

## FINAL OPENING STATEMENT

Chairwoman Waters, Ranking Member McHenry and Members of the Committee. I am Craig Boundy, CEO of Experian North America, and I thank you for inviting me here today. I appreciate the opportunity to discuss Experian's important work, our efforts to make consumers a central focus of our business, and how we are investing to improve the credit reporting system.

Let me begin by stating why credit bureaus exist, and how consumers benefit. Credit bureaus accurately compile individuals' payment histories from creditors so that lenders can use this data to make better lending risk decisions. Good lending decisions for credit cards, autos and mortgages mean fewer defaults. Fewer defaults mean lower costs of credit for consumers and greater availability of consumer credit across the economy. Credit bureaus help stabilize the safety and soundness of the nation's consumer lending sector.

What we hear most often from consumers, Members of Congress and regulators is that everyone wants us to focus on three clear objectives: Ensure the information we hold on consumers is secure; Make credit reports accurate; And manage a data dispute system that is easy for consumers to use.

Experian has clearly heard and responded to this call, and significantly shifted its focus to the consumer.

The number one priority at Experian is keeping consumer information safe and secure. We began increasing our investments in data security well before the Equifax breach and we continue to do so. Experian is committed to achieving the highest possible levels of data security and integrity and will continue to work, on our own initiative and with our regulators, to find opportunities for improvement. We support enactment of a federal data security standard and breach notification law, and have supported such since 2005.

Experian also supports the Committee's goal of helping underserved consumers. Many consumers may not have a mortgage or credit cards, but they do make rent, telephone and utility payments. Experian recently announced an opportunity for consumers to include certain information from their bank accounts onto a credit report. This free program, called Experian Boost, allows consumers to opt-in to sharing utility and telephone payment information directly to their credit files and

improve their credit score, including their FICO score. A consumer can grant permission to contribute information from their banking accounts, including the length of time accounts have been open and frequency of activity. This is particularly helpful to consumers who are new to credit or have had financial challenges.

We want to work with the Committee to find more ways to expand financial inclusion.

Experian also supports this committee's goal of enhancing the accuracy of credit reports. We believe the best way to achieve and maintain improvements on behalf of consumers is through a robust and continuously supervised examination program administered by the Consumer Financial Protection Bureau. This program should continue to focus on ongoing improvements by both credit bureaus and lenders, as well as other entities that furnish information to credit bureaus or use information from credit bureaus.

We are equally focused on data accuracy. Our goal is to reach as close to 100% accuracy as is possible. We have invested heavily to move closer to achieving that goal. Our data quality team of more than one hundred people manage a rigorous process of vetting data sent to us by lenders. We apply more than 400 data error checks on each record submitted by a lender and summarize a report back to the lender each month. If data provided to us by a lender does not meet our standards, we reject it.

An important component of accuracy is to make credit reports accessible for consumers to review and easily dispute data. In March of last year, Experian introduced a new online dispute portal, including a mobile-optimized version, to make it easier for consumers to submit disputes and to receive the results of those disputes.

I'd like to close by saying that Experian is proud of the improvements we have made. Our employees come to work every day wanting to help and empower consumers to create a better future for themselves. We are committed to the continuous improvement of our business for the benefit of consumers, lenders and the economy.

Thank you for inviting me to testify. I look forward to answering your questions.