

**Federal Trade Commission
Information Furnishers Rule
OMB Control # 3084-0144
Supporting Statement**

Overview of Information Collection:

- The FTC requests an extension without change of OMB’s approval of the information collection requirements associated with the FTC Rule governing the Duties of Furnishers of Information to Consumer Reporting Agencies (“Information Furnishers Rule”) and the FTC’s shared enforcement of the CFPB’s companion Regulation V (subpart E) (collectively, “Rules”).
- The Rules contain disclosure requirements, which require covered entities to establish written policies and procedures regarding the accuracy and integrity of the information relating to consumers that they furnish to a consumer reporting agency (“CRA”) for inclusion in a consumer report. The Rules also require entities that furnish information about consumers to a CRA respond to direct disputes from consumers and notify consumers by mail or other means (if authorized by the consumer) within five business days if they determine that a dispute is frivolous or irrelevant.
- There are no program changes. The only adjustments to the most recently cleared estimates reflect updates to the estimated number of information furnishers subject to the FTC’s and CFPB’s rules and to estimated hourly labor costs based on updated Bureau of Labor Statistics data. Remaining estimates are unchanged from the last clearance.

1. & 2. Need and Method for the Information Collection.

The Rules and associated information collection requirements implement statutory mandates. As described, below, portions of the FACT Act amended the Fair Credit Reporting Act of 1970 (“FCRA”), 15 U.S.C. 1681 et seq., to require the FTC, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, and National Credit Union Administration (collectively, “Agencies”) to issue guidelines for use by furnishers regarding the accuracy and integrity of the information about consumers that they furnish to consumer reporting agencies (“CRAs”) and to prescribe rules requiring furnishers to establish reasonable policies and procedures for implementing the guidelines. The prescribed rules also implement the requirement that the Agencies issue regulations identifying the circumstances under which a furnisher must reinvestigate disputes about the accuracy of information contained in a consumer report based on a direct request from a consumer.

Enacted in 2010, the Dodd-Frank Act¹ substantially changed the federal legal framework for financial services providers. Among the changes, the Dodd-Frank Act transferred to the Bureau of Consumer Financial Protection (“CFPB”) most of the FTC’s rulemaking authority for the furnisher provisions of the FCRA on July 21, 2011. The Commission, however, retains rulemaking authority under the FCRA over any motor vehicle dealer described in Section

¹ Public Law 111-203, 124 Stat. 1376 (2010).

1029(a) of the Dodd-Frank Act that is predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both. In addition, the FTC retains its authority to enforce the furnisher provisions of the FCRA and the FTC and CFPB rules issued under those provisions. Thus, the FTC and CFPB have overlapping enforcement authority for many entities subject to the CFPB rule and the FTC has sole enforcement authority for the motor vehicle dealers subject to the FTC rule.

On December 21, 2011, the CFPB issued its interim final FCRA rule, including the furnisher provisions (subpart E) of CFPB's Regulation V.² Contemporaneous with that issuance, the CFPB and FTC submitted to OMB, and received its approval for, the agencies' respective burden estimates reflecting their overlapping enforcement jurisdiction, with the FTC supplementing its estimates for the enforcement authority exclusive to it regarding the class of motor vehicle dealers noted above.

FACT Act Section 312(a) (implemented in 16 C.F.R. 660.3)

Section 312(a) of the FACT Act added section 623(e) to the FCRA, 15 U.S.C. 1681s-2(e), to require the Agencies to, in consultation and coordination, (a) establish and maintain guidelines for use by furnishers of information to CRAs regarding the accuracy and integrity of the information relating to consumers that such entities furnish to CRAs and update such guidelines as often as necessary; and (b) prescribe regulations requiring furnishers to establish reasonable policies and procedures for implementing the guidelines.

In developing the guidelines, the Agencies were directed to: (1) identify patterns, practices, and specific forms of activity that can compromise the accuracy and integrity of furnished information; (2) review the methods (including technological means) used to furnish information to CRAs; (3) determine whether furnishers maintain and enforce policies to assure the accuracy and integrity of information furnished to CRAs; and (4) examine the policies and procedures that furnishers employ to conduct investigations and correct inaccurate information that has been furnished to CRAs. Under section 660.3 of the FTC's Information Furnishers Rule³ and section 1022.42 of the CFPB Rule,⁴ furnishers must establish and implement reasonable written policies and procedures regarding the accuracy and integrity of the information relating to consumers that they furnish to a consumer reporting agency ("CRA").⁵

FACT Act Section 312(c) (implemented in 16 C.F.R. 660.4).

