaccuracy within the design of the 2012 Report. Thus, a non-negligible number of consumers have disputes that could be characterized as unresolved at the conclusion of the 2012 FTC 319 Study.

2 Changes within the Credit Reporting Industry Following the 2012 FTC 319 Study

The 2012 FTC 319 Study was released to the public in the spring of 2013.²² In the year following the release of the FTC’s study on accuracy, the credit reporting industry took a number of steps to continue to improve data accuracy. These industry-level efforts to focus on data

²¹ Tradelines are consumer accounts such as credit cards and store cards.

²² The National Consumer Law Center (NCLS) and U.S. PIRG, two consumer advocacy groups, issued a joint press release regarding the 2012 FTC 319 Study. The statement lauded the findings of the study, and urged Congress to confirm a Director for the Consumer Financial Protection Bureau (CFPB) in order to remove uncertainty regarding the CFPB’s authority over credit bureaus. See Press Release, *New FTC Study Points To Much-Needed Reforms For Credit Reporting Industry* (February 2013), available at <http://www.uspirg.org/news/usp/new-ftc-study-points-much-needed-reforms-credit-reporting-industry>. Richard Cordray was confirmed as the first Director of the CFPB on July 16, 2013. See The White House Blog, *Senate Confirms Richard Cordray as Consumer Watchdog* (July 2013), available at <http://www.whitehouse.gov/blog/2013/07/17/senate-confirms-richard-cordray-consumer-watchdog>.

quality include improvements to education programs for consumers and changes to how the industry and data furnishers handle dispute data.²³

First, Consumer Data Industry Association (CDIA) members launched a new version of the eOscar system (the system through which consumer disputes are transmitted to data furnishers). With the new version of eOscar, the documents that consumers submit to the CRAs in support of their disputes are made available to lenders investigating the dispute. The new eOscar system requires the lender to look at the supporting document(s) before completing its investigation. Initially, this change to eOscar only applied to supporting documentation sent by mail. By the end of 2013, CDIA members had redesigned their online dispute portals so that consumers could upload validating documents online.

In August 2014, the CDIA launched a new online training resource for the Metro 2 Format (the format for the data submitted to the CRAs by the data furnisher). Appendix E to Part 222 of the Code of Federal Regulations states that data must be furnished in a standardized and clearly understandable form and manner. However, the Consumer Financial Protection Bureau (CFPB) conducted examinations of data furnishers and observed that "...deficiencies have resulted in failure to communicate appropriate and accurate account information to credit bureaus..." The CFPB further found "one or more instances in which a financial institution's employees did not have sufficient training or familiarity with the requirements of the FCRA to implement it properly."²⁴ The new eLearning system instituted by CDIA is an ongoing online resource for questions about Metro 2 and includes a certificate training component so that lenders can train their data furnishing teams. Further, CDIA has complemented this new Metro 2 training effort with a new FCRA data furnisher compliance training system that focuses on the law and regulations therein.

In addition to enhancing the ability of consumers to dispute and the way in which data is transmitted, the CDIA focused on the disclosure of credit reports that consumers' may receive annually for free. Utilizing a grant from its nationwide consumer reporting agency members, CDIA conducted a Public Service Announcement campaign to encourage consumers to obtain their free credit reports. In October 2013, CDIA's nationwide consumer reporting agency members also redesigned the site through which consumers access the free credit report disclosures, www.annualcreditreport.com. This redesign was based on several behavioral design labs housed at major universities. After testing a variety of possible designs, the new website for consumers to receive their annual three free credit reports is more effective both in terms of consumers' ability to complete requests for a free report and also in terms of accessing relevant information about their rights, etc. One measure of the success of this effort is measured by the 66% increase in the number of users who now choose to read newly designed financial literacy information found on the site.

²³ Communication with Stuart Pratt, President & CEO at Consumer Data Industry Association, 8/29/14. E-mail on file with the FTC.

²⁴ Consumer Financial Protection Bureau (CFPB), *Supervisory Highlights: Fall 2012*, available at: <http://www.consumerfinance.gov/reports/supervisory-highlights-fall-2012/>.

Overall, these efforts by the credit reporting industry focus on improving the dispute process so that consumers' disputes are investigated with supporting documents, improving the transmission of data from data furnishers to the CRA, and improving the consumers' knowledge about their ability to review their credit reports. All of these efforts could be expected to improve data quality and accuracy of credit reports. In addition, the individual CRAs may have taken other steps to improve data accuracy following the release of the 2012 FTC 319 Study.

3 Follow-Up Study

The original 2012 FTC 319 Study followed participants through one round of the dispute process and treated an alleged error as confirmed if the CRA made a modification of that item in response to the initial dispute. The 2012 FTC 319 Study found that 80% of the consumers who filed disputes had modifications made to their credit reports. Although this high rate of modifications is a positive finding, one concern expressed by consumers and consumer advocacy groups regarding the dispute process is whether the inaccurate information might reappear on the credit report in the future.²⁵ The reappearance of negative information previously removed in response to a consumer dispute is referred to as *reinsertion*. In addition to concerns regarding reinsertion, there also remained a non-negligible number of consumers in the original study with alleged inaccurate items that were not changed by the CRA.

In order to assess the likelihood of reinsertion as well as examine the degree to which alleged inaccuracies remained unresolved for the consumer, the FTC extended the contract with the UMSL contractor team to include a Follow-Up Study. The Follow-Up to the 2012 FTC 319 Accuracy Study involved re-drawing credit reports for a subset of the original participants and contacting a subset of the participants who had alleged errors in the main study to complete a follow-up interview.

Specifically, the goals of the Follow-Up Study were to provide information regarding reinsertion of negative information, unresolved credit report disputes, and the nature of the unresolved disputes. The next few subsections present tables from the Follow-Up Study. First, utilizing redrawn credit reports, Section 3.1 provides the proportion of consumers who have information reinserted into the credit reports following a dispute and the frequency of item types (e.g., tradeline, collections, duplicate accounts, etc.) that are reinserted into credit reports following a consumer dispute. Next, Section 3.2 describes the sample of consumers who participate in the Follow-Up Study interview. Section 3.3 presents the proportion of consumers who continue to dispute an item after the disputed item is initially validated as accurate by the credit reporting

²⁵ See Chi Chi Wu, *Automated Injustice: How a Mechanized Dispute System Frustrates Consumers Seeking to Fix Errors in their Credit Reports* (National Consumer Law Center Report January 2009) available at www.consumerlaw.org. This report describes one consumer example (at p. 8) of reinsertion: “Occasionally, Equifax would delete one of false accounts from Angela’s credit report, only to have the account show up again later.” One of the reform recommendations from the NCLC report is for CRAs to improve the data furnishing system in order to prevent reinsertion.

agency's dispute process, as well as the proportion of participants who still believe the item is inaccurate but have chosen not to dispute further (e.g., the dispute is abandoned because the participant feels the dispute process is too time consuming or difficult). Finally, Section 3.4 illustrates the proportion of consumers who allege an account does not belong to them (i.e., "not mine") and whether the consumers later recollect that the account does belong to them.

3.1 Reinsertion of Negative Information

First, we examine the study sample for the possibility of negative information reinsertion. Section 611(a)(5)(B) of the FCRA clearly outlines the rules regarding the reinsertion of negative information that had been removed in response to a customer dispute.

- (B) Requirements Relating to Reinsertion of Previously Deleted Material
- (i) *Certification of accuracy of information.* If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate.²⁶
 - (ii) *Notice to consumer.* If any information that has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing not later than 5 business days after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency.
 - (iii) *Additional information.* As part of, or in addition to, the notice under clause (ii), a consumer reporting agency shall provide to a consumer in writing not later than 5 business days after the date of the reinsertion
 - (I) a statement that the disputed information has been reinserted;
 - (II) the business name and address of any furnisher of information contacted and the telephone number of such furnisher, if reasonably available, or of any furnisher of information that contacted the consumer reporting agency, in connection with the reinsertion of such information; and
 - (III) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.²⁷

²⁶ Section 611(a)(5)(A) states that if a CRA investigates a consumer dispute and finds that the information is inaccurate, incomplete, or cannot be verified, then the CRA is required to promptly delete or modify the information as appropriate, and promptly notify the furnisher of that information that the information has been deleted or modified.

²⁷ FCRA, Section 611(a)(5)(B).

A great deal of law enforcement and policy work addressed the issue of reinsertion in the mid-1990's.²⁸ Enforcement actions brought against CRAs were among the forces that led to the 1996 Amendments to the FCRA. Among other things, the 1996 Amendments require data furnishers (who previously did not have such requirements) to delete, modify, or permanently block the reporting of disputed information that was found to be inaccurate, thus reducing the likelihood of negative information being reinserted. As a result of this legal requirement, we would expect reinsertion to be relatively infrequent.

There is very little research on the frequency of reinsertion and previous analysis of reinsertion has been based on consumer surveys. For example, in 2005 the GAO conducted a survey of almost 1600 consumers to assess credit reporting literacy.²⁹ These consumers were asked a multitude of questions regarding credit reporting, including questions on whether the consumer had ever previously disputed inaccurate information, if the inaccurate information had been removed, and if it was removed, whether the inaccurate information was later reinserted. Of the 18% of consumers who had disputed negative information, 69% claim that the inaccurate information was removed in response to the dispute. Additionally, 13% of these consumers who disputed and had negative information removed claimed that the inaccurate information was reinserted.

This Follow-Up Study is the first study of reinsertion to examine whether previously disputed and removed inaccurate information reappears on a consumer's credit report by analyzing the actual credit report and comparing it to a previous version. The 2012 FTC 319 Study provides a unique opportunity to study reinsertion, given the large number of consumers who received modifications following a dispute. In order to study reinsertion, the study associates redrew the credit reports of any study participant who had a change made to their credit report following a dispute.³⁰ There were 206 consumers who disputed and experienced a change to at least one item on one of their credit reports in the 2012 FTC 319 Study. These 206 consumers sent 399 dispute letters to the three CRAs. The contractor was successful in redrawing 393 of these disputed credit reports for 202 consumers.³¹

For each item that was disputed and modified by the credit reporting agency in 2011, the study associates analyzed whether the negative information had reappeared on the consumer's credit report in 2012. After reviewing the redrawn credit reports to see if the previously modified negative information was reinserted, the contractor identified two instances of reinsertion. In one

²⁸ See, e.g., *Equifax Credit Information Services, Inc.*, 120 F.T.C. 577 (1995) (consent order) (alleging, among other things, that the respondent failed to prevent the reappearance in consumer reports of inaccurate or unverified information that had been previously deleted).

