

**UNITED STATES OF AMERICA  
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING

File No. 2017-CFPB-0001

In the Matter of:

**Equifax Inc. and Equifax Consumer  
Services LLC**

**CONSENT ORDER**

The Consumer Financial Protection Bureau (Bureau) has reviewed the marketing practices of Equifax Inc. and Equifax Consumer Services LLC (collectively, Equifax or Respondents, as defined below) and has identified the following law violations: (1) Equifax deceptively marketed credit scores to consumers by falsely representing, in violation of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531, 5536, that the scores it marketed and sold to consumers were the same scores lenders typically use to determine creditworthiness; (2) Equifax deceptively marketed credit scores and credit-related products to consumers by falsely representing, in violation of the CFPA, that the scores and products were “free,” when, in reality, when a consumer signed up for a “free” trial, she was automatically enrolled in a subscription program for which she was charged a recurring monthly fee unless she cancelled; and (3) Equifax placed advertisements for its products on web pages that consumers accessed through AnnualCreditReport.com before they obtained their free annual file disclosures, in violation of the Fair Credit Reporting Act (FCRA), 15 U.S.C. §§ 1681-1681x, as

implemented by Regulation V, 12 C.F.R. § 1022.136(g)(1). Under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

## **I**

### **Jurisdiction**

1. The Bureau has jurisdiction over this matter under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, and section 621 of the FCRA, 15 U.S.C. § 1681s.

## **II**

### **Stipulation**

2. Respondents have executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated December 22, 2016 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondents have consented to the issuance of this Consent Order by the Bureau under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondents admit the facts necessary to establish the Bureau’s jurisdiction over Respondents and the subject matter of this action.

## **III**

### **Definitions**

3. The following definitions apply to this Consent Order:
  - a. “Affected Consumers” includes the following classes of consumers who were enrolled in a Negative Option free trial offer of an Equifax Credit-Related Product from July 21, 2011 through March 14, 2014:

- i. Consumers who enrolled in response to an advertisement run by Equifax and cancelled from the Equifax Credit-Related Product within two billing periods (*i.e.*, before the third bill) without receiving a refund of fees paid; and
  - ii. Consumers who enrolled in response to an advertisement run by an Equifax Affiliate Marketer and cancelled from the Equifax Credit-Related Product within four billing periods (*i.e.*, before the fifth bill) without receiving a refund of fees paid.
- b. “Affiliate Marketer” means third-party entities that have marketed or advertised Equifax Credit-Related Products directly to consumers on Equifax’s behalf, as identified in the Compliance Plan.
- c. “Assistant Deputy for Consumer Reporting” means the Assistant Deputy for Consumer Reporting for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegate.
- d. “Board” means Equifax Inc.’s duly-elected and acting Board of Directors.
- e. “Clear and conspicuous” or “clearly and conspicuously” means “clearly and prominently” such that the required disclosure is difficult to miss (*i.e.*, easily noticeable) and easily understandable by ordinary consumers, regardless of the method of communication, including in all the following ways:
  - i. In textual communications (*e.g.*, printed publications or words displayed on the screen of an electronic device), the disclosure must be of a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend, in print that contrasts with the background on which it appears;

- ii. In communications disseminated orally or through audible means (e.g., radio or streaming audio), the disclosure must be delivered in a volume, speed, and cadence sufficient for an ordinary consumer to hear and comprehend it;
- iii. In communications disseminated through video means (e.g., television or streaming video), the disclosure must be in writing in a form consistent with subsection (i), and must appear on the screen for a duration sufficient for an ordinary consumer to read and comprehend it;
- iv. In communications made through interactive media such as the Internet, online services, and software, the disclosure must be unavoidable and presented in a form consistent with subsection (i); a disclosure is not clear and conspicuous if a consumer must take any action, such as clicking on a hyperlink or hovering over an icon, to see it;
- v. In communications that contain both audio and visual portions, the disclosure must be presented simultaneously in both the audio and visual portions of the communication;
- vi. In all instances, the disclosure must be presented before the consumer incurs any financial obligation, and use diction and syntax that is understandable to a reasonable consumer, in each language in which the representation that requires the disclosure appears; and