Section 312(c) of the FACT Act added section 623(a)(8) to the FCRA, 15 U.S.C. 1681s-2(a)(8), to require the Agencies to jointly prescribe regulations that identify the circumstances

² 76 Fed. Reg. 79,308 (Dec. 21, 2011).

³ 16 C.F.R. Part 660.

⁴ 12 C.F.R. Part 1022.

⁵ The rule defines a "furnisher" as an entity that furnishes information relating to consumers to one or more CRAs for inclusion in a consumer report, but provides that an entity is not a furnisher when it: Provides information to a CRA solely to obtain a consumer report for a permissible purpose under the FCRA; is acting as a CRA as defined in section 603(f) of the FCRA; is an individual consumer to whom the furnished information pertains; or is a neighbor, friend, or associate of the consumer, or another individual with whom the consumer is acquainted or who may have knowledge about the consumer's character, general reputation, personal characteristics, or mode of living in response to a specific request from a CRA.

under which a furnisher must investigate a dispute concerning the accuracy of information contained in a consumer report, in response to a direct request from the consumer to whom the report relates.

In prescribing these regulations, the Agencies were required to weigh: (1) the benefits to consumers and the costs to furnishers and the credit reporting system; (2) the impact of any requirements imposed by the rule on the overall accuracy and integrity of consumer reports; (3) whether permitting consumers to contact furnishers directly to dispute the accuracy of consumer report information will likely result in the most expeditious resolution of such disputes; and (4) the potential impact on the credit reporting process if “credit repair organizations,” as defined in the Credit Repair Organization Act, are able to submit notices of dispute directly to furnishers on behalf of consumers.

The regulations implementing section 312(c) require each furnisher to amend their procedures to ensure that disputes received directly from consumers are handled the same way as disputes received from CRAs. Section 660.4 of the FTC Rule and section 1022.43 of the CFPB Rule require entities that furnish information about consumers to a CRA to respond to direct disputes from consumers. These provisions also require that a furnisher notify consumers by mail or other means (if authorized by the consumer) within five business days after making a determination that a dispute is frivolous or irrelevant (“F/I dispute”).

3. Use of Information Technology.

Consistent with the aims of the Government Paperwork Elimination Act, 44 U.S.C. 3504 note, the Furnisher regulations permit furnishers latitude to use new technologies to reduce compliance costs. Indeed, the Agencies attempted to draft the regulations in a flexible, technology-neutral manner. For example, the regulations do not prevent furnishers from continuing to use automated, electronic, mechanical, or other technological means to provide information about consumers to CRAs. In addition, as noted in 2 above, furnishers are permitted to use means other than postal mail (if authorized by the consumer) to notify consumers after making a determination that a dispute is frivolous or irrelevant.

4. Non-Duplication.

Apart from the DFA’s amendments to the FCRA that provide some overlapping enforcement jurisdiction under FCRA between the FTC and the CFPB, the FTC staff has not identified any other federal or state statutes, rules, or policies that duplicate, overlap, or conflict with these regulations. Section 625(b)(1)(F) of the FCRA preempts states from enacting any law concerning furnisher obligations included in section 623 of the FCRA, including the requirements contained in the instant regulations.

5. Burden on Small Entities.

These information collection requirements apply to any entity, other than an individual consumer, that furnishes information relating to consumers to one or more CRAs, regardless of size. The standards in the regulations are flexible and designed to take into account a covered entity’s size and sophistication to minimize burdens on small businesses.

6. Less Frequent Collection.

Less frequent collection is infeasible and would be inconsistent with the statutory mandate underlying the Rules. Furnishers are only required to provide notifications to consumers after receiving a request disputing information contained in a consumer credit report. After receiving such a dispute, furnishers must notify consumers if they determine that the dispute is frivolous or irrelevant. Accordingly, less frequent collection is infeasible.

The burden associated with this rulemaking is also in part attributable to the requirement that furnishers establish written policies and procedures regarding the accuracy and integrity of the information furnished to CRAs for inclusion in a consumer report. Once these written policies and procedures are developed, they will only need to be adjusted if they become ineffective.

7. Paperwork Reduction Act Guidelines.

The collection of information in the regulations is consistent with all applicable guidelines contained in 5 C.F.R. 1320.5(d)(2).