²⁹ Government Accountability Office. CREDIT REPORTING LITERACY: Consumers Understood the Basics but Could Benefit from Targeted Educational Efforts. March 2005, available at <http://www.gao.gov/assets/250/245667.pdf>.

³⁰ These credit reports were redrawn in the fall of 2012. The initial consumer interview and dispute process occurred in early 2011.

³¹ The study associates were not able to redraw credit reports for four consumers due to technical reasons (such as a bureau imposed freeze or a report with insufficient information to generate a credit score).

instance, a previously removed collection item reappeared on a consumer's credit report and the balance of the collection item increased. This consumer's credit score was impacted by the reinsertion. The other instance of reinsertion involved an account that was disputed as "not mine" and removed reappearing as a collection item when the credit report was redrawn. The new collection item had no effect on this person's credit score.

From the contractor report (at p. 4):

In one case involving a reinstatement (Case A), the consumer had originally disputed a collection that had appeared on the report from just one of the three bureaus. In 2011, the collection was removed as requested (along with a disputed Inquiry). The effect of that would have been an increase of 31 points in the original credit score (from 576 to 607, crossing one lending threshold, though remaining between the scores from the other two bureaus). The collection reappeared as an item in the 2012 report. (The collection balance also changed from \$487 to \$817). Rescoring the original report again with the collection replaced caused the credit score to drop to its original level. In the follow-up interview, we determined:

- 1. The consumer was not notified that the disputed collection, previously removed, had been reinstated.*
- 2. The consumer does not understand why the collection was reinstated.*
- 3. The consumer still does not accept this collection as his.*
- 4. The consumer does not intend to pursue the issue further because he says it is a waste of time and there is little chance that the bureau will correct the file. His sentiments towards the credit-reporting industry were very negative.*

The other case (Case B) reported a charged-off "account not mine" involving [Telecom Firm] in the dispute with two bureaus. It was removed from both bureaus in 2011 as requested, but reappeared in one bureau in 2012 as a collection item. It had no effect on the credit score. The consumer was not informed and does not accept this. She intends to follow up directly with [Telecom Firm].

Overall, reinsertion occurred for two out of the 202 consumers (1%) who originally disputed and had modifications to their credit report.³² However, framing the reinsertion rate relative to the number of items disputed results in a much lower rate. Of the 1,561 items disputed in the 2012 FTC 319 Study where the outcome was known, there were 864 items that were modified by the CRAs. The study associates were able to identify only two instances of reinsertion of negative information previously modified, implying an item-level reinsertion rate of 0.2%.³³

³² These two instances of reinsertion occurred at different CRAs and for different item types (collections item and tradeline item).

³³ Recall that there were four consumers for whom the study associates were not able to redraw credit reports due to technical reasons. Thus, the full reinsertion rate may be higher if those four consumers also experienced reinsertion of any items previously modified by the

Given the efforts of law enforcement in the mid-1990's and the resulting changes to the FCRA in 1996, we would not expect reinsertion to be pervasive. While a 1% reinsertion rate at the consumer level is relatively small, extrapolating to the population of consumers with modified disputes would imply a large number of consumers who face possible reinsertion. However, reinsertion does not appear to be a systemic problem, as 99% of the consumers did *not* have their modified information reinserted into their credit reports.

These findings underscore the need for consumers to regularly check their credit reports for inaccuracies, even after a dispute is resolved in accordance with the consumer. These examples of reinsertion also suggest that consumers may also find it beneficial to dispute the inaccurate information with the data furnisher (e.g., The [Telecom Firm] in the second case above) in addition to the CRAs. In addition, regulators and CRAs must remain vigilant that previously removed negative items do not reappear on consumer credit reports.

It is also worthwhile to note that both consumers who experienced reinsertion of previously removed negative information claim they were not informed that this information was reinserted into their credit reports. Section 611(a)(5)(B)(ii) states that credit reporting agencies must notify the consumer of the reinsertion in writing not later than 5 business days after the reinsertion. Unfortunately, we cannot know with certainty that the CRAs did not provide notification. It is possible that these consumers received notice in the mail but either did not recognize what the notice meant, or recognized the notice but had forgotten by the time the study associate questioned the consumers on the particular reinserted item. Despite the uncertainty regarding consumer recollection about notification, the CRAs should review their notification process to make sure they provide notifications to the relevant consumer in the case of reinsertion. We discuss notification by CRAs more below.

3.2 Follow-Up Interview Sample

Of the 262 consumers who filed a dispute during the 2012 FTC 319 Study, 188 required a “follow-up interview.” The subset of consumers requiring a “follow-up interview” includes any consumer who had alleged an error that was not modified in the original dispute process, any consumer who alleged an account did not belong to them (“not mine”) and any consumer who appeared to have inaccurate information reinserted onto their credit report after previously being modified by the CRAs. The contractor attempted to contact these eligible consumers by phone for up to five attempts.³⁴ The same privacy protocols used in the 2012 FTC 319 Study were utilized for the Follow-Up Study.³⁵ However, the contractor was not able to make contact with

CRAs.

³⁴ Study associates attempted to reach the consumer on the phone since the original interview had been conducted via phone. Study associates left voice messages when possible and supplemented the calls with emails. Not surprisingly, there were many instances where the study associate was not able to make contact with the participant and the participant was excluded from this follow-up analysis. The Contractor Appendix provides the questions included in the follow-up interview.

³⁵ *Privacy Impact Assessment for the Registration Web Site for the National Study of Credit*

all the consumers who were eligible for follow-up interviews. Overall, the study contractor was able to make contact with 135 consumers out of the original 262 consumers who filed a dispute during the 2012 FTC 319 Study. Thus, the consumers who chose to participate in the follow-up interview represent a sample of consumers who filed disputes.

In order to examine whether the follow-up participants are representative of the full sample of disputants, we perform basic statistical tests comparing the follow-up participants to the disputants who did not participate in the Follow-Up Study.³⁶ We find that the demographic characteristics of the Follow-Up Study participants are significantly different from the demographic characteristics of consumers who did not participate in the follow-up interview; Follow-Up Study participants are more likely to be male, older, and a homeowner, as well as have fewer children, and have higher self-assessed credit knowledge. Although the Follow-Up Study consumers differ in their demographic characteristics, we do not find strong evidence that the consumers' credit report disputes are significantly different across follow-up participants and non-follow-up participants. Specifically, there are not significant differences across the Follow-Up Study participants and non-participants in terms of the number of accounts with errors disputed, the number of changes made by the CRAs in response to the disputes, or the number of alleged errors in public records, bankruptcy, inquiries, and credit utilization.³⁷ Thus, the consumers who participated in the follow-up interview do not appear to be systematically different on key credit report dimensions from those consumers with whom the contractor could not make contact.

3.3 Unresolved Disputes

As noted above, a substantial number of participants alleged errors in the 2012 FTC 319 Study that were not modified at all (56), or had some errors modified and some that were not modified (109). It is possible that these individuals made a mistake in alleging the item was inaccurate. Alternatively, it is possible that the CRA and the data furnisher have inaccurate information in their records, and did not make any changes in response to the initial dispute. In this case, the consumer may need to continue to dispute the inaccuracies or escalate the dispute.

Report Accuracy, October 2010. The document may be accessed at the FTC's Web site: <http://www.ftc.gov/ftc/privacyimpactassessment.shtm>.

³⁶ The statistical test utilized was a two-sample, two-tailed t-test comparing the mean value in the follow-up group to the mean value in the group that did not participate in the follow-up interview. A p-value < 0.05 is used to signify statistical significance.

³⁷ There are, however, significant differences in some types of disputes. The consumers missing from the Follow-Up Study tended to allege more errors in overdue accounts, balances reported, accounts sent to collection, and collections balances listed on the credit report. However, these particular credit report dispute attributes are not correlated with responses to the Follow-Up Study interview questions. Thus, we acknowledge the follow-up interview is missing some consumers from the sample, but note that we do not expect these missing consumers would systematically bias the results presented below.

To investigate further, the contractor identified every consumer who had at least one disputed item that was not modified in the process of the 2012 FTC 319 Study. Of the 188 consumers requiring a follow-up interview, 179 consumers had at least one item that was not modified in their original dispute.³⁸ The contractor was successful in re-interviewing 121 of these 179 consumers resulting in a follow-up response rate of 68%.³⁹

Table 1 provides the overall number of consumers with at least one item not modified in the original study. Columns 2, 3, and 4 provide the number of consumers at each CRA with at least one unmodified item. The second row presents the number of participants with at least one unresolved item who could be reached for the Follow-Up Study. We provide the statistics for each individual CRA to illustrate that the Follow-Up Study is not disproportionately representative of any particular CRA. That is, the success rate for contacting consumers to participate in the Follow-Up Study is roughly equal across the CRAs. Note that for each CRA, the number of consumers who participated in the follow-up interview is smaller than the total number of consumers in the Follow-Up Study (121) because not all consumers had an unresolved item at a particular CRA. That is, a subset of the consumers who participated in the follow-up interview had unresolved items at a single CRA, there are a subset of consumers who had unresolved errors at two CRAs, and some who had unresolved items at all three CRAs.

