

# United States Senate

WASHINGTON, DC 20510

February 15, 2013

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1800 G Street, NW  
Washington, DC 20522

The Honorable Jon Leibowitz  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Director Cordray and Chairman Leibowitz,

We write in response to the CFPB's and the FTC's recent reports on alarming abuses within the consumer credit reporting system and the industry's general lack of transparency and accountability. We appreciate the analysis performed by your agencies, and we wish to work with you to address concerns documented in these reports.

For example, the FTC report released on February 11, 2013 found a troubling 20 percent of consumers could identify at least one error in a credit report issued by one of the three major credit reporting agencies. More than 5 percent of these consumers identified a significant error – an error that potentially could impact access to favorable loan terms and result in higher costs for financial products such as insurance.

As you know, errors in credit reports can have a significant negative impact on an individual's ability to receive a security clearance required for military and government employment. People can lose their jobs because of this information, and have their families thrown into chaos. They can be denied credit for purchasing automobiles necessary to commute to and from work. They can fail to receive mortgages, or be turned down for apartments. All of these impacts can throw families into deteriorating financial situations that spiral out of control.

The FTC report shed light on a cumbersome, unresponsive and nontransparent process for those consumers who dispute or try to correct errors in their credit reports. The significant impact of consumer credit scores on the general public is not, in our minds, matched by the degree of transparency and responsiveness of the consumer credit reporting system to meeting consumer needs. Our nation remains in a critical period of economic recovery, and tens of

millions of Americans are emerging from problematic mortgages and other debts that have become more burdensome since the financial crisis began. We find this situation unacceptable.

We urge you to take the information compiled in these reports and work with us to take further action to improve consumer credit reporting. In addition, we ask that your staffs prepare a report on whether the current legal framework regulating the credit reporting industry and protecting consumers is sufficient, or if additional oversight or legislation in this area would be beneficial.

Sincerely,



Mark R. Warner  
United States Senator



Elizabeth Warren  
United States Senator

CC: Senator Tim Johnson  
Chairman, Senate Committee on Banking, Housing, and Urban Affairs

Senator Sherrod Brown  
Chairman, Subcommittee on Financial Institutions and Consumer Protection