R152-21-1. Purpose.
The purpose of this rule is to clarify the legal mandates and prohibitions of Section 13-21-3.

The definitions set forth in Section 13-21-2, as well as the following supplementary definitions, shall be used in construing the meaning of this rule.

(1) "Challenge" means any act performed by a credit services organization for the purpose of facilitating the disputation, by any person, of an entry appearing on the buyer's credit report.

(2) "Credit report" means any document prepared by a credit reporting agency showing the credit-worthiness, credit standing, or credit capacity of the buyer.

(3) "Inaccurate information" means data affected by typographical errors and other similar inadvertent technical faults which create a reasonable doubt about the reliability of such data.

(4) "Material error" means false or misleading information that could reasonably affect a decision to extend or deny credit to the buyer. "Accurate" information contains no material errors.

(5) "Material omission" means missing information that could reasonably affect a decision to extend or deny credit to the buyer. "Complete" information contains no material omissions.

(6) "Outdated information" means information that should not appear on the buyer's credit report because of its age. How long a given entry may remain on a credit report is determined by applicable state and federal law. Information which is not outdated is "timely."

(7) "Unverifiable information" means an entry on a credit report lacking sufficient supporting evidence to convince a reasonable person that it is proper. Information which is not unverifiable is "verifiable."

R152-21-3. Factual Basis for Credit Report Challenges.
(1) A credit services organization shall not challenge an entry made on the buyer's credit report without first having a factual basis for believing that the entry contains a material error or omission, or outdated, inaccurate, or unverifiable information.

(2) A credit services organization has a factual basis for challenging an entry on the buyer's credit report only when it:
   (a) has received a written statement from the buyer identifying any entry on his credit report that he believes contains a material error or omission, or outdated, inaccurate, or
unverifiable information;
(b) has conducted an investigation to determine if the information in the buyer's written statement is correct; and
(c) has concluded in good faith, based upon the results of its investigation, that the buyer's credit report contains one or more material errors or omissions, or outdated, inaccurate, or unverifiable information.

(3) In connection with any investigation undertaken pursuant to this rule, a credit services organization shall:
(a) contact the person who provided the information in question to the credit reporting agency and give him a reasonable opportunity to demonstrate the accuracy, completeness, timeliness, and verifiability of such information;
(b) memorialize, in writing and in detail, the results of the investigation; and
(c) retain the investigative report for not less two years after it is completed.

It shall be a violation of Section 13-21-3 for a credit services organization to do any of the following:
(1) to state or imply that it can permanently remove from a buyer's credit report an accurate, complete, timely, and verifiable entry;
(2) to challenge an entry on a buyer's credit report without a factual basis for believing the entry contains a material error or omission, or outdated, inaccurate, or unverifiable information; or
(3) to challenge an entry on a credit report for the purpose of temporarily denying accurate, complete, timely, and verifiable information to any person about the credit-worthiness, credit standing, or credit capacity of the buyer.

KEY: credit services, consumer, protection
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