Table 1: Success Rate in Contacting Consumers for Follow-Up Interview

	Overall	CRA1	CRA2	CRA3
Consumers with Unresolved Items (Items Not Modified)	179	109	121	128
Consumers who Participated in the Follow-Up Study	121 (68%)	72 (66%)	80 (66%)	87 (68%)
Missing consumers	58	37	41	41

³⁸ The 2012 FTC 319 Study states that “97 consumers had modifications that addressed all of their disputes in some manner so that there was no longer conflict between the credit report and consumer allegations.” (page vi of 2012 FACTA 319 Study). This would imply 165 consumers had at least one disputed item that was unresolved from the consumer’s perspective. However, in the original study, there were consumers who had items that were not considered material that were not modified (such as former name/address). In the Follow-Up Study, we chose to contact those consumers, even though the unresolved dispute was not material to their credit score. For this reason, the number of consumers considered eligible for Follow-Up contact (179) is greater than the number implied by the 2012 FTC 319 Study (165).

³⁹ Several characteristics of the Follow-Up Study are associated with lower response rates in surveys. First, the follow-up interview request occurred a year after the last contact with the consumer and consumers were not asked to provide forwarding addresses/phone numbers to the contractor if they moved. The study in general asked consumers to discuss sensitive information (credit history and utilization), which is associated with lower participation. In addition, we did not provide monetary compensations for participants to complete the follow-up interview, which may have also reduced the participation rate for the follow-up interview.

It is worth repeating, however, that information derived from this Follow-Up Study may suffer from voluntary response bias (consumers who are most concerned with their credit reports are more likely to participate).⁴⁰ It is also possible that participants who did not receive modifications in the original study became disillusioned with the process and no longer wished to participate. Thus, while the information provided by this report is informative and representative, the percentages provided should not be considered exact percentages in the general population, as 32% of eligible follow-up consumers are missing. Recall that we investigate whether the sample is systematically different from the population of consumers with disputes and find no significant difference in credit report disputes. Thus, the statistics from the follow-up interview provided below represent an estimate of the proportion of the population who would answer the follow-up interview questions in the same way.

3.3.1 Unresolved Items: Notification by the CRA

Each consumer with at least one item not modified was asked a series of questions in the follow-up interview regarding that unresolved item. The first question was “*Did Equifax/Experian/Trans Union notify you regarding your dispute?*” and the responses are provided in Table 2. The percentage of respondents with that answer is provided in parentheses. Almost half of respondents say they were notified regarding the item disputed and 13-14% do not remember whether they were notified. The remaining 34-42% claim they were not notified by the CRA that the disputed item was not changed. We acknowledge the possibility that some portion of these “not notified” consumers in actuality may not remember receiving the notice or may have thrown away the notice as ‘junk mail.’ However, this high proportion of consumers who claim no notification is noteworthy. More than one-third of consumers in the Follow-Up Study claim to have not received notification that their dispute was not modified. This suggests that the CRAs’ notification system is not entirely effective in responding to consumer disputes. The CRAs should review the notification process to ensure the notices are reaching the intended consumers.

Table 2: “Did the CRA Notify You Regarding Your Dispute?”

	Overall	CRA1	CRA2	CRA3
Yes, Notified	56 (46%)	32 (44%)	43 (54%)	41 (47%)
Do Not Remember	16 (13%)	10 (14%)	10 (13%)	12 (14%)
Not Notified	49 (41%)	30 (42%)	27 (34%)	34 (39%)
Total	121	72	80	87

Note: The percentages provided are for each CRA individually (i.e., 44% of the consumers who disputed an item at CRA1 recall being notified regarding their disputed item). Consumers may have disputed at multiple CRAs.

3.3.2 Unresolved Items: Communication of Reasoning

Table 3 provides the number of consumers who responded “Yes” to the question “*Did the CRA communicate the reason for not modifying the item?*” Even when consumers state they were notified by the CRA that the requested change was not made, the number of consumers who state they received an explanation for the item remaining unchanged is roughly equivalent to the

⁴⁰ Voluntary response bias and the potential bias of the original sample of participants are discussed in detail in Section 3.4 of 2012 FTC 319 Study.

numbers of consumers who state that no explanation was given. Once again, there do not appear to be systematic differences across CRAs, so the consumer’s statement that an explanation was not provided appears to be industry-wide and not relegated to a particular CRA. We acknowledge that the notification received by the consumer may have officially included an explanation; however, the high number of consumers that believe an explanation was not provided in the notification they received is suggestive that, at the very least, the CRA notification system is not always straightforward for some consumers to understand.⁴¹

Table 3: “Did the CRA Communicate the Reason for Not Modifying the Item?”

	Overall	CRA1	CRA2	CRA3
Reasoning Provided	29 (52%)	15 (47%)	22 (51%)	24 (59%)
No Reasoning Provided	27 (48%)	17 (53%)	21 (49%)	17 (41%)
Number of Consumers who Received Notification	56	32	43	41

3.3.3 Unresolved Items: Acceptance and Continued Disagreement over Original Information

The follow-up interview also asks consumers for each unresolved disputed item if they now accept the information as originally displayed on their credit report as accurate. Note that this means a consumer may accept the original outcomes for *some* of the disputed items but does not accept the lack of modification to other items. In this report, we are providing statistics at a consumer level. Therefore, a consumer is defined as accepting the original outcome if the consumer accepts the original outcome for **all** the unchanged items disputed at each CRA. If there is at least one item the consumer still feels is inaccurate, the consumer is defined as not accepting the original information. Table 4 provides the results. With this conservative definition, the responses to the follow-up interview reveal a substantial number of consumers (31%) who were potentially mistaken in their original disputes. When we break it down by CRA, there are between 26% and 31% of the consumers who participated in the follow-up interview who state that they accept the information as displayed on the original report. Thus, more than one quarter of the unresolved disputes are no longer in dispute.⁴² Still, nearly three quarters of

⁴¹ Note that the contractor did not view the actual notifications sent to the consumers; thus, we are unable to assess whether there is anything systematic in the notification system that leads to consumers recalling (or not recalling) if an explanation for not modifying the item was provided by the CRA.

⁴² The contractor was only able to make contact with a subset of the participants with unresolved disputes (121 of 179 consumers). If the missing consumers all stated that they accepted the original information as accurate, the overall percentage of consumers would increase from 26-31% to 51%-53%. Alternatively, if the missing consumers all stated that they believed the information was still inaccurate, the proportion of consumers who no longer felt they had a valid dispute would decrease to 17%-21%. Note, however, that we did not find the missing consumers were significantly different from the consumers who did participate in terms of their credit report disputes. Since the follow-up interview participants are a representative sample of the consumers with unresolved disputes, then the estimate of the proportion of consumers who accept that changes were not made is statistically representative.

consumers with unresolved disputes continue to believe that their credit reports contain some inaccurate information. Not all of these consumers plan to continue to dispute such information, and the following section sheds light on some of their reasons for continuing or abandoning disputes.

Table 4: Consumer Acceptance of Changes Not Made by CRA

	Overall	CRA1	CRA2	CRA3
Consumer Accepts that Unresolved Items are Not Errors	37 (31%)	19 (26%)	23 (29%)	27 (31%)
Consumer Does Not Accept that Unresolved Items are Not Errors	84 (69%)	53 (74%)	57 (71%)	60 (69%)
Total # consumers	121	72	80	87

Note: The percentages are provided for each CRA individually (i.e., 26% of the consumers who disputed an item at CRA1 accept that their requested change was not made by CRA1). Consumers may have disputed at multiple CRAs.

3.3.4 Unresolved Items: Continue to Dispute

The follow-up interview also asked the consumers who believe the information was still inaccurate if they intend to continue their dispute of the inaccurate item. If a consumer intends to continue to dispute at least one item, the consumer is defined as continuing to dispute. Table 5 illustrates that the number of consumers who intend to continue disputing at least one item with at least one CRA is also relatively high (45% of the consumers who still believe the item is inaccurate). The fact that these consumers intend to continue their disputes indicates that these consumers are not disillusioned with the dispute process and still wish to pursue a credit history free of inaccuracies. The proportions for each CRA are similar once again, so there do not appear to be systematic differences across CRAs in whether consumers wish to continue to dispute inaccuracies.

From an economic perspective, we would expect some consumers to choose not to continue a dispute even if they believe the information remains inaccurate. In many cases, modifications of inaccurate information do not lead to a score change; in the 2012 FTC 319 Study, we found that 37% of consumers who received a modification did not experience a change in credit score. Alternatively, 20% of consumers who identified and disputed errors experienced scores changes that could reduce their credit risk and may provide access to better credit terms. Although consumers in this Follow-Up Study are potentially better informed in general about the benefits of disputing errors given their experience with the study, consumers do not have precise knowledge of the benefits of continuing their specific disputes. Specifically, consumers do not know in advance how much their score will change, if at all. Moreover, in many cases, consumers are also not aware of how credit reports and scores are used beyond qualifying for credit. On the other hand, consumers do understand that there is some cost involved in continuing the dispute. Accordingly, it is not unreasonable that we observe a substantial

proportion of consumers (50%) who believe the information is still inaccurate choosing not to continue to dispute.

Table 5: Consumers who Intend to Continue to Dispute Inaccurate Information

	Overall	CRA1	CRA2	CRA3
Consumers who Have Continued or Intend to Continue to Dispute	38 (45%)	24 (45%)	25 (45%)	25 (43%)
Consumers who Do Not Plan to Dispute (But Believe Item is Still Inaccurate)	42 (50%)	26 (49%)	30 (54%)	31 (53%)
Consumers Still Undecided	4 (5%)	3 (6%)	1 (2%)	2 (3%)
Total # consumers Who Believe Item is Still Inaccurate	84	53	56	58

Note: The percentages are provided for each CRA individually (i.e., 33% of the consumers who disputed an item at CRA1 have or will continue to dispute). Consumers may have disputed at multiple CRAs.

The follow-up interview asked these consumers to provide a reason for why they do not plan to continue to dispute and the frequencies of responses are presented in Table 6. Some of those 42 consumers have disputes at multiple bureaus, leading to a total of 93 abandoned disputes. The most common (40%) reason given for not continuing to dispute an unresolved item is that consumers feel that the inaccurate information is not important or the consumer is simply not interested in pursuing the matter. For another 23% of the unresolved items, the consumers feel that they do not have enough time to continue the dispute. A similar proportion of unresolved items are not disputed again because the consumer has little hope for changing the information (10%), feels the inaccurate information is not hurting their credit score or disputing takes too much effort (9%), or the consumer does not intend to look for credit any time in the near future (8%). For three percent of the unresolved items, the consumer believes there is a chance the disputed information may be correct. Thus, the majority of the abandoned disputes would appear to be the consumer making a decision about the costs and benefits of continuing to dispute inaccurate information given their current understanding of the potential benefits of disputing. Efforts to make the dispute process easier for consumers and educate consumers on their rights to dispute, as well as the potential benefits of disputing, will likely decrease the proportion of consumers who abandon disputes of what consumers believe is still inaccurate information.