- vii. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication with the consumer.
- f. “Consumer Complaint” means any expression of dissatisfaction by a consumer.
- g. “Effective Date” means the date on which the Consent Order is issued.
- h. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his/her delegate.
- i. “Equifax Credit-Related Product” means any product or service that includes an Equifax Credit Score that Respondents offer or have offered for sale directly to consumers, including through Equifax’s Affiliate Marketers.
- j. “Nationwide Consumer Reporting Agency” refers to a “consumer reporting agency that compiles and maintains files on consumers on a nationwide basis,” as that term is defined in section 603(p) of the FCRA, 15 U.S.C. § 1681a(p).
- k. “Negative Option” means a category of commercial transactions in which a seller interprets a customer’s failure to take an affirmative action, either to reject an offer or cancel an agreement, as assent or continuing assent to be charged for goods or services.
- l. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondents based on substantially the same facts as described in Section IV of this Consent Order.

- m. “Relevant Period” includes the period from July 21, 2011 through March 14, 2014.
- n. “Respondents” means Equifax Inc. and Equifax Consumer Services LLC, and their successors and assigns.

## **IV**

### **Bureau Findings and Conclusions**

The Bureau finds the following:

- 4. Equifax Inc. is headquartered in Atlanta, Georgia, and compiles and maintains financial, consumer, and commercial data across the nation and worldwide. Equifax Inc. is the parent company of Equifax Consumer Services LLC.
- 5. Equifax Inc. is a “covered person” as that term is defined by the CFPB, 12 U.S.C. § 5481(6).
- 6. Respondents market and sell credit reports to consumers and to commercial users including, but not limited to, lenders, insurance companies, and potential employers.
- 7. During the Relevant Period, Equifax marketed and sold Equifax Credit-Related Products to consumers. Consumers could purchase these products from Equifax in a one-time transaction or through a subscription where the consumer paid a recurring fee, usually monthly, to have continuous access to the product for as long as the consumer was enrolled in the subscription.
- 8. During the Relevant Period, Equifax marketed and sold Equifax Credit-Related Products to consumers through a variety of online channels, including banner and display advertisements that appeared on popular websites, direct emails to

consumers, advertisements on Equifax's own website (Equifax.com), and advertisements run by Equifax Affiliate Marketers.

**Findings and Conclusions as to  
Misrepresentations Relating to Credit Scores**

9. Credit scores are numerical summaries designed to predict consumer payment behavior on a wide range of credit products. Many lenders and other commercial users rely on consumers' credit scores when deciding whether to extend credit.
10. No single credit score or credit score model serves as the primary credit score for the marketplace. Lenders use a variety of credit scores, which vary by score provider, scoring model, and target industry.
11. The credit score models used most often by lenders are those developed by Fair Isaac Corporation (FICO), which has offered more than 60 different credit scoring models since 2011.
12. In addition to FICO credit scores, several companies have developed what are referred to as "educational credit scores" that are rarely used by lenders. As the name suggests, an "educational credit score" is intended for a consumer's educational use.
13. Equifax developed its own proprietary credit score model, the "Equifax Credit Score," which is also applied to information in consumer credit files in order to generate a three-digit credit score sold directly to consumers. Equifax also markets the "3-Bureau Equifax Credit Score," which is generated by applying Equifax's proprietary credit score model to the information in consumer credit files at each of the three largest Nationwide Consumer Reporting Agencies. For efficiency, this Order will refer to all credit score products marketed and sold by

Equifax based on Equifax's proprietary credit score model as the "Equifax Credit Score."

14. The Equifax Credit Score is an "educational" credit score that is marketed to consumers and is rarely used by lenders.

***Equifax's Marketing of Its Credit Score to Consumers***

15. During the Relevant Period, in numerous instances, Equifax marketed the Equifax Credit Score to consumers by representing, directly or by implication, that the Equifax Credit Score available for purchase by consumers was the same score that lenders use to make credit decisions.
16. For example, one Equifax advertisement stated: "Your loan officer is reviewing your credit score. See your score." Another advertisement stated: "Banks and lenders will most likely check your credit – make sure you see what they see and learn what that means for FREE."
17. In fact, during the Relevant Period, the Equifax Credit Scores that consumers purchased from Equifax were educational scores that were rarely used by lenders to make credit decisions.
18. Equifax included disclaimers in some of its advertising for the Equifax Credit Score. For example, one disclaimer stated, "[t]his score is intended for your own educational use. There are numerous credit scores and models in the marketplace and lenders are likely to use a different score when evaluating your creditworthiness." Another disclaimer stated that "[t]he Equifax credit score and 3-bureau credit scores are based on an Equifax credit score model and are not the same scores used by 3rd parties to assess your creditworthiness."



