

NEWS

Moore & Van Allen Provides Guidance on New Law Related to the Financial Exploitation of Human Trafficking Survivors

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Moore & Van Allen PLLC (MVA) is pleased to share important news about the U.S. Consumer Financial Protection Bureau's (CFPB's) recent release of an amendment to Regulation V, which implements the Fair Credit Reporting Act (FCRA). The new rule, "Prohibition on Inclusion of Adverse Information in Consumer Reporting in Cases of Human Trafficking," will help many survivors of trafficking restore their credit status after financial exploitation.

This rule is in response to the Debt Bondage Repair Act (DBRA) which was enacted late last year as part of the National Defense Authorization Act. The DBRA prohibits consumer reporting agencies from furnishing adverse items of information on credit reports that resulted from human trafficking.

The CFPB adopted recommendations from MVA attorney Sarah Byrne who provided advice and comment during rule formation. The firm's involvement resulted from MVA's Human Trafficking Pro Bono Project, which has supported survivors' legal and financial inclusions needs, including credit repair, for several years.

"Moore & Van Allen looks forward to providing further guidance on this new process for survivors, their representatives, government agencies, and financial sector partners," said Byrne.

Starting on July 25 of this year, consumer reporting agencies will be required to have established a method for victims of trafficking to submit documentation of their trafficking experience to the agencies. Required documentation will include a victim determination and identification of the adverse items of information on the victims' credit reports. Agencies are expected to establish their own written policies and procedures designed in accordance with the nature, size, complexity, and scope of the agency.

Consumer reporting agencies are required to block adverse information within four business days of receiving a consumer's submission, and a final determination on the consumer's request must come within 25 days of receiving the initial request. A consumer reporting agency will not have the authority to determine the victim status of a consumer, or the validity of the facts or circumstances in the consumer's trafficking documentation. Further, identification of which items of information resulted from human trafficking remains within the discretion of the survivor.