Table 6: Reasons Provided for Not Continuing to Dispute Inaccurate Information

Not Important/Not Interested	40%
No Time	23%
Little Hope for Change	10%
Too Much Effort	9%
Not Hurting Score	9%
Not Looking for Credit	8%
May Be Correct	3%

Note: There are a total of 93 disputes at CRAs where the consumer still feels the information is inaccurate but has chosen not to continue to dispute.

3.4 Items Alleged as “Not Mine”

As discussed above, a high number of alleged errors were described by the participants as not belonging to them. Specifically, all of the disputed inquiry items, 86% of the disputed collections items, and 35% of the disputed tradelines involve the participants claiming the item does not belong to them (“not mine”). To investigate this further, the study associates asked a series of follow-up questions to any consumer who made the claim that a tradeline account was “not mine.” Specifically, a consumer was asked if they now recognize the account as belonging to them, whether the consumer is an authorized user/co-signer on the account, or whether the disputed account may belong to another person in the household. These questions were only asked of the consumers who disputed tradelines that did not belong to them.⁴³

The contractor was able to reach 51 out of 78 participants who claimed an account was not his/hers. Table 7 presents the percentage of consumers who now believe the disputed account could belong to them. A non-trivial number of consumers (18%) now recognize the “not mine” account as belonging to them (or recognize that it may be a possibility). In some cases (5%), the consumer is an authorized user or co-signer on the account.

Table 7: Responses to Questions Regarding the “Not Mine” Account

	Overall	CRA1	CRA2	CRA3
Consumers Who Now Recognize Account as “Mine”	14 (18%)	9 (19%)	6 (11%)	9 (19%)
Consumer is an Authorized User/Co-Signer on this Account	4 (5%)	2 (4%)	4 (8%)	3 (6%)
Consumers who Originally Claim Account is “Not Mine”	78	48	53	48

⁴³ Although the majority of “not mine” claims occurred for collections items, the contractor did not ask the follow-up questions for the collections items. Often, a collections item does not include information to help the consumer identify the origin of the debt and thus the consumer would likely not be able to provide additional information regarding those “not mine” items.

Note: The percentages are provided for each CRA individually (i.e., 19% of the consumers who originally disputed an item at CRA1 as “not mine” now recognize the account as belonging to them). Consumers may have disputed at multiple CRAs.

4 Conclusion

The 2012 FTC 319 Study was the first, nationally representative study on the state of accuracy in the credit reporting industry. More than one in four participants alleged at least one error on at least one credit report. In this Follow-Up Study, we investigate both reinsertion and unresolved disputes. While most of the disputing consumers (80%) in the main study received a modification in response to their dispute, only 37% received all requested modifications. This Follow-Up Study finds that almost all (99%) of the modifications made by the CRAs are still in place on the credit reports over one year after the dispute was filed. In general, reinsertion does not appear to be a pervasive problem within the industry. Reinsertion does occur, however, as we find some evidence of reinsertion of previously removed negative information; 1% of consumers who filed disputes experienced reinsertion.

In addition to concerns regarding reinsertion of modified items, the 2012 FTC 319 Study resulted in a large number of consumers who disputed and did not receive a modification from the CRA. The disputed items are considered ‘unresolved’ from the consumer perspective. Any consumer with an unresolved item was eligible to be contacted to participate in a follow-up interview. The majority of follow-up participants (almost 70%) with unresolved disputes believe that the information is still inaccurate. However, half of the Follow-Up Study interview participants who still believe the information is inaccurate state they do not intend to continue their dispute. In addition, a substantial number of consumers, almost one-third, accept the decision of the CRA not to modify the information.

Although much can be learned from this Follow-Up Study regarding reinsertion rates and unresolved items, it is important to recognize the study’s limitations. First, the contractor was not able to redraw all the previously modified credit reports. If the six missing credit reports also experienced reinsertion of previously removed negative information, the overall reinsertion rate would be higher. Second, the contractor was only able to make contact with 68% of the consumers eligible for a follow-up interview due to an unresolved dispute. If the missing consumers were missing from the data for a systematic reason, then the response rates to the follow-up questions would not be representative. We perform some basic statistical analyses and find that the missing consumers are not significantly different from the follow-up participants in their credit report dispute characteristics. Therefore, any bias from the missing consumers in the follow-up interview participants is expected to be minimal.

Overall, the results expand upon the main findings of the 2012 FTC 319 Study. Depending on the particular CRA, a significant number of consumers (34-42%) with unresolved disputes reported that they were not notified that by the CRA that the disputed item was not changed. Also, a significant number of consumers (41%-53%) who reported that they were notified by the CRA that the requested change was not made stated that no explanation was given. As expected, we find a small rate of reinsertion of previously removed negative items. Consumers concerned that their credit reports may contain errors should continue to examine their credit reports

annually by using <https://www.annualcreditreport.com> and follow the FCRA dispute process when inaccuracies are identified. In addition, the CRAs should review the dispute results notification process to ensure the notices and explanation of results are reaching the intended consumers, as well as continue to explore efforts to educate consumers regarding their rights to review their credit reports and dispute inaccurate information.

Appendix A: Confidence Intervals

In the main text of the report, we provide the proportion of consumers who answer a follow-up interview question in a specific manner (for example, what proportion of follow-up participants respond that they accept the original information as correct). As noted above, the follow-up participants represent a sample of the participants eligible for the follow-up interview; i.e., 32% of eligible participants are missing from the question responses. However, using basic statistical tests, we find that the consumers missing from the follow-up interview are not significantly different from the follow-up participants along credit dispute characteristics.

The responses presented in the main text thus represent a sample of consumers who participated in the Follow-Up Study. To make inference regarding the population as a whole, the convention is to present the confidence interval as well as the mean response rate. Confidence intervals are a means to quantify the amount of statistical precision of estimates (in this case, the estimate is the proportion of participants who responded in a specific manner). It is common to use 95% confidence intervals; if we were to use the same sampling method to construct several different samples and compute a different interval estimate for each sample, 95% of the confidence intervals would include the true proportion in the overall population. The wider a confidence interval is around a particular estimate, the greater the degree of caution suggested when using the estimate.

Table A1 provides both the proportion of consumers who accept that unresolved items are not errors, as well as the confidence interval. The numbers provided in brackets are 95% confidence intervals to provide information about the statistical precision of the proportion of people in the entire population who might allege an inaccuracy and then, upon further reflection, state that the original credit report was reasonable and accept the CRA not making a change. For example, 31% of consumers in the sample state that they accept the original information as correct with a 95% confidence interval of [23%, 40%].

Table A1: Consumer Acceptance of Changes Not Made by CRA

	Overall	CRA1	CRA2	CRA3
Consumer Accepts that Unresolved Items are Not Errors	37 (31%) [23%, 40%]	19 (26%) [17%, 38%]	23 (29%) [19%, 40%]	27 (31%) [22%, 42%]
Total # consumers	121	72	80	87

Note: The percentages are provided for each CRA individually (i.e., 26% of the consumers who disputed an item at CRA1 accept that their requested change was not made by CRA1). Consumers may have disputed at multiple CRAs.

Table A2 presents the same information as Table 5 on whether consumers intend to continue to dispute inaccurate information or abandon their disputes. Once again, the numbers in brackets represent 95% confidence intervals. The confidence interval for the consumers who have or will continue to dispute is [23%, 40%]. The estimate of the average number of consumers who

abandon disputing credit report information they still believe is inaccurate is 35% with a confidence interval of [26%, 44%]. The calculated confidence intervals are similar across the three CRAs.

Table A2: Consumers who Intend to Continue to Dispute Inaccurate Information

	Overall	CRA1	CRA2	CRA3
Consumers who Have/Will Continue to Dispute	38 (31%) [23%, 40%]	24 (33%) [23%, 45%]	25 (31%) [21%, 43%]	25 (29%) [20%, 39%]
Consumers who Do Not Plan to Dispute (But Believe Item is Still Inaccurate)	42 (35%) [26%, 44%]	26 (36%) [25%, 48%]	30 (38%) [27%, 49%]	31 (36%) [26%, 47%]

Note: The percentages are provided for each CRA individually (i.e., 33% of the consumers who disputed an item at CRA1 have or will continue to dispute). Consumers may have disputed at multiple CRAs.

Table A3 presents the same information as Table 7 on what consumers responded when asked about items that they claimed do not belong to them in the 2012 FTC 319 Study. Again, the numbers in brackets represent 95% confidence intervals. For example, the proportion of consumers in the sample who claim a credit report item does not belong to them, but then later recognize the account as belonging to them is 18% with a confidence interval of [10%, 28%]. If we generated new samples and calculated new estimates and confidence intervals, the confidence intervals would include the true proportion in the population 95% of the time. The 95% confidence intervals are generally similar across the CRAs.

Table A3: Responses to Questions Regarding the “Not Mine” Account

	Overall	CRA1	CRA2	CRA3
Consumers Who Now Recognize Account as “Mine”	14 (18%) [10%, 28%]	9 (19%) [9%, 32%]	6 (11%) [4%, 23%]	9 (19%) [9%, 32%]
Consumer is an Authorized User/Co-Signer on this Account	4 (5%) [1%, 12%]	2 (4%) [0%, 14%]	4 (8%) [2%, 18%]	3 (6%) [1%, 17%]
Consumer Believes Account Could Belong to Another Person at Same Address	5 (6%) [2%, 14%]	1 (2%) [0%, 11%]	2 (4%) [0%, 13%]	4 (8%) [2%, 20%]
Consumers who Claim Account is “Not Mine”	78	48	53	48

Note: The percentages are provided for each CRA individually (i.e., 19% of the consumers who originally disputed an item at CRA1 as “not mine” now recognize the account as belonging to them). Consumers may have disputed at multiple CRAs.

