

October 31, 2024

The Honorable Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

The Honorable Michael Hsu
Acting Comptroller
Office of the Comptroller of Currency
400 7th Street, SW
Washington, D.C. 20219

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
400 7th Street, S.W.
Washington, D.C. 20219

The Honorable Julia Gordon
Commissioner
Federal Housing Administration
Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410

The Honorable Martin J. Gruenberg
Chair
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-9990

The Honorable Todd M. Harper
Chair
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

John E. Bell, III
Executive Director
Loan Guaranty Service
Veterans Benefits Administration
Department of Veterans Affairs
Washington, DC 20420

Christine Mechtly
Deputy Administrator
Single Family Housing
USDA Rural Development
Rural Housing Service
1400 Independence Ave., SW,
Rm 5014, STOP 0701
Washington, DC 20250-0701

The Honorable Jerome H. Powell
Chair
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Director Chopra, Acting Comptroller Hsu, Director Thompson, Commissioner Gordon, Chair Gruenberg, Chair Harper, Director Bell, Deputy Administrator Mechtly, and Chair Powell:

Hurricanes Helene and Milton have devastated the lives of tens of thousands of consumers in wide swathes of Florida, North Carolina, and other states. Many impacted consumers have lost their homes, their vehicles, their possessions, and in some cases, family members or loved ones. The last thing they need is devastation to their credit histories, which they may need to rebuild their lives. We once again implore your agencies to help disaster-impacted consumers by protecting their credit reports and scores, as we did in letters dating from [October 2023](#) and [October 2022](#).

We urge you to:

1. Encourage the lenders that you regulate or oversee to refrain from reporting negative information to the nationwide consumer reporting agencies (CRAs), *i.e.* Equifax, Experian and TransUnion, for consumers impacted by Hurricane Helene or Milton. These lenders should be encouraged to refrain from supplying negative information for consumers whose addresses as listed in the lender's files are within a

presidentially declared disaster area, or if the consumer requests relief or an accommodation due to these disasters or their aftermath. Such encouragement from your agency could include statements that withholding information does not cause an inaccuracy under the Fair Credit Reporting Act.

2. In the alternative, and at a minimum, require lenders to follow the industry standard guidance for credit reporting treatment of forbearances, which specifies that no negative information should be reported if a payment is not required. The Consumer Data Industry Association’s Credit Reporting Resource Guide states the following for Frequently Asked Questions 45, which asks “How should accounts in forbearance be reported?”¹

“Payment History Profile = appropriate code that specifies the previous month’s Account Status for each month the account is in forbearance, plus prior history.
(Increment the Payment History Profile with value D if no payments are due during the forbearance period.)”

FAQ 45 also states with respect to Account Status:

“(If no payments are due during the forbearance period, report Account Status **11**.)”²(emphasis in the original)

Account Status 11 is “Current.” Thus, the industry’s own guidance instructs servicers to engage in no negative reporting during a forbearance period.

3. For other types of accommodation, *i.e.*, a payment deferral, a partial payment agreement, or a loan modification, for borrowers in these disaster areas the lender should be required to report the same status for the account as it stood prior to the accommodation, if more beneficial to the consumer. This is the same reporting that was mandated by the Coronavirus Aid, Relief, and Economic Security (CARES) Act³ so both the lenders and the nationwide CRAs should have experience in implementing the procedures for such reporting.

We note that the third category will likely involve credit obligations other than mortgages, such as credit cards and car loans. We urge regulators to establish a one-stop system so that consumers need only to make one notification via phone or electronically to inform all their creditors that they have been impacted by a natural disaster and require an accommodation. Such notification could be to the government agency (e.g., FEMA or CFPB) or to the CRAs. It will be difficult enough for consumers who have had their lives turned upside down to make one notification. They should not be forced to contact multiple creditors during a period of extreme turmoil in order to prevent damage to their credit reports and scores because of bills that they unavoidably miss.

¹ See Consumer Data Industry Association, Credit Reporting Resources Guide (2022), FAQ 45 – How should accounts in forbearance be reported?

² *Id.*

³ Pub. L. No. 116-136, § 4021 (Mar. 27, 2020) (adding subparagraph (F) to 15 U.S.C. § 1681s-2(a)(1)).

Thank you for your consideration. If you have any questions about this letter, please contact Chi Chi Wu, National Consumer Law Center, at 617-542-8010 or cwu@nclc.org.

Sincerely,

National Consumer Law Center (on behalf of its low-income clients)
Americans for Financial Reform Education Fund (AFREF)
CAMEO Network (CA)
Center for Economic Justice
Community Justice Project, Inc. (FL)
Consumer Action
Consumer Federation of America
Consumer Reports
Economic Action Maryland
Faith in Action
Financial Protection Law Center (NC)
Georgia Watch
Instituto de Educación Práctica del Colegio de Abogados y Abogadas de Puerto Rico
Jacksonville Area Legal Aid, Inc. (FL)
Legal Action Chicago (IL)
Legal Aid Justice Center (VA)
Legal Aid Society of Southwest Ohio
Maine People's Alliance
Mountain State Justice, Inc. (WV)
National Association for Latino Community Asset Builders (NALCAB)
National Association of Consumer Advocates
National Community Reinvestment Coalition (NCRC)
National Fair Housing Alliance
National Housing Law Project
National Housing Resource Center
New Yorkers for Responsible Lending
North Carolina Justice Center
Oregon Consumer League
Pisgah Legal Services (NC)
Progressive Leadership Alliance of Nevada
Prosperity Works (NM)
Public Citizen, Inc.
Public Counsel (CA)
Public Justice Center (MD)
Public Justice
Senior Citizens' Law Office, Inc. (NM)
Texas Appleseed
Texas Public Utility Project
Tzedek DC
Vermont Legal Aid
Virginia Citizens Consumer Council
Western Center on Law and Poverty (CA)
Western New York Law Center, Inc.

cc: Dan Smith and Eric Ellman, Consumer Data Industry Association