19. These disclaimers, however, were neither clear nor conspicuous. When such disclaimers were included, they were typically situated at the bottom of the advertisement in fine print, far removed from the claims the disclaimer was intended to modify.
20. In numerous instances, there were significant and meaningful differences between the Equifax Credit Scores that Equifax sold to consumers and the variety of credit scores used by lenders.
21. As a result, in these instances, the scores Equifax sold to consumers presented an inaccurate picture of how lenders, who used other scores and data providers, assessed consumer creditworthiness.
22. Section 1036(a)(1)(B) of the CFPA prohibits “unfair, deceptive, or abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B).
23. As described in Paragraphs 15 through 21, in connection with advertising, marketing, promoting, offering for sale, or sale of Equifax Credit-Related Products, in numerous instances Equifax represented, directly or indirectly, expressly or impliedly, that the credit scores it marketed and sold to consumers were the same scores typically used by lenders or other commercial users for credit decisions.
24. In fact, the credit scores Equifax marketed and sold to consumers were rarely the same scores used by lenders or other commercial users for credit decisions.
25. Thus, Equifax’s representations, as described in Paragraphs 15 and 16, were false or misleading and constituted deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

**Findings and Conclusions as to Misrepresentations Related to  
“Free” Credit-Related Products**

26. During the Relevant Period, Equifax’s online advertisements also misrepresented to consumers that they could have access to “free” credit scores and credit score products.
27. Equifax’s advertisements contained offers such as: “Sign up today and get your FREE credit score”; “Get your 3 credit scores FREE”; and “Sign up today and get your FREE credit score.”
28. In fact, Equifax’s promotions included a Negative Option billing structure. Consumers who signed up to obtain their “free” scores received a free trial, usually either seven or 30 days, after which they were automatically enrolled in an Equifax monthly subscription that usually cost \$16.95 per month unless they cancelled prior to the end of the free trial period. Equifax charged a consumer this recurring membership fee automatically each month through the consumer’s credit card until the consumer cancelled.
29. Equifax’s advertisements offering “free” Equifax Credit-Related Products failed to adequately disclose the Negative Option billing structure of the product.
30. The disclosure of the free trial terms in the advertisements was neither clear nor conspicuous. In contrast to the bold, colorful headlines that touted the free scores and products, the disclosure was often displayed in fine print, in low contrast, and was generally placed in a less prominent location, such as the bottom of the webpage, grouped with other disclosures.
31. In numerous instances, consumers did not know they had been automatically enrolled in a Negative Option subscription plan for Equifax Credit-Related

Products until they discovered a charge—usually \$16.95 per month—on their bank or credit card statement.

32. Section 1036(a)(1)(B) of the CFPA prohibits “unfair, deceptive, or abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B).
33. As described in Paragraphs 26 through 31, in connection with the advertising, marketing, promotion, offering for sale, or sale of Equifax Credit-Related Products, in numerous instances, Equifax represented, directly or indirectly, expressly or impliedly, that consumers could obtain their credit score for free.
34. In fact, Equifax’s offer, which it described in a disclosure that was neither clear nor conspicuous, was a Negative Option offer whereby Equifax automatically enrolled the consumer into a subscription plan that required the consumer to pay a recurring fee unless the consumer cancelled during the free trial period.
35. Therefore, Equifax engaged in deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

**Findings and Conclusions as to Placement of Advertisements of Equifax Products on AnnualCreditReport.com**

36. The FCRA imposes upon each Nationwide Consumer Reporting Agency an obligation to provide a free file disclosure once every 12 months to any consumer who requests it. 15 U.S.C. § 1681j. Regulation V, the FCRA’s implementing regulation, requires all Nationwide Consumer Reporting Agencies to operate a “centralized source” to enable consumers to obtain annual file disclosures. 12 C.F.R. § 1022.136. The centralized website for free annual file disclosures is AnnualCreditReport.com.