FACTA 319 Follow-up Study on the Accuracy of Credit Bureau Information

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Final Report Prepared by

L. Douglas Smith, Ph.D.
Maureen Karig, MBA



**Center for
Business and
Industrial
Studies**

College of Business Administration
University of Missouri-St. Louis
One University Blvd.
St. Louis, MO 63121

ldsmith@umsl.edu Tel: (314) 516-6108 Fax: (314) 516-6827

Michael Staten, Ph.D.



Take Charge America Institute
Norton School of Family
and Consumer Sciences
The University of Arizona
Tucson, AZ 85721

statenm@email.arizona.edu Tel: (520) 621-9482 Fax: (520) 626-4234

Andrea Golden, BS



Fair Isaac Corporation
200 Smith Ranch Road
San Rafael, CA 94903

AndreaGolden@FICO.com Tel: (415) 446-6000 Fax: (415) 492-9381

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FACTA 319 Follow-up Study on the Accuracy of Credit Bureau Information

Executive Summary

This follow-up study was undertaken as an extension to the national study to shed further light on three issues that could affect the interpretation of findings. Of concern were: (1) whether alleged errors that were apparently corrected in response to disputes might reappear at a later date, (2) whether items in a credit report that were reported as not belonging to a consumer might belong to others in the household or be otherwise explained, and (3) whether consumers were informed of dispute results, whether they understood why disputed items were not changed as requested, and whether they accepted the ultimate result as reasonable.

We did not find evidence that corrections imposed to a file are frequently undone by some action in the subsequent year. In fact, this occurred for just two of 207 consumers (1%) and for two of 400 (0.5%) of bureau disputes. In neither of these cases was the person informed of the reinstatement of the negative information. In one instance, tradeline information about a charged-off account reappeared as a collection item (i.e., in a different form). Both individuals continue to assert that the reinstated information is erroneous.

A significant percentage (24%) of 91 bureau disputes involving of “not-mine” tradeline accounts applied to situations where the respondents, on reflection, recognized that the accounts may have been theirs after all. For 8% of the disputes involving “not-mine” accounts, the accounts may have belonged to another person in the household (at the same address) and for 10% the person may have been an authorized user or co-signer on the account. The results of the follow-up study thus suggest that measures of frequency of “not-mine” accounts reported in the national study could be tempered somewhat (perhaps lowered by about 25%). This would not affect our measures of the impact of reporting errors in the national study. The impacts of errors on credit scores were determined from actual changes to consumers’ files that were imposed following disputes. The “not-mine” accounts still disputed would not have been removed.

For 240 bureau disputes where changes to the bureau files were not imposed as requested, participants frequently (for 38% of such disputes) reported that they were not informed of the results; they often (for 70% of such cases) could not understand why the changes were not made; for 65% of such instances they continued to disagree with the outcomes. Among those who continued to disagree, for 51% of their bureau disputes, the participants decided not to press things further – mostly because they did not see the issue as important or as having a significant effect on their credit scores.

In interpreting the frequency of errors and their potential severity, some consideration should be given to cases where people “continue to disagree”. One way of doing so would be to produce estimates of frequency and severity of errors assuming that all items with continuing disagreements were “corrected” as requested. That may, however, require further rescoring of some frozen files. Another way of doing so would be to

revert to the first rescoring for such cases. That would provide an upper bound for the effects of such changes.

Some attention should be given to ways that the credit bureaus could more effectively communicate the results of disputes. Consumers frequently could not easily identify the changes that were made as a result of their disputes. When the requested changes were not made, they frequently could not understand the reason. Further, consumers should be informed that when they apply a note to the file about a continuing dispute, it will not offset the related negative information in the file when the credit score is computed.

FACTA 319 Follow-up Study on the Accuracy of Credit Bureau Information

Study Scope and Purpose

In October, 2012, we reported our findings from the national study of credit-bureau accuracy performed for the FTC under the FACTA Act of 2003. In our analysis of findings, it became apparent that the interpretation of statistics for the frequency and severity of credit-reporting errors might depend upon (1) whether information that had been corrected or removed in response to disputes filed by study participants might reappear as the credit bureaus updated their files at a later date, (2) whether there was some logical explanation for items in credit reports that allegedly did not belong to the person, and (3) whether, when items were not altered in accordance with the consumers requests, the consumers were informed of and understood the reasons for the inaction and whether they accepted the result as reasonable. This follow-up study was undertaken as an extension to the national study to shed further light on these questions. We shall refer to this inquiry as Phase 3 of the FACTA 319 study on credit-bureau accuracy. (Phase 1 comprises the two pilot studies and Phase 2 refers to the national study completed in 2011).

Our first thrust in Phase 3 is to investigate **whether items that have apparently been corrected or removed in response to a dispute might reappear at a later time** – perhaps with a reposting by the furnisher of the information or, alternatively, by the credit bureau after further investigation of the dispute. For our representative sample of participants who filed disputes in the national study, we wish to determine: (1) the frequency of such occurrences, (2) the nature of communication that occurred between the bureau and the consumer if such events occurred, (3) whether the consumer accepted the reversal as reasonable, (4) whether consumers with continuing disagreements tend to pursue the issues further, and (5) why such consumers fail to press further with their disputes when they disagree with the outcomes.

The second thrust of the study addresses **items in the credit report (particularly trade-line items such as credit cards or other accounts) that allegedly did not belong to the consumer**. We ask the consumer to consider in retrospect: (1) whether the account could have belonged to another person in the household at the same address, (2) whether the consumer was an authorized user or cosigner on the account, or (3) on reconsideration, whether the account may have been theirs after all.

The third thrust pertains to **situations where the bureaus failed to change the credit records in a manner that addresses the dispute fully (by fixing errors or removing erroneous items from the report)**. In these cases, we investigate (1) whether the bureau had communicated the results of the dispute to the consumer, (2) whether the consumer understood the reason for the bureau's action or inaction, (3) whether the consumer accepted the outcome as reasonable, (4) whether consumers with continuing disagreements tend to pursue the issues further, and (5) why consumers who disagree with the outcomes fail to press further with their disputes.

With follow-up information regarding these three major issues, we can assess whether the findings in the national study may need to be tempered before reaching final conclusions about credit-bureau accuracy and before suggesting changes in reporting practices to improve it.

Research Methodology

Two major activities were required in the execution of Phase 3 of the FACTA 319 study. First, new credit reports had to be examined in detail to see if individual items, that had been changed or removed following disputes in Phase 2, were subsequently reinstated. Secondly, consumers had to be re-interviewed to address relevant questions pertaining to each of the three research thrusts. A single telephone interview was employed to address all relevant issues with an individual study participant (disputant).

Before contacting the consumers, university research associates reviewed the case files and the detailed item-level outcomes from Phase 2 (considering all 263 cases with a potentially material dispute at any of the bureaus) to determine the issues that needed to be addressed with each consumer. Up to five attempts were made to reach each consumer (using telephone calls, leaving voice messages where possible and supplementing the calls with e-mail correspondence).

Telephone interviews were conducted using the interviewing guide in Appendix A. A few consumers (13 at UMSL and 4 at UA) preferred to respond to the questions by-email. They were furnished with relevant questions from the interviewing guide and responded in writing to the university RA. All consumer contact was completed, as required by OMB authorization for the study, before December 31, 2012.

Consumers who registered for the national study (Phase 2) had authorized us to redraw their credit reports to determine the outcomes of their disputes. We were able to accomplish this in Phase 3 by entering the FTC study ID for the participant at the research-assistant portal created by FICO for redrawing credit reports in Phase 2. No personally identifying information (such as name, date of birth or Social Security number) was required to be entered at the FICO website for this task. If reinstatement of an item occurred, the consumer was contacted to determine whether he or she was aware of the reinstatement and the related questions were addressed along with any applicable questions on the other issues (changes not made or not-mine accounts).

Data collected and transmitted for the study extension were secured and protected using the same protocols as for the national study. Anonymity of consumer responses was assured by using the FTC study ID as the sole identifier in the research database, and on hard copies of the interviewing questionnaires. Consumers' names and e-mail addresses were obtained from the secure UMSL registration and case-management website using the FTC study ID as the key. Interviewing control lists (with names, phone numbers, e-mail addresses and call logs) were maintained by senior university RAs separately from the research data. They did not contain personally identifying information such as date-of-birth or SSN.

Research Data

Results of the review of re-drawn credit reports and responses to relevant questions were entered into an extension of the item-level spreadsheets produced in Phase 2. These are furnished as “UMSLPhase3with notes.xls” and “UAPhase3with notes.xls”. The former contain data for the UMSL cases. The latter contain data for the UA cases. They have been reviewed and edited for consistency in meanings of coded responses. Codings are described in the header rows. Condensed versions (eliminating the rows above the general headings and eliminating columns with un-coded notes) are also provided as “phase3umsl.csv” and “phase3ua.csv”. The latter may be conveniently imported by statistical software such as SPSS, Stata or SAS. Our statistical reports (generated with SAS) are based on information in these spreadsheets.

The augmented spreadsheets have three new groups of columns that indicate:

- for each item that was alleged to be an account that did not belong to the individual
 - whether it may have belonged to another person in the household at the same address
 - whether the individual was a co-signer or authorized user for the account
 - whether, on reconsideration, the individual realized that the account could have been his or hers after all
- for each individual item disputed where not all changes were made in response to disputes:
 - whether the bureau communicated the results of their investigation to the consumer
 - whether reasons for the outcome were provided
 - whether the individual understood the reason
 - whether the consumer accepted the outcome as reasonable
 - if not, whether the person planned to pursue the issue further and if not, why not
- for each item that had been changed as requested or removed
 - whether it had reappeared
 - if reappeared, whether the individual had been informed by the bureau
 - whether reasons were given
 - whether the person understood the reasons
 - whether the consumer accepted the result
 - if not, whether the person intended to pursue the issue further and if not, why not.