8. Consultation and Public Comments.

The Commission sought public comment on the information collection requirements associated with the Information Furnishers Rule and the FTC's shared enforcement with the CFPB of the furnisher provisions in subpart E of the CFPB's Regulation V. 90 Fed. Reg. 21032 (May 16, 2025). No relevant comments were received.

9. Gifts or Payment.

Not applicable.

10. Privacy & Confidentiality.

No assurance of confidentiality for respondents is necessary. The regulations do not require furnishers to register or file any documents with the Agencies. Moreover, the regulations do not contain recordkeeping requirements.

11. Sensitive Questions.

Not applicable. The rules do not require the disclosure of information of a sensitive nature. The Rules require covered entities to establish written policies and procedures regarding the accuracy and integrity of the information relating to consumers that they furnish to a consumer reporting agency ("CRA") for inclusion in a consumer report. The Rules also require entities respond to direct disputes from consumers and provide required disclosures to consumers by mail or other means if the entity determines that consumer dispute is frivolous or irrelevant.

12. Burden Estimate.

FTC staff estimates that approximately 6,394 information furnishers are subject to the

FTC's Information Furnishers Rule and its enforcement authority.⁶

Section 660.3 of FTC Rule/Section 1022.42 of CFPB Rule:

A. *Annual Hours Burden:* 12,788 hours.

Section 660.3 of the FTC's Furnisher Rule and section 1022.42 of Regulation V (subpart E) require furnishers to establish written policies and procedures regarding the accuracy and integrity of information relating to consumers that they furnish to a CRA. Furnishers must also review these policies and procedures periodically and update them as necessary to ensure their continued effectiveness. FTC staff estimate a yearly recurring burden of 2 hours for training to help ensure continued compliance regarding written policies and procedures for the accuracy and integrity of the information furnished to a CRA about consumers.⁷ This yields an annual hours burden of 12,788 hours (6,394 respondents × 2 hours for training).

B. *Annual Labor Costs:* \$864,341.

Labor costs are derived by applying appropriate estimated hourly cost figures to the burden hours described above. The FTC assumes that respondents will use managerial and/or professional technical personnel to train company employees on continued compliance with the information furnisher requirements under the FTC and CFPB Rules. This yields estimated annual labor costs of \$864,341 (12,788 hours × \$67.59⁸).

Section 660.4 of FTC Rule/Section 1022.43 of CFPB Rule:

Section 660.4 of the FTC's Furnisher Rule and section 1022.43 of the CFPB's Regulation V (subpart E) require furnishers to respond to direct disputes from consumers and notify consumers by mail or other means (if authorized by the consumer) within five business days after making a determination that a dispute is frivolous or irrelevant.

A. *Annual Hours Burden:* 2,635 hours.

⁶ The CFPB estimates that there are 16,000 furnishers, excluding motor vehicle dealers that are subject to the FTC's jurisdiction, with an allocation to that agency of 63% of the burden or 10,080 respondents. See CFPB Supporting Statement Part A, Fair Credit Reporting Act (Regulation V) 12 CFR 1022 (OMB Control Number: 3170-0002) (https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202008-3170-001). Allocating the remaining 37% of the burden to the FTC yields 5,920 respondents, excluding motor vehicle dealers that are subject to the FTC's jurisdiction. FTC staff estimate that there are approximately 47,442 motor vehicle dealers in the U.S. See U.S. Census Bureau, All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2022, available at <https://data.census.gov/table/CBP2022.CB2200CBP?n=44111:44112> (listing 21,835 establishments for "new car dealers," NAICS code 44111, and 25,607 establishments for "used car dealers," NAICS code 44112). It is difficult to determine precisely the number of motor vehicle dealers that are subject to the FTC's jurisdiction and that are furnishers. Given the restrictions in section 1029(a) of the Dodd-Frank Act that motor vehicle dealers subject to the FTC's jurisdiction are those that routinely assign consumer contracts governing retail credit to an unaffiliated third-party finance source, Commission staff believes the number is *de minimis*. Accordingly, the FTC estimates that 1% of motor vehicle dealers subject to the FTC's jurisdiction are furnishers of information to CRAs or 474 respondents. Thus, 474 motor vehicle dealers + 5,920 other entities = 6,394 respondents for the FTC's burden calculations.

⁷ 74 Fed. Reg. 31,484, 31,505 (July 1, 2009) (FTC and Federal financial agencies final rules).