37. Consumers who wish to obtain a file disclosure through AnnualCreditReport.com must first supply certain identifying information on that website, including their name, social security number, and current address. The consumer is then given a choice to obtain his or her file disclosure from one or more of the Nationwide Consumer Reporting Agencies, including Equifax.
38. Until January 17, 2014, a consumer who chose to receive a file disclosure from Equifax was routed to a web page with a link labeled “View and Print your report. Get started.” This page also included an advertisement for an “Equifax Credit Score” at a “[o]ne-time price of only \$7.95.” In order to actually view the file disclosure, however, the consumer would have to click a link to another page (which also contained advertisements) for a high-level summary of the file disclosure, and then click another link to access the web page that displayed the entire disclosure.
39. Regulation V prohibits CRAs, including Equifax, from advertising through the “centralized source” until “after the consumer has obtained his or her annual file disclosure.” 12 C.F.R. § 1022.136(g)(1). Where the request is made through the Internet, a consumer has “obtained” his or her disclosure when it is “delivered to the consumer.” 12 C.F.R. § 1022.136(g)(1)(ii).
40. As described in Paragraph 38, Equifax advertised credit-related products through AnnualCreditReport.com before consumers “obtained” their annual file disclosures. In order to obtain their file disclosures from Equifax, consumers had to navigate through two webpages. Nowhere on the first webpage, where Equifax’s advertisements first appeared, could consumers see or print their disclosures.

41. Thus, Equifax's placement of advertisements on webpages consumers accessed through AnnualCreditReport.com before consumers obtained their annual file disclosures violated Regulation V, 12 C.F.R. § 1022.136(g)(1).

**ORDER**

**V**

**Conduct Provisions**

**IT IS ORDERED**, under sections 1053 and 1055 of the CFPA, that:

42. Equifax and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536, and Regulation V, 12 C.F.R. § 1022.136(g), the implementing regulation of the FCRA, 15 U.S.C. §§ 1681 *et seq.*, as follows, and must take the following affirmative actions:
- a. Equifax, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of Equifax Credit-Related Products, may not misrepresent, or assist others in misrepresenting, expressly or impliedly:
    - i. Any material fact about the cost or price of an Equifax Credit-Related Product, including misrepresenting that the product or service is free, discounted, a gift, a sample, a trial, a bonus, without cost or obligation, or words of similar import denoting or implying the absence of an obligation on the part of the consumer to affirmatively act in order to avoid charges;

- ii. Any material fact about the timing or manner of any charge or bill, including the purpose for which a consumer's credit card or payment information will be used, the length of subscription, if applicable, the date(s) upon which the consumer will be charged or billed, and the deadline (by date or frequency) by which the consumer must act in order to stop any charges; or
  - iii. Any material restrictions, limitations, or conditions of the product or service marketed in the offer, or any material aspect of its performance, efficacy, nature, or central characteristics marketed in the offer.
- b. Within a reasonable time period after the Effective Date as set forth in the Compliance Plan, Equifax, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of Equifax Credit-Related Products:
- i. Must obtain the express informed consent of the consumer before enrolling the consumer in an Equifax Credit-Related Product with a Negative Option billing structure;
    - (a) For all Internet offers, express informed consent consists of a check box on the page where payment information is collected that consumers must affirmatively check to select the Negative Option billing structure (*i.e.*, it cannot be pre-checked), and which clearly and conspicuously states that the consumer agrees

to be billed for the product unless the consumer cancels before the trial period expires;

- a. Immediately adjacent to the affirmative selection checkbox, Respondents must clearly and conspicuously disclose: (i) if applicable, the amount the consumer will be charged on a recurring (*e.g.*, monthly) basis if the product or service is not cancelled before the expiration of the trial period; and (ii) the date when the trial period expires and the amount the consumer will be billed; and
  - b. The disclosure must not contain any information related to the benefits of the product;
- ii. Must provide a simple mechanism for a consumer to immediately cancel the purchase of any Equifax Credit-Related Product, and stop billing and collecting payments for any recurring charge for any good or service. The mechanism must not be difficult, costly, confusing, or time consuming, and must, at a minimum, be substantially similar to the mechanism(s) the consumer used to initiate the purchase of any Equifax Credit-