

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

August 9, 2022

Mr. Mark Begor
Chief Executive Officer
Equifax
1550 Peachtree Street, N.W.
Atlanta, Georgia 30309

Mr. Begor:

I am alarmed at recent news reporting that for potentially millions of consumers, your company provided inaccurate credit scores to numerous financial institutions relating to their credit applications.¹ The report quotes another Equifax executive, who said, “[I]nitial analysis indicates that only a small number of them may have received a different credit decision.”² You were quoted in the story to have said, “The impact is going to be quite small, not something that’s meaningful to Equifax.”³ While I sincerely hope Equifax’s error impacted very few consumers, I am less interested in how these inaccuracies will effect Equifax and remain very concerned that this error likely resulted in economic injury and otherwise harmed consumers who may have been denied credit when they needed it or are now paying higher interest rates on loans than they are entitled to based on their actual credit scores when they applied.

Moreover, this incident comes five years after your company announced one of the largest data breaches in the history of our country, exposing the personal information of more than 147 million individuals, which I invited you to testify before the House Financial Services Committee in 2019 to discuss.⁴ That incident, along with this recent episode and a litany of research, studies, and testimony demonstrating how broken our consumer credit reporting system is, all underscore the urgent need for CFPB and Congress to strengthen consumer protections in this area.⁵

To better inform our efforts, please provide detailed written responses to the following questions:

1. Please describe how Equifax produced erroneous credit scores, when was the issue discovered, and how was the issue fixed?

¹ Andrew Ackerman and AnnaMaria Andriotis, [Equifax Sent Lenders Inaccurate Credit Scores on Millions of Consumers](#), Wall Street Journal (Aug. 2, 2022).

² *Id.*

³ *Id.*

⁴ House Financial Services Committee (FSC) hearing entitled, [Who's Keeping Score? Holding Credit Bureaus Accountable and Repairing a Broken System](#) (Feb. 26, 2019);

⁵ For example, see FSC hearing entitled, [Examining the Equifax Data Breach](#) (Oct. 5, 2017); FSC Continuation of Hearing entitled, [Examining the Equifax Data Breach](#) (Oct. 25, 2017); FSC hearing entitled, [Who's Keeping Score? Holding Credit Bureaus Accountable and Repairing a Broken System](#) (Feb. 26, 2019); FSC Task Force on Financial Technology hearing entitled, [Examining the Use of Alternative Data in Underwriting and Credit Scoring to Expand Access to Credit](#) (Jul. 25, 2019); FSC Subcommittee on Oversight & Investigations hearing entitled, [Consumer Credit Reporting: Assessing Accuracy and Compliance](#) (May 26, 2021); and FSC hearing entitled, [A Biased, Broken System: Examining Proposals to Overhaul Credit Reporting to Achieve Equity](#) (Jun. 29, 2021).

2. Has this kind of issue happened before, resulting in any errors with respect to credit reports and/or credit scores your company provides to consumers and companies?
3. What steps has your company taken to ensure this issue does not happen again?
4. Which government agencies did you notify, if any, and when did you do so?
5. Have you identified all affected consumers that were adversely impacted, and have you notified them and any financial institution they were working with?
6. How many and what types of financial institutions received the inaccurate credit scores?
7. What is the total number of consumers who were harmed by inaccurate credit scores provided by your company, particularly those consumers who were provided a score that was lower than their actual credit score?
8. Among those consumers who were incorrectly evaluated for a loan as a result of an inaccurate score, please describe what you have learned from financial institutions that utilized your company's inaccurate scores, including the outcomes that those consumers experienced. Specifically:
 - a. How many consumers were denied credit based on your company's inaccurate score?
 - b. How many consumers were required to pay a higher interest rate on their loan?
9. How are you fully remediating all harmed consumers who were denied credit based on their faulty score, or are paying higher interest rates than they otherwise would have qualified for? Specifically:
 - a. Are you providing monetary compensation to harmed consumers? If so, please describe.
 - b. Are you working with financial institutions to ensure each harmed consumer has their loan modified reflecting the interest rate they qualified for based on their accurate credit score? If so, please describe.
 - c. Are you working with financial institutions to ensure each harmed consumer that was denied credit is offered credit based on what they qualified for at the time if their accurate credit score was utilized? If so, please describe.
10. On what date will all harmed consumers be notified and made whole?

I demand your prompt attention to this matter, and that you provide detailed, written responses to my questions no later than August 16, 2022. Based on your initial actions in response to this matter, I am deeply concerned not all harmed consumers will be promptly identified, notified, and made whole.

Therefore, I fully intend to utilize all tools available to me as Chairwoman of the House Financial Services Committee to ensure harmed consumers are promptly made whole and to ensure

consumers do not continue to get abused and harmed by our broken consumer credit reporting system going forward.

Sincerely,

A handwritten signature in blue ink that reads "Maxine Waters". The signature is fluid and cursive, with the first name "Maxine" being more prominent than the last name "Waters".

MAXINE WATERS
Chairwoman

CC: The Honorable Patrick McHenry