⁸ See Bureau of Labor Statistics, U.S. Department of Labor, *Table 1: National Employment and Wage Data from the Occupational Employment Statistics Survey by Occupation*, May 2024, available at <https://www.bls.gov/news.release/ocwage.t01.htm> [hereinafter *BLS Table 1*], for mean hourly wage rate for "Training and Development Managers."

FTC staff estimate that the burden necessary to prepare and distribute F/I notices is approximately 14 minutes per notice.⁹ Based on the calculations below, this yields an annual hours burden of 2,635 hours.

1. 21,720 total F/I disputes¹⁰
 2. Motor vehicle dealer-only furnisher disputes are assumed to be 4% of the total:
 $21,720 \times .04 = 869$ F/I disputes¹¹
 3. 20,851 respondents $(21,720 - 869 \text{ FTC only}) \div \text{by } 2 = 10,425$ F/I disputes subject to FTC shared jurisdiction
 4. 869 FTC only F/I disputes + 10,425 additional F/I disputes = 11,294 F/I dispute notices for the FTC's jurisdiction
 5. 11,294 F/I disputes $\times 14$ minutes each = 2,635 hours
- B. *Annual Labor Costs*: \$77,680.

Labor costs are derived by applying appropriate estimated hourly cost figures to the burden hours described above. The FTC assumes that respondents will use skilled administrative support personnel to provide the required F/I dispute notices to consumers. This yields estimated annual labor costs of \$77,680 $(2,635 \text{ hours} \times \$29.48^{12})$.

13. Estimated Non-Recurring Costs.

FTC staff believes that the regulations impose negligible capital or other non-labor costs. Affected entities are already likely to have the necessary supplies and/or equipment (e.g., offices and computers) to comply with the information collections described herein.

14. Estimated Cost to the Government.

FTC staff estimates that a representative year's cost to the FTC of administering the regulations' requirements during the 3-year clearance period sought will be approximately

⁹ 74 FR at 31505.

¹⁰ *Id.* at 31506 n. 58.

¹¹ FTC staff believes that 4% is a reasonable estimate based on recent data. See "Key Dimensions and Processes in the U.S. Credit Reporting System: A review of how the nation's largest credit bureaus handle consumer data," December 2012, pp. 14, 29, 31, 34. The CFPB report noted that almost 40% of all consumer disputes at the nationwide CRAs, on average, can be linked to collections. It stated that collection trade lines generate significantly higher numbers of consumer disputes than other types of trade lines – specifically, four times higher than auto-related dispute rates. These figures seem to suggest that almost 10% of all consumer disputes at the nationwide CRAs, on average, can be linked to auto-related disputes. When the FTC issued its final Rule, FTC staff estimated that 40% of direct disputes would result in the sending of F/I dispute notices. See 74 FR 31506 n.58. The FTC's estimate of 4% is based on taking forty percent of the 10% of all consumer disputes at the nationwide CRAs, on average, linked to auto loans.

¹² The revised figure is an average of Bureau of Labor Statistics mean hourly wages for potentially analogous employee types: first-line supervisors of office and administrative support workers (\$34.40); bookkeeping, accounting, and auditing clerks (\$25.01); brokerage clerks (\$232.54); eligibility interviewers, government programs (\$25.95). See BLS Table 1. This averages to \$29.48 per hour, rounded.

\$20,000. FTC staff calculates this total based on an estimate that administration of the regulations will take approximately one-tenth of an attorney work year: \$20,000 (\$200,000 attorney work-year costs × 10%). The estimate includes employee benefits.

15. Reasons for changes.

There are no program changes. The adjustments to the most recently cleared estimates reflect an updated estimate of the number of information furnishers subject to the FTC's and CFPB's Rules based on updated CFPB estimates and industry data. In addition, FTC staff applied updated hourly labor cost data based on Bureau of Labor Statistics data. The remaining burden estimates are unchanged from the last clearance.

16. Statistical Use of Information.

Not applicable. There are no plans to publish any information for statistical use.

17. Display of OMB Approval.

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government's electronic PRA docket at www.reginfo.gov, as well as in the Code of Federal Regulations. There are no required forms or other documents upon which display of the control number and expiration date would be appropriate.

18. Exceptions to "Certifications for Paperwork Reduction Act Submissions."

The FTC certifies that this collection of information is consistent with the requirements of 5 C.F.R. 1320.9, and the related provisions of 5 C.F.R. 1320.8(b)(3), and is not seeking an exception to these certification requirements.