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ADVOCATES: CFPB STUDY POINTS TO NEED FOR CONSUMERS TO HAVE RIGHT TO ALL THEIR CREDIT SCORES

BOSTON—In response to a [study released today by the Consumer Financial Protection Bureau](#) (CFPB) on credit scores, advocates from the National Consumer Law Center called on Congress to provide consumers with the right to obtain the credit score used by most lenders. The CFPB study analyzed the differences between FICO scores (used by the vast majority of lenders); VantageScore; and the in-house “educational” scores for Experian, Equifax and TransUnion (the “Big Three” credit reporting agencies). The CFPB found that the differences in these three types of scores would mean that about one out of five consumers would likely receive a meaningfully different score than would a lender. Moreover, the CFPB noted that a consumer won’t know ahead of time whether a lender will use the same score that the consumer purchases.

Consumer advocates praised the CFPB’s leadership in conducting the study. “This study shows one of the most critical roles of the CFPB – to produce impartial, rigorous research that points the way to data-driven policy solutions,” said National Consumer Law Center (NCLC) attorney Chi Chi Wu. “The obvious policy solution in this case is for Congress to grant consumers the right to obtain any credit score that is about them, and the right to a free annual copy of the score most widely used by lenders.”

The Fair Credit Reporting Act (FCRA) gives consumers the right to buy a credit score, but the Big Three credit reporting agencies are only required to sell them an educational score, even though no actual lender might ever use that score. The Big Three generally sell consumers educational scores or VantageScore. Consumers have no right to purchase their FICO scores, even though FICO scores represent over 90 percent of the market for scores sold for credit-related decisions. While consumers can get their FICO scores based on their Equifax and TransUnion credit reports, consumers still cannot purchase their FICO score based on their Experian credit report.

“This is simply an irrational situation,” noted Wu. “A person who buys his or her credit score so they can be an informed, savvy shopper has no idea whether it’s the same score the lender uses. If it’s not, the consumer has a 20 percent chance that the score will be meaningfully different from the one that the lender gets.”

National Consumer Law Center attorney Persis Yu added that “To make matters worse, consumers don’t even have the right to buy the same score that the lender uses. It’s like a student applying to college and not knowing whether the school uses an SAT versus an ACT score. And the student doesn’t even have the right to find out what his or her ACT score is.”

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Since 1969, the nonprofit National Consumer Law Center[®] (NCLC[®]) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC’s expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness.