

House Concurrent Resolution No. 46

93RD GENERAL ASSEMBLY

5690L.011

1 **Whereas**, in a recent study, the United States Public Interest Research Group
2 (USPIRG) found that one in four credit reports contain serious errors; and
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4 **Whereas**, the United States Fair Credit Reporting Act of 1971 governs credit
5 reporting agencies, including Experian, Equifax, and Trans Union which are the three largest
6 credit reporting agencies in the United States with national databases; and
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8 **Whereas**, the Fair Credit Reporting Act was amended in 2003 by the Fair and
9 Accurate Credit Transactions Act (FACTA) to address the ever-increasing problem of identify
10 theft. FACTA included stronger protections for consumers by increasing the responsibility of
11 the credit reporting agencies to investigate consumer disputes; and
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13 **Whereas**, under the Fair Credit Reporting Act, both the credit reporting agencies
14 and the credit information providers, such as banks, finance companies, department stores, taxing
15 authorities, landlords, and other credit grantors, are responsible for correcting inaccurate or
16 incomplete information in credit reports; and
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18 **Whereas**, under the FACTA provisions, a consumer may dispute erroneous or
19 inaccurate information directly with the credit information provider or with the credit reporting
20 agency. Upon notice of disputed information, the credit information provider or credit reporting
21 agency must investigate the items in question and cannot report negative information while the
22 investigation is pending; and
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24 **Whereas**, upon completion of an investigation, the consumer is provided with
25 written results of the investigation and a free copy of the consumer's credit report if the
26 investigation results in a change in the consumer's credit report; and

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28 **Whereas**, since December 2004, financial institutions that extend credit must send
29 consumers a notice before and no later than 30 days after negative information is furnished to
30 a credit reporting agency, such as late payments, missed payments, partial payments, or any other
31 form of default; and

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33 **Whereas**, while these changes are an important step in protecting consumers
34 against errors and inaccuracies in their credit reports, the federal act does not go far enough to
35 ensure a timely correction of any errors in a credit report by the credit reporting agencies and
36 credit information providers; and

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38 **Whereas**, without provisions requiring the timely correction of errors and
39 inaccuracies by credit reporting agencies and credit information providers, consumers could still
40 face months or even years of red tape in correcting errors and inaccuracies, resulting in denials
41 of extension of consumer credit based on errors and inaccuracies in credit reports; and

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43 **Whereas**, to fully protect consumers from an unfair loss of credit worthiness based
44 on erroneous and inaccurate credit reports, credit reporting agencies and credit information
45 providers must be subject to strict time limitations for the posting of information and correcting
46 erroneous and inaccurate information contained in consumer credit reports:

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48 **Now, therefore, be it resolved** that the members of the House of
49 Representatives of the Ninety-third General Assembly, Second Regular Session, the Senate
50 concurring therein, hereby urges the United States Congress to further amend the Fair Credit
51 Reporting Act to impose strict time limits on credit reporting agencies and credit information
52 providers regarding the posting of information and the correction of erroneous and inaccurate
53 information contained in consumer credit reports; and

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55 **Be it further resolved** that the Chief Clerk of the Missouri House of
56 Representatives be instructed to prepare properly inscribed copies of this resolution for each
57 member of the Missouri Congressional Delegation.