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National Association of Federally-Insured Credit Unions

February 12, 2018

The Honorable Mick Mulvaney
Acting Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, D.C. 20552

**RE: Consumers' Experience With Free Access to Credit Scores
Docket No. CFPB-2017-0037**

Dear Acting Director Mulvaney:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally-insured credit unions, I would like to share with you NAFCU's thoughts regarding "Consumers' Experience With Free Access to Credit Scores."

Access to free credit score information can play an important role in maintaining the financial health of credit union members. While opportunities exist to improve the utilization of such information through voluntary efforts, the current state of accessibility does not necessitate new rules for financial institutions. Credit unions already work to improve their members' financial health in a variety of ways based on unique insights and experience. To accommodate the flexible creation of financial literacy programs, NAFCU does not believe that new requirements for credit unions related to the provisioning of credit scores would be helpful or necessary.

Some credit unions provide free credit scores to their members through agreements with card brands or credit reporting companies. Usually these free scores are available on a monthly or bi-monthly basis and will specify the type of score or version used. In other cases, credit unions may provide instructions to members on how to obtain a free credit report from consumer reporting companies. These instructions will often highlight the fact that a free credit report is not the same as a credit score. Many credit unions also provide financial literacy materials that discuss the use of different credit scoring models and how versions of models may differ.

Access to free credit scores can encourage members to utilize free credit score analysis services offered by their credit union. Members that use these services typically do so with the goal of increasing their credit score in order to obtain more favorable credit terms.

The online marketplace for "free" credit scores can be opaque depending on the source of information. Certain websites purporting to offer free credit scores will inadequately disclose the

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type of score that is provided, and those that do often omit contextual information for consumers who are unaware of the differences that exist between various scoring models or versions. This lack of guidance can yield frustration when a consumer attempts to understand the score used by a particular lender in connection with a credit decision. In addition, misunderstanding regarding the predictive value of a particular credit score may induce credit union members to purchase services that fail to provide meaningful insights or sound advice.

Conclusion

Credit unions are dedicated to improving the financial health of their members using a variety of tools, the selection of which may depend on unique variables such as field of membership, or the products and services offered by the credit union. NAFCU believes that credit unions must be free to choose what services they offer their members based on their understanding of what constitutes effective financial literacy. Accordingly, the CFPB should not create any new requirement that would compel credit unions to offer free credit scores, as this may prove unreasonably costly or draw resources away from more essential products or services.

NAFCU appreciates the opportunity to comment on the CFPB's request for information regarding free access to credit scores. Should you have any questions or concerns, please do not hesitate to contact me at amorris@nafcuh.org or (703) 842-2266.

Sincerely,

A handwritten signature in black ink that reads "Andrew Morris". The signature is written in a cursive, flowing style.

Andrew Morris
Regulatory Affairs Counsel