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## CONSUMER DATA INDUSTRY ASSOCIATION RELEASES STUDY ON THE VALUE OF CREDIT REPORTING IN U.S.

WASHINGTON, D.C. – Today the **Consumer Data Industry Association (CDIA)** released the following statement announcing a white paper on the credit reporting industry. This document, prepared by noted Washington-based financial services-consulting firm Federal Financial Analytics (FedFin), led by Karen Petrou, uses years’ worth of publicly available and verifiable data to evaluate the significance of credit reporting for U.S. consumers and the economy. It is a meta-analysis that draws on independent research and studies the broader economic ramifications of the credit reporting industry.

“This study highlights the value credit reports offer to consumers and the entire economy,” said CDIA President and CEO Francis Creighton. “It’s never been more important than right now to better understand how our credit reporting system empowers consumers to fairly engage in the economy. Our study takes a hard-look at how our most vulnerable populations can build credit and gain financial inclusivity. This is critical, fact-based information that policy makers, academics, non-profits and others can use when examining how to address important challenges facing America.”

This study is especially important to share at a time when our economy faces unprecedented challenges and so many people are looking for answers to close the gap of inequality and improve financial inclusion. The benefits of the credit reporting system will be even more evident during the economic recovery.

Key conclusions include:

- Improvements in credit scores predict increased employment and wages and increase the ability of consumers to open a small business that then employs others.
- Current law and rule provide robust consumer protections for data housed in consumer reporting agencies.
- Low- and moderate-income consumers with robust credit histories have greater access to credit due to credit reports that overcome barriers to credit availability.
- Because credit reporting is an accurate and non-discriminatory indicator of creditworthiness, it also protects both lenders and borrowers against debt the borrower cannot reasonably be expected to repay.
- Credit reporting facilitates economic mobility, enabling the portability of credit essential for Americans to buy a new home, start a business, or otherwise prosper.

- Credit reporting makes it possible for small or regional lenders to make loan decisions quickly and accurately, reducing overall credit risk while enhancing financial-system resilience.

The Consumer Data Industry Association (CDIA) is the voice of the consumer reporting industry, representing consumer reporting agencies including the nationwide credit bureaus, regional and specialized credit bureaus, background check companies, and others. Founded in 1906, CDIA promotes the responsible use of consumer data to help consumers achieve their financial goals, and to help businesses, governments and volunteer organizations avoid fraud and manage risk. Through data and analytics, CDIA members empower economic opportunity, helping ensure fair and safe transactions for consumers, facilitating competition and expanding consumers' access to financial and other products suited to their unique needs.

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