

Family First Credit Union
Lending Policy
Section 312 FACTA
Credit Reporting Consumer Dispute Policy and Procedures

Introduction

It is the policy of Family First Credit Union to comply with the Fair and Accurate Credit Transaction Act Section 312 which is intended to improve the accuracy and integrity of information provided to consumer reporting agencies by establishing procedures for furnishing data to Credit Reporting Agencies and procedures for investigating disputes received directly from the member.

Furnishing Data to Credit Bureaus

Family First Credit Union furnishes accurate data that does the following:

- Identifies the appropriate member
- Identifies the terms and liability of the account
- Identifies the performance of the member
- Validates the records we have on hand, and
- Is furnished in a format and manner that provides for the least opportunity for errors, and
- Includes the member's credit limit which is a stated requirement in the regulation

The standard data format is designed within CUnify (Family First Credit Unions' data processing system). CUnify uses the Metro 2 format to simplify reporting and increase the accuracy of data. CUnify reports are available to research exceptions and errors in reporting.

Record Retention

Family First Credit Union will maintain accurate records for the following:

- Loan records will be maintained for 7 years past the close of the loan
- Collection data will be maintained for at least 7 years
- Disputes, responses and any other documentation that's relevant to the dispute will be maintained for 5 years

Internal Controls, Audits, and Evaluations

Member information will be randomly sampled for accuracy and integrity of data. Quarterly data audits will be performed by the Dispute Specialist to ensure accuracy and integrity.

All disputes received from members will be logged to identify patterns and potential system errors.

The Dispute Specialist will be responsible for making all necessary system repairs to insure accuracy and integrity of our reporting system. Family First Credit Union will conduct periodic evaluations of our own practices, investigations, corrections of information, data, etc.

Monitoring Service Providers

Activities of CUnify and Experian will be evaluated annually by management to validate the accuracy of information reported on members.

Training

Staff involved with the activity of furnishing data to the credit bureaus and involved in the dispute process will be trained on the process of disputes. Training for updates and changes will be conducted as needed.

All staff will be trained on the basic process of requesting and responding to dispute requests.

Investigating Member Disputes

The Credit Union **is required and will** conduct an investigation of a dispute received directly from the member if it relates to at least one of the following:

- The member's liability for the account
- The account terms
- The member's performance on the account, or
- Any other information contained in the consumer report

The Credit Union is **not required** to conduct an investigation of a dispute for the following:

- The dispute is not related to liability for debt, terms of the debt, or consumer performance with the Credit Union as the furnisher
- If the member does not dispute to our address listed on the consumer report or the address we have clearly and conspicuously identified as the proper place to file the dispute
- If the Credit Union reasonably determines the dispute to be frivolous or irrelevant. Once the determination is made the Credit Union will respond within five days.
 - The request qualifies as frivolous or irrelevant if:
 - It's missing sufficient information to investigate the dispute
 - It's substantially the same as a prior dispute submitted to you or through a credit bureau where you have already met the requirements of the act and responded appropriately
 - The dispute is not related to any information submitted by you such as SSN, DOB, employment information, public records, information, etc.

- If the dispute comes directly from a credit repair organization

Requirements of an Investigation

The Credit Union will adhere to the following rules when investigating a dispute:

- We will conduct a reasonable investigation by reviewing all relevant information provided by the member against our system data
- Report the outcome of the investigation to the member in writing within **30 days** once we receive a dispute or **5 days** if we find that the dispute is frivolous or irrelevant
- We will promptly notify the consumer reporting agencies of the correction

Processing Dispute Request

Upon receipt of a direct dispute, the Credit Union will conduct a reasonable investigation by reviewing all relevant information provided by the members such as:

- Determination of the appropriate Credit Reporting Agency;
- The exact trade-line with the dispute including the exact account number as shown on the credit report;
- What is the exact dispute of the reported information?

Details of the dispute investigation will be recorded on the **Member Dispute Form**. In general, the investigation will be completed within 30 days of receipt and the member will be notified of the results of the investigation. The Credit Reporting Agency will be notified immediately to update any inaccurate information.

To investigate a dispute, access the following:

- Review the account on CUnify
- Pull the physical file

If the results of the investigation support the current trade-line report, notify the member of the results with the **Member Dispute Response Letter**. If the investigation validates the disputed claim, inform the member of the actions taken to correct any errors with the Response Letter.

Corrections, updates, and deletions will be made via **E-Oscar** with an AUD file.

E-Oscar web is the **Online Solution for Complete and Accurate Reporting**. It is a browser-based, Metro 2 compliant system that is secure, intelligent, and intuitive. The application is the automated system through which Data Furnishers may report the results of their reinvestigations regarding trade line (account) and identification disputes.

The Automated Universal Data (AUD) process is an automated process for handling out- of-cycle credit history update requests from Data Furnishers. A Data Furnisher may update a consumer's credit information with one or more Credit Report Agencies

Board approved 12/18/2018

by submitting an Automated Universal Data record.

In General, to assure the credit union's compliance with Section 312 of FACTA, the Board will review the procedures for managing member dispute request annually. Management will conduct periodic evaluations of the Credit Union practices and amend the policy as needed. Training will be conducted by the Compliance officer as needed.

Revised 12/01/2018