There is a row in the spreadsheet for each disputed item in the participant’s credit reports. If a piece of information was not relevant for that item in the Phase 3 inquiry, “NA” was entered into the corresponding column.

Research Findings

There were 212 consumers in Phase 2 for whom changes had been imposed to items in their credit files -- involving 411 formal disputes with the three bureaus. We were successful in redrawing 400 credit reports for 207 of those consumers (a 97% success rate). The remainder could not be redrawn for technical reasons (possibly with a freeze imposed by the bureau or with insufficient information to generate a credit score). The 400 reports redrawn in 2012 in Phase 3 were reviewed in detail and compared with the reports that were redrawn in 2011 to determine the results of disputes for the national study. There were just two instances where an item had been corrected or removed in agreement with a dispute in 2011 and subsequently reappeared in some form in the 2012 credit report for the individual.

In one case involving a reinstatement (Case A), the consumer had originally disputed a collection that had appeared on the report from just one of the three bureaus. In 2011, the collection was removed as requested (along with a disputed Inquiry). The effect of that would have been an increase of 31 points in the original credit score (from 576 to 607, crossing one lending threshold though remaining between the scores from the other two bureaus). The collection reappeared as an item in the 2012 report. (The collection balance also changed from \$487 to \$817). Rescoring the original report again with the collection replaced caused the credit score to drop to its original level. In the follow-up interview, we determined:

1. The consumer was not notified that the disputed collection, previously removed had been reinstated.
2. The consumer does not understand why the collection was reinstated.
3. The consumer still does not accept this collection as his.
4. The consumer does not intend to pursue the issue further because he says it is a waste of time and there is little chance that the bureau will correct the file. His sentiments towards the credit-reporting industry were very negative.

The other case (Case B) reported a charged-off "account not mine" involving [Telecom Firm] in the dispute with two bureaus. It was removed from both bureaus in 2011 as requested, but reappeared in one bureau in 2012 as a collection item. It had no effect on the credit score. The consumer was not informed and does not accept this. She intends to follow up directly with [Telecom Firm].

Over all, it appears unlikely but possible that an item removed or corrected in response to a dispute will reappear in the credit file over the subsequent year. This occurred for just 2 of 207 consumers (1%) and for two of 400 bureau disputes (0.5%) in the national study.

Responses to inquiries about the other two issues (not-mine accounts and unchanged items) are tabulated in Appendix B. The first group of tables (1A-9B) contains statistics for all individuals contacted about the respective issues in Phase 3. Included in these tables are counts of the number of respondents for whom the particular question or issue was not applicable (e.g., when an item disputed did not apply to the particular bureau or a response to a prior question made the particular question irrelevant). Percentage values

in this set of tables apply to the number of individuals contacted at any bureau regarding the general issue. A second group of tables (10A-18B) was created after removing “not-applicable” entries. Percentage statistics in this group reflect the responses of individuals for whom the question was relevant.

Tables 1A-3B contain tallies of responses to the questions about entries that allegedly did not belong to the respondent. We reached 51 of the 78 individuals (a 65% response rate) who reported a ‘not-mine’ tradeline account at one or more bureaus. Of these, 27 individuals faced that issue at a single bureau; 8 faced it at two bureaus; 16 faced it at all three bureaus (a total of 91 bureau disputes involving not-mine tradeline accounts for these 51 individuals).

In Tables 1A and 1B we see that two of the 51 respondents (4%) indicated that a “not-mine” account in their credit report from Bureau A may have belonged to another person in the household. The corresponding numbers for disputes at Bureau B were 4 (8%) and for Bureau C were 1 (2%). Tables 10A and 10B show the same information while disregarding “NA” situations and concentrating on the subsets of individuals for which the issue was relevant at the respective bureaus. Over the three bureaus, 7.7% of individuals’ disputes regarding “not-mine” accounts involved situations where the disputed account(s) could have belonged to another person at the same address.

In our further interpretation of the findings for the “not-mine” accounts, we shall concentrate on the statistics in Tables 11A-12B. They indicate that 10% of individuals’ disputes of “not-mine” accounts were acknowledged to have involved a situation where the person was an authorized user or co-signer on the account, and an additional 3% were acknowledged as “possibly” being in this situation.

Finally, and perhaps most significantly, for 24% of bureau disputes involving “not-mine” accounts, the respondents, on further reflection, acknowledged that the accounts may have been theirs after all (Table 12B).

Similar detail, for responses to questions about items that were not changed as requested, appear in Tables 4A-9B and Tables 13A-18B. We were able to contact 122 of the 181 individuals for whom the bureaus did not make changes as requested (a 67% response rate). In interpreting the responses, we shall concentrate on Tables 13A-19B, which provide the statistics after eliminating the “not-applicable” entries. In Tables 13A and 13B, we see that for 38% of the bureau disputes, individuals claimed they were not notified by the bureaus when changes to the files were not made as requested. In contrast, for 49% of such disputes, the participants acknowledged that they were informed of the outcome. For 13% of the disputes, the participants indicated that they did not recall but they may have been notified.

For 61% of bureau disputes where changes were not imposed to the files as requested (Table 14B), the participants claimed that the bureaus did not explain the reason for their inaction. For 70% of those bureau disputes the respondents claimed not to have understood why the changes were not imposed (Table 15B) while 25% acknowledged

that they did understand the reasons. For 29% of the disputes where changes were not made, the respondents accepted the outcome as reasonable. For 65% of the disputes, the participants continued to disagree with the bureaus' not changing the item(s) as requested (Table 16B). For continuing disagreements with the bureaus over items not changed, respondents claimed that they were pursuing (or might pursue) matters further in 46% of the instances. For 51% of such disputes, the participants would not.

As to the primary reasons why people with continuing differences decide not to pursue matters further (Table 18B), for 38% of the bureau disputes, the participants judged that the issue was not important; for 20% they thought it would take too much time; for 9% they judged it would not affect the credit score; for 7% they were not planning to need credit; for just 3% the respondents thought that the bureau's record may possibly be correct.

Conclusion

We did not find evidence that corrections imposed to a file are likely to be undone by some action in the subsequent year. In fact, this occurred for just two of 207 consumers (1%) and for two of 400 (0.5%) of bureau disputes. In neither case was the person informed of the reinstatement of the negative information; nor did they agree with the outcomes.

A significant percentage (24%) of bureau disputes of "not-mine" accounts in bureau files applied to situations where the respondents, on reflection, recognized that the accounts may have been theirs after all. For 8% of the disputes involving "not-mine" accounts, the accounts may have belonged to another person in the household (at the same address) and for 10% the person may have been an authorized user or co-signer. The results of the follow-up study thus suggest that measures of frequency of "not-mine" accounts reported in the national study could be tempered somewhat (perhaps lowered by about 25%). This would not affect our measures of the impact of reporting errors in the national study. The impacts of errors on credit scores were determined from actual changes to consumers' files that were imposed following disputes. The "not-mine" accounts still disputed would not have been removed.

For 240 bureau disputes where changes to the bureau files were not imposed as requested, participants frequently (for 38% of such disputes) reported that they were not informed of the results; they often (for 70% of such cases) could not understand why the changes were not made; for 65% of such instances they continued to disagree with the outcomes. Among those who continued to disagree, for 51% of their bureau disputes, the participants decided not to press things further – mostly because they did not see the issue as important or as having a significant effect on their credit scores.

Each of the bureaus has a different template for reporting the results of disputes and they all differed from the format that FICO uses in their credit reports. It seemed to the interviewers that formal responses to disputes may have been received by some individuals who claimed that they were not informed of the results. The material may

have been treated as “junk mail” or perceived as not being related to their specific disputes.

In interpreting the frequency of errors and their potential severity, some consideration should be given to cases where people “continue to disagree”. One way of doing so would be to produce estimates of frequency and severity of errors assuming that all items with continuing disagreements were “corrected” as requested. That may, however, require further rescoring of some frozen files. Another way of doing so would be to revert to the first rescoring for such cases. That would provide an upper bound for the effects of such changes.

Some attention should be given to the ways that the credit bureaus communicate the results of disputes. Consumers frequently could not easily identify the changes that were made as a result of their disputes. When the requested changes were not made, they frequently could not understand the reason. Improvements to the automated processes for communicating results of disputes to the consumers would make it easier for consumers to understand how actual changes to the file compare with the requested changes and more specifically why requested changes were not imposed. Consumers should also be informed that when they apply a note to the file describing a continuing dispute, it will not offset the disputed negative information when the credit score is computed.

Appendix A - Phase 3 Interview Guide

(For each Interview record FTC Case ID, Interviewer Name, Date)

Hello, this is ... with the University of ...

You participated in our study on the accuracy of credit reports.

We're now putting the final touches on our work for the Federal Trade Commission so that they can report our findings to Congress this Fall.

The FTC has asked us to check the current status of cases where participants had filed disputes to make sure that we properly represent the final outcomes.

< IF ANY REQUESTED CHANGES WERE NOT IMPOSED >

For cases where changes were not made as requested, the FTC has asked us to inquire whether participants understood why not and whether they pursued the matter further.

In your case, item ... was not (fully) changed as you requested.

1. *Did Equifax/Experian/Trans Union notify you regarding your dispute?*
2. *Did Equifax/Experian/Trans Union communicate the reason the change(s) were not made?*
3. *Do you understand why not?*
4. *Do you accept this information as now correct?*

If YES - *Thanks for validating that, we'll record this in our final tallies to the FTC.*

If NO - go to 5.

5. *Have you pursued this further?*

If YES - *How ? (if dispute was filed get specific details);
What was the outcome?*

If NO - *Why Not?*

<End changes not made inquiry.>

< IF DISPUTED INFORMATION WAS REINSTATED >

One thing the FTC asked us to check is whether changes made in response to disputes in 2011 may have been undone.

In your case, it appears that the item pertaining to ... that was ... has reappeared as

1. *Were you notified of this by Equifax/Experian/Trans Union?*
2. *Do you understand why this occurred?*
3. *Do you accept this information as now correct?*

If YES - Thanks for validating that, we'll record this in our final tallies to the FTC.

If NO - You may, of course, file another dispute with the bureau.

