

Debt Bondage Repair Act and Implementing Regulation V Amendment

NC Human Trafficking Commission
Meeting

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Moore & Van Allen

**Human Trafficking
Pro Bono Project**


**CHARLOTTE PRO BONO
TRIAGE PARTNERSHIP**

Financial Exploitation by Traffickers

*"...he started focusing on girls not only for the profit margin because of their age, but because he could work with their credit. **That would be a recruitment question before they come: "How's your credit?"** Because he started realizing credit was important for things like getting a house or things like that in the future. He knew he couldn't do that with just cash."*

-Survivor

Source: Polaris *"On-Ramps, Intersections, and Exit Routes"*

Long-Term Financial Impact for Survivors

*"It is an issue I still struggle with today. **My credit is shot because I have things in my name that I never knew I had.** And, because I'm not as open to telling a credit person, "Oh, this is my life, this is what I went through," and giving proof of [my trafficking experience]. I can't get a phone bill in my name. I can't get a lot of things in my name."*

-Survivor

Source: Polaris *"National Survivor Study Initial Learnings"*

The Legislative and Regulatory History of the Final Rule

The Debt Bondage Repair Act, NDAA 2022

Prohibition on Inclusion of Adverse Information in Consumer Reporting In Cases of Human Trafficking

12 CFR Part 1022

[Docket No. CFPB–2022-0023]

RIN 3170-AB12

Prohibition on Inclusion of Adverse Information in Consumer Reporting in Cases of Human Trafficking (Regulation V)

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: The Consumer Financial Protection Bureau (Bureau) is amending Regulation V, which implements the Fair Credit Reporting Act (FCRA), to address recent legislation that assists consumers who are victims of trafficking. This final rule establishes a method for a victim of trafficking to submit documentation to consumer reporting agencies, including information identifying any adverse item of information about the consumer that resulted from certain types of human trafficking, and prohibits the consumer reporting agencies from furnishing a consumer report containing the adverse item(s) of information. The Bureau is taking this action as mandated by the National Defense Authorization Act for Fiscal Year 2022

Process Details and Guidance

Submission Requirements

- Proof of identity
- Victim Determination Documentation
- List of credit report information that resulted from trafficking and should be blocked, including information from AFTER exploitation



Victim Determination Documentation Examples

- Statement/attestation from gov't agency
- Statement/attestation from service provider or human trafficking task force member authorized by gov't agency
- Survivor statement signed by gov't agency or authorized service provider
- T Visa, restitution order, CP, certification and eligibility letters

Agency Authorization of Service Providers and Task Force Members



Relevant Language in the Rule's Supplementary Information Section:

- *“Nor does the final rule prescribe how a Federal, State, or Tribal governmental entity may authorize non-governmental organizations to make victim determinations, but certain factors such as whether non-governmental organizations and human trafficking task forces receive government funding and are subject to the terms and conditions of a government program could be a factor evaluated by a governmental entity.”*
- *“[E]ach governmental entity may establish their own criteria for making such authorizations.”*

Questions?

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Moore & Van Allen Provides Guidance on New Law Related to the Financial Exploitation of Human Trafficking Survivors

[Moore & Van Allen PLLC](#) (MVA) is pleased to share important news about the U.S. Consumer Financial Protection Bureau's (CFPB's) recent release of an amendment to **Regulation V**, which implements the Fair Credit Reporting Act (FCRA). The new rule, "Prohibition on Inclusion of Adverse Information in Consumer Reporting in Cases of Human Trafficking," will help many survivors of trafficking restore their credit status after financial exploitation.

This rule is in response to the Debt Bondage Repair Act (DBRA) which was enacted late last year as part of the National Defense Authorization Act. **The DBRA prohibits consumer reporting agencies from furnishing adverse items of information on credit reports that resulted from human trafficking.**

The CFPB adopted recommendations from MVA attorney [Sarah Byrne](#) who provided advice and comment during rule formation. The firm's involvement resulted from [MVA's Human Trafficking Pro Bono Project](#), which has supported survivors' legal and financial inclusions needs, including credit repair, for several years.

Starting on July 25, 2022 consumer reporting agencies will be required to have established a method for victims of trafficking to submit documentation of their trafficking experience to the agencies. Required documentation will include a victim determination and identification of the adverse items of information on the victims' credit reports. Agencies are expected to establish their own written policies and procedures designed in accordance with the nature, size, complexity, and scope of the agency.

Consumer reporting agencies are required to block adverse information within four business days of receiving a consumer's submission, and a final determination on the consumer's request must come within 25 days of receiving the initial request. A consumer reporting agency will not have the authority to determine the victim status of a consumer, or the validity of the facts or circumstances in the consumer's trafficking documentation. Further, identification of which items of information resulted from human trafficking remains within the discretion of the survivor.

<https://www.citybiz.co/article/293271/moore-van-allen-provides-guidance-on-new-law-related-to-the-financial-exploitation-of-human-trafficking-survivors/>