



Consumer Data Industry Association

Industry Perspective on Credit Reporting and Scoring

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Background

- CDIA founded in 1906.
- Trade association representing consumer reporting agencies.



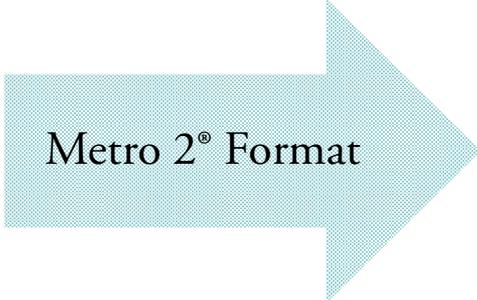
The bureau occupies a floor formerly used as a radio station. The circular window in one part of the office offers ideal supervision of three different office locations. Here is a part of the reporting department file rooms.

OCTOBER 1959

Data Furnishing



Data Furnishers

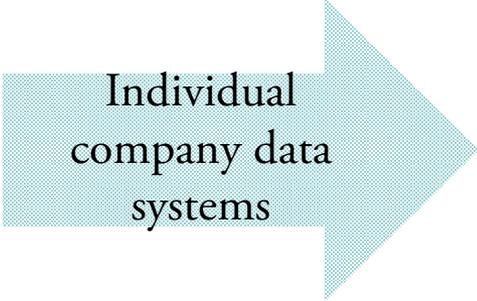


Consumer Reporting Agencies



Data Furnishing

Consumer Reporting Agencies



Data Users





Law



Consumer Financial
Protection Bureau



United States Code
Fair Credit Reporting Act
15 U.S.C. § 1681 et seq.





Law

- Accuracy obligations on data furnishers
- Accuracy obligations on consumer reporting agencies
- Free access to credit reports
- Right to dispute errors and have errors reinvestigated and corrected
- Rulemaking, enforcement and regulation by a variety of agencies
- State AGs and consumers can enforce

United States Code
Fair Credit Reporting Act
15 U.S.C. § 1681 et seq.



CDIA Metro 2® Format Task Force

Standard Guidelines for Reporting Workout Options

Debbie Seneway, CPT
Educational Consultant, Experian



Mortgage and Home Equity Reporting Guidelines in Response to Current Financial Conditions

- Making Home Affordable Program (HAMP)
- General Guidelines for Renegotiated Accounts (non-government plans)
- Loans in Forbearance
- Short Sales
- Different Stages of Foreclosure

Making Home Affordable (HAMP) Guidelines for First Liens (Page 2)

3-month Trial Period (reduced payments)

- Current prior to & during trial period
 - Report Account Status 11 and Special Comment AC.

- Delinquent prior to trial period
 - Report Account Status that reflects the appropriate level of delinquency and Special Comment AC.

Making Home Affordable (HAMP) Guidelines for First Liens

Example: John's July payment of \$1000 was 30 days delinquent prior to the trial period. His trial period payments are \$500.

- Actual Payment Amount = \$500
- Account Status = 71 (30 – 59 days past due date)
- Payment History Profile = 111132110000
00000000000000
- Special Comment = AC
- Date of Account Information = 08/31/2011
- Date of First Delinquency = 12/16/2010
- Date of Last Payment = 08/04/2011

Making Home Affordable (HAMP) Results from Trial Period (Page 3)

Loan Not Modified:

- Report the account as per the original contract agreement.

Loan Modified:

- Continue to report one tradeline under the original account number & date opened.
- Page 3 describes guidelines for other fields.

Making Home Affordable (HAMP) Second Lien Modification Program (2MP) (Page 4)

Modified second liens and partially extinguished second liens:

- Data Furnisher follows reporting guidelines for modified first liens, including the trial period (if required) and loan modification.
- For partially extinguished liens, the forgiven portion of the loan should be deducted from the current balance owed.

Making Home Affordable (HAMP) Second Lien Modification Program (2MP) (Page 4)

Fully extinguished second liens:

- Under 2MP, these liens are considered to be forgiven.
- Data furnisher reports Special Comment AU (paid in full for less than the full balance).

General Guidelines for Renegotiated or Refinanced Loans (Page 9)

Option 1 - Original Account Number and Date Opened are retained:

- Data Furnisher modifies the amounts and terms as per the renegotiated or refinanced agreement.
- Special Comment Code 'CO' (Loan modified) may be reported.

General Guidelines for Renegotiated or Refinanced Loans (Page 9)

Option 2 - Original Account Number changes and Date Opened remains the same:

- Follow option 1.
- In the first reporting period following the renegotiation, data furnisher reports an L1 Segment to change the Account Number.
- In subsequent reporting periods, only the new Account Number is reported.

General Guidelines for Renegotiated or Refinanced Loans (Page 9)

Option 3 – Account Number and Date Opened Change:

- Data Furnisher reports original loan with:
 - Account Status 13 (paid)
 - Special Comment AS (account closed due to transfer)
- Renegotiated/refinanced loan is reported as a new account.

Loans in Forbearance (Page 11)

New Guidelines Effective December 1, 2011

- Special Comment CP = Account in forbearance
- Allows all accounts to be reported the same regardless of the forbearance agreement.

Short Sales (Page 12)

Two options based on the result of the short sale:

- Deficiency balance is forgiven.
 - Special Comment AU = Paid in full for less than the full balance
- Consumer is obligated to pay deficiency balance.
 - Special Comment CM = Collateral released by creditor / balance owing

Different Stages of Foreclosure (Page 13)

Stage of Foreclosure	What is Reported
Potential Foreclosure	No specific code defines this stage.
Foreclosure Started	Special Comment BO
Foreclosure Cancelled	No specific code defines this stage. Special Comment BO is deleted.
Foreclosure Started/Now Paid	Account Status 65
Deed in Lieu of Foreclosure	Account Status 89
Foreclosure Completed	Account Status 94