4. *With this information are you likely to do so?
If not, why not?*

<End reinstatement inquiry>

< IF REPORTED "NOT MINE" ACCOUNTS >

For cases where individuals reported information as not belonging to them the FTC is trying to understand how the material could have gotten into the file.

In your case, you reported that ... is not your account/does not apply to you.

1. *Could it have belonged to a relative or to another person at your address?
if Yes, were you an authorized user or co-signer for the account?*
2. *Could it be yours but you don't recognize it?*

For example:

- a. *unrecognized name for a credit card,*
- b. *unrecognized lender or reporting organization,*
- c. *or, debt reported under the loan servicer or a different institution,
unknown debt reported by collection agency)*
- d. *other*

<End not mine accounts inquiry.>

Thank you again for participating in the study and for helping to answer these follow-up questions. The FTC's report to Congress will be available at their website early next year.

Contractor Appendix C – Statistical Tables

Table 1A - Frequencies of Responses to Whether Not-Mine Accounts Could Belong to Another Person Same Address
Based on Contacts with 51 of 78 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A				Bureau B				Bureau C			
	NA	DNR	No	Yes	NA	DNR	No	Yes	NA	DNR	No	Yes
1	18	.	8	1	18	.	6	3	18	.	9	.
2	1	.	7	.	5	.	3	.	2	.	6	.
3	.	1	14	1	.	1	14	1	.	1	14	1
All	19	1	29	2	23	1	23	4	20	1	29	1

Table 1B - Percentages of Responses to Whether Not-Mine Accounts Could belong to Another Person Same Address
Based on Contacts with 51 of 78 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A				Bureau B				Bureau C			
	NA	DNR	No	Yes	NA	DNR	No	Yes	NA	DNR	No	Yes
1	66.7	.	29.6	3.7	66.7	.	22.2	11.1	66.7	.	33.3	.
2	12.5	.	87.5	.	62.5	.	37.5	.	25.0	.	75.0	.
3	.	6.3	87.5	6.3	.	6.3	87.5	6.3	.	6.3	87.5	6.3
All	37.3	2.0	56.9	3.9	45.1	2.0	45.1	7.8	39.2	2.0	56.9	2.0

Table 2A - Frequencies of Responses to Whether The Person was an Authorized User on Not-Mine Accounts
Based on Contacts with 51 of 78 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A					Bureau B					Bureau C				
	NA	DNR	No	POS	Yes	NA	DNR	No	POS	Yes	NA	DNR	No	POS	Yes
1	18	.	7	.	2	18	.	7	.	2	18	.	9	.	.
2	1	.	6	.	1	5	.	3	.	.	2	.	5	.	1
3	.	1	13	1	1	.	1	13	1	1	.	1	13	1	1
All	19	1	26	1	4	23	1	23	1	3	20	1	27	1	2

Table 2B - Percentages of Responses to Whether The Person was an Authorized User on Not-Mine Accounts
Based on Contacts with 51 of 78 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A					Bureau B					Bureau C				
	NA	DNR	No	POS	Yes	NA	DNR	No	POS	Yes	NA	DNR	No	POS	Yes
1	66.7	.	25.9	.	7.4	66.7	.	25.9	.	7.4	66.7	.	33.3	.	.
2	12.5	.	75.0	.	12.5	62.5	.	37.5	.	.	25.0	.	62.5	.	12.5
3	.	6.3	81.3	6.3	6.3	.	6.3	81.3	6.3	6.3	.	6.3	81.3	6.3	6.3
All	37.3	2.0	51.0	2.0	7.8	45.1	2.0	45.1	2.0	5.9	39.2	2.0	52.9	2.0	3.9

Table 3A - Frequencies of Responses to Whether The Not-Mine Account Could have Been His or Hers
Based on Contacts with 51 of 78 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A				Bureau B					Bureau C			
	NA	DNR	No	Yes	NA	DNR	Mix	No	Yes	NA	DNR	No	Yes
1	18	.	8	1	18	.	2	6	1	18	.	6	3
2	1	.	6	1	5	.	.	2	1	2	.	5	1
3	.	1	11	4	.	1	.	10	5	.	1	10	5
All	19	1	25	6	23	1	2	18	7	20	1	21	9

Table 3B - Percentages of Responses to Whether The Not-Mine Account Could have Been His or Hers
Based on Contacts with 51 of 78 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A				Bureau B					Bureau C			
	NA	DNR	No	Yes	NA	DNR	Mix	No	Yes	NA	DNR	No	Yes
1	66.7	.	29.6	3.7	66.7	.	7.4	22.2	3.7	66.7	.	22.2	11.1
2	12.5	.	75.0	12.5	62.5	.	.	25.0	12.5	25.0	.	62.5	12.5
3	.	6.3	68.8	25.0	.	6.3	.	62.5	31.3	.	6.3	62.5	31.3
All	37.3	2.0	49.0	11.8	45.1	2.0	3.9	35.3	13.7	39.2	2.0	41.2	17.6

Table 4A - Frequencies of Responses to Whether Notified When Not All Changes Were Imposed as Requested
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A				Bureau B				Bureau C			
	NA	DNR	No	Yes	NA	DNR	No	Yes	NA	DNR	No	Yes
1	31	1	4	10	26	4	6	10	35	2	5	4
2	11	2	9	12	9	1	14	10	14	1	9	10
3	.	7	14	21	.	7	14	21	.	7	16	19
All	42	10	27	43	35	12	34	41	49	10	30	33

Table 4B - Percentages of Responses to Whether Notified When Not All Changes Were Imposed as Requested
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A				Bureau B				Bureau C			
	NA	DNR	No	Yes	NA	DNR	No	Yes	NA	DNR	No	Yes
1	67.4	2.2	8.7	21.7	56.5	8.7	13.0	21.7	76.1	4.3	10.9	8.7
2	32.4	5.9	26.5	35.3	26.5	2.9	41.2	29.4	41.2	2.9	26.5	29.4
3	.	16.7	33.3	50.0	.	16.7	33.3	50.0	.	16.7	38.1	45.2
All	34.4	8.2	22.1	35.2	28.7	9.8	27.9	33.6	40.2	8.2	24.6	27.0

**Table 5A - Frequencies of Responses to Whether Given Reasons for Changes Not Made
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A					Bureau B				Bureau C				
	NA	DNR	Mix	No	Yes	NA	DNR	No	Yes	NA	DNR	Mix	No	Yes
1	31	1	.	9	5	26	4	10	6	36	2	.	7	1
2	11	1	1	14	7	9	1	19	5	14	1	.	13	6
3	.	7	2	24	9	.	7	23	12	.	7	1	26	8
All	42	9	3	47	21	35	12	52	23	50	10	1	46	15

**Table 5B - Percentages of Responses to Whether Given Reasons for Changes Not Made
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A					Bureau B				Bureau C				
	NA	DNR	Mix	No	Yes	NA	DNR	No	Yes	NA	DNR	Mix	No	Yes
1	67.4	2.2	.	19.6	10.9	56.5	8.7	21.7	13.0	78.3	4.3	.	15.2	2.2
2	32.4	2.9	2.9	41.2	20.6	26.5	2.9	55.9	14.7	41.2	2.9	.	38.2	17.6
3	.	16.7	4.8	57.1	21.4	.	16.7	54.8	28.6	.	16.7	2.4	61.9	19.0
All	34.4	7.4	2.5	38.5	17.2	28.7	9.8	42.6	18.9	41.0	8.2	0.8	37.7	12.3

**Table 6A - Frequencies of Responses to Whether Understands Why Changes Not Made
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A					Bureau B					Bureau C				
	NA	DNR	Mix	No	Yes	NA	DNR	Mix	No	Yes	NA	DNR	Mix	No	Yes
1	31	.	.	9	6	26	.	.	12	8	36	.	.	8	2
2	11	.	.	19	4	9	.	.	21	4	14	.	.	17	3
3	.	1	4	27	10	.	1	4	25	12	.	1	3	28	10
All	42	1	4	55	20	35	1	4	58	24	50	1	3	53	15

**Table 6B - Percentages of Responses to Whether Understands Why Changes Not Made
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A					Bureau B					Bureau C				
	NA	DNR	Mix	No	Yes	NA	DNR	Mix	No	Yes	NA	DNR	Mix	No	Yes
1	67.4	.	.	19.6	13.0	56.5	.	.	26.1	17.4	78.3	.	.	17.4	4.3
2	32.4	.	.	55.9	11.8	26.5	.	.	61.8	11.8	41.2	.	.	50.0	8.8
3	.	2.4	9.5	64.3	23.8	.	2.4	9.5	59.5	28.6	.	2.4	7.1	66.7	23.8
All	34.4	0.8	3.3	45.1	16.4	28.7	0.8	3.3	47.5	19.7	41.0	0.8	2.5	43.4	12.3

**Table 7A - Frequencies of Responses to Whether Accepts Changes Not Made as Reasonable
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A					Bureau B						Bureau C				
	NA	DNR	Mix	No	Yes	NA	DNR	Mix	No	POS	Yes	NA	DNR	Mix	No	Yes
1	31	.	.	9	6	26	.	.	9	.	11	36	.	.	7	3
2	11	.	.	17	6	9	.	.	21	.	4	14	.	.	15	5
3	.	1	3	27	11	.	1	4	24	1	12	.	1	3	27	11
All	42	1	3	53	23	35	1	4	54	1	27	50	1	3	49	19

Table 7B - Percentages of Responses to Whether Accepts Changes Not Made as Reasonable
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)

Number of Bureaus Disputed	Bureau A					Bureau B						Bureau C				
	NA	DNR	Mix	No	Yes	NA	DNR	Mix	No	POS	Yes	NA	DNR	Mix	No	Yes
1	67.4	.	.	19.6	13.0	56.5	.	.	19.6	.	23.9	78.3	.	.	15.2	6.5
2	32.4	.	.	50.0	17.6	26.5	.	.	61.8	.	11.8	41.2	.	.	44.1	14.7
3	.	2.4	7.1	64.3	26.2	.	2.4	9.5	57.1	2.4	28.6	.	2.4	7.1	64.3	26.2
All	34.4	0.8	2.5	43.4	18.9	28.7	0.8	3.3	44.3	0.8	22.1	41.0	0.8	2.5	40.2	15.6

**Table 8A - Frequencies of Responses to Whether Pursuing Matters Further
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A				Bureau B					Bureau C				
	NA	Mix	No	Yes	NA	Mix	No	POS	Yes	NA	Mix	No	POS	Yes
1	37	.	3	6	37	.	5	.	4	39	1	4	.	2
2	17	.	12	5	13	.	11	2	8	19	.	5	2	8
3	12	2	14	14	13	1	15	.	13	12	2	16	.	12
All	66	2	29	25	63	1	31	2	25	70	3	25	2	22

**Table 8B - Percentages of Responses to Whether Pursuing Matters Further
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A				Bureau B					Bureau C				
	NA	Mix	No	Yes	NA	Mix	No	POS	Yes	NA	Mix	No	POS	Yes
1	80.4	.	6.5	13.0	80.4	.	10.9	.	8.7	84.8	2.2	8.7	.	4.3
2	50.0	.	35.3	14.7	38.2	.	32.4	5.9	23.5	55.9	.	14.7	5.9	23.5
3	28.6	4.8	33.3	33.3	31.0	2.4	35.7	.	31.0	28.6	4.8	38.1	.	28.6
All	54.1	1.6	23.8	20.5	51.6	0.8	25.4	1.6	20.5	57.4	2.5	20.5	1.6	18.0

**Table 9A - Frequencies of Responses to Why Not Pursuing Matters Further
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A								
	NA	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons
1	43	.	.	.	3
2	22	2	1	.	7	.	.	2	.
3	26	4	2	2	3	1	1	1	2
All	91	6	3	2	13	1	1	3	2

Number of Bureaus Disputed	Bureau B								
	NA	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons
1	41	1	.	.	2	1	.	1	.
2	21	2	1	.	8	1	.	.	1
3	26	4	2	2	4	1	1	1	1
All	88	7	3	2	14	3	1	2	2

Number of Bureaus Disputed	Bureau C								
	NA	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons
1	41	1	.	1	1	2	.	.	.
2	27	1	.	.	3	1	.	2	.
3	25	4	2	2	5	1	1	1	1
All	93	6	2	3	9	4	1	3	1

**Table 9B - Percentages of Responses to Why Not Pursuing Matters Further
Based on Contacts with 122 of 181 Individuals
(NA means the issue or question is not relevant for the case at that bureau)**

Number of Bureaus Disputed	Bureau A								
	NA	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons
1	93.5	.	.	.	6.5
2	64.7	5.9	2.9	.	20.6	.	.	5.9	.
3	61.9	9.5	4.8	4.8	7.1	2.4	2.4	2.4	4.8
All	74.6	4.9	2.5	1.6	10.7	0.8	0.8	2.5	1.6

Number of Bureaus Disputed	Bureau B								
	NA	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons
1	89.1	2.2	.	.	4.3	2.2	.	2.2	.
2	61.8	5.9	2.9	.	23.5	2.9	.	.	2.9
3	61.9	9.5	4.8	4.8	9.5	2.4	2.4	2.4	2.4
All	72.1	5.7	2.5	1.6	11.5	2.5	0.8	1.6	1.6

Number of Bureaus Disputed	Bureau C								
	NA	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons
1	89.1	2.2	.	2.2	2.2	4.3	.	.	.
2	79.4	2.9	.	.	8.8	2.9	.	5.9	.
3	59.5	9.5	4.8	4.8	11.9	2.4	2.4	2.4	2.4
All	76.2	4.9	1.6	2.5	7.4	3.3	0.8	2.5	0.8

**Table 10A - Frequencies of Responses to Whether Not-Mine Accounts Could Belong to Another Person Same Address
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	No	Yes	All
Bureau A	1	29	2	32
Bureau B	1	23	4	28
Bureau C	1	29	1	31
All	3	81	7	91

**Table 10B - Percentages of Responses to Whether Not-Mine Accounts Could belong to Another Person Same Address
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	No	Yes	All
Bureau A	3.1	90.6	6.3	100.0
Bureau B	3.6	82.1	14.3	100.0
Bureau C	3.2	93.5	3.2	100.0
All	3.3	89.0	7.7	100.0

Table 11A - Frequencies of Responses to Whether The Person was an Authorized User on Not-Mine Accounts*(Ignoring instances where the issue or question is not relevant for the case at that bureau)*

Bureau	DNR	No	POS	Yes	All
Bureau A	1	26	1	4	32
Bureau B	1	23	1	3	28
Bureau C	1	27	1	2	31
All	3	76	3	9	91

**Table 11B - Percentages of Responses to Whether The Person was an Authorized User on Not-Mine Accounts
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	No	POS	Yes	All
Bureau A	3.1	81.3	3.1	12.5	100.0
Bureau B	3.6	82.1	3.6	10.7	100.0
Bureau C	3.2	87.1	3.2	6.5	100.0
All	3.3	83.5	3.3	9.9	100.0

**Table 12A - Frequencies of Responses to Whether The Not-Mine Account Could have Been His or Hers
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	Mix	No	Yes	All
Bureau A	1	.	25	6	32
Bureau B	1	2	18	7	28
Bureau C	1	.	21	9	31
All	3	2	64	22	91

**Table 12B - Percentages of Responses to Whether The Not-Mine Account Could have Been His or Hers
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	Mix	No	Yes	All
Bureau A	3.1	.	78.1	18.8	100.0
Bureau B	3.6	7.1	64.3	25.0	100.0
Bureau C	3.2	.	67.7	29.0	100.0
All	3.3	2.2	70.3	24.2	100.0

**Table 13A - Frequencies of Responses to Whether Notified When Not All Changes Were Imposed as Requested
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	No	Yes	All
Bureau A	10	27	43	80
Bureau B	12	34	41	87
Bureau C	10	30	33	73
All	32	91	117	240

**Table 13B - Percentages of Responses to Whether Notified When Not All Changes Were Imposed as Requested
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	No	Yes	All
Bureau A	12.5	33.8	53.8	100.0
Bureau B	13.8	39.1	47.1	100.0
Bureau C	13.7	41.1	45.2	100.0
All	13.3	37.9	48.8	100.0

Table 14A - Frequencies of Responses to Whether Given Reasons for Changes Not Made (Ignoring instances where the issue or question is not relevant for the case at that bureau)

Bureau	DNR	Mix	No	Yes	All
Bureau A	9	3	47	21	80
Bureau B	12	.	52	23	87
Bureau C	10	1	46	15	72
All	31	4	145	59	239

Table 14B - Percentages of Responses to Whether Given Reasons for Changes Not Made (Ignoring instances where the issue or question is not relevant for the case at that bureau)

Bureau	DNR	Mix	No	Yes	All
Bureau A	11.3	3.8	58.8	26.3	100.0
Bureau B	13.8	.	59.8	26.4	100.0
Bureau C	13.9	1.4	63.9	20.8	100.0
All	13.0	1.7	60.7	24.7	100.0

**Table 15A - Frequencies of Responses to Whether Understands Why Changes Not Made
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	Mix	No	Yes	All
Bureau A	1	4	55	20	80
Bureau B	1	4	58	24	87
Bureau C	1	3	53	15	72
All	3	11	166	59	239

**Table 15B - Percentages of Responses to Whether Understands Why Changes Not Made
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	Mix	No	Yes	All
Bureau A	1.3	5.0	68.8	25.0	100.0
Bureau B	1.1	4.6	66.7	27.6	100.0
Bureau C	1.4	4.2	73.6	20.8	100.0
All	1.3	4.6	69.5	24.7	100.0

**Table 16A - Frequencies of Responses to Whether Accepts Changes Not Made as Reasonable
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	Mix	No	POS	Yes	All
Bureau A	1	3	53	.	23	80
Bureau B	1	4	54	1	27	87
Bureau C	1	3	49	.	19	72
All	3	10	156	1	69	239

**Table 16B - Percentages of Responses to Whether Accepts Changes Not Made as Reasonable
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	DNR	Mix	No	POS	Yes	All
Bureau A	1.3	3.8	66.3	.	28.8	100.0
Bureau B	1.1	4.6	62.1	1.1	31.0	100.0
Bureau C	1.4	4.2	68.1	.	26.4	100.0
All	1.3	4.2	65.3	0.4	28.9	100.0

**Table 17A - Frequencies of Responses to Whether Pursuing Matters Further
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	Mix	No	POS	Yes	All
Bureau A	2	29	.	25	56
Bureau B	1	31	2	25	59
Bureau C	3	25	2	22	52
All	6	85	4	72	167

**Table 17B - Percentages of Responses to Whether Pursuing Matters Further
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	Mix	No	POS	Yes	All
Bureau A	3.6	51.8	.	44.6	100.0
Bureau B	1.7	52.5	3.4	42.4	100.0
Bureau C	5.8	48.1	3.8	42.3	100.0
All	3.6	50.9	2.4	43.1	100.0

**Table 18A - Frequencies of Responses to Why Not Pursuing Matters Further
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons	All
Bureau A	6	3	2	13	1	1	3	2	31
Bureau B	7	3	2	14	3	1	2	2	34
Bureau C	6	2	3	9	4	1	3	1	29
All	19	8	7	36	8	3	8	5	94

**Table 18B - Percentages of Responses to Why Not Pursuing Matters Further
(Ignoring instances where the issue or question is not relevant for the case at that bureau)**

Bureau	No Time	Not Hurting Score	Not Looking for Credit	Not Important	Little Hope of Change	May be Correct	Too Much Effort	Mixed Reasons	All
Bureau A	19.4	9.7	6.5	41.9	3.2	3.2	9.7	6.5	100.0
Bureau B	20.6	8.8	5.9	41.2	8.8	2.9	5.9	5.9	100.0
Bureau C	20.7	6.9	10.3	31.0	13.8	3.4	10.3	3.4	100.0
All	20.2	8.5	7.4	38.3	8.5	3.2	8.5	5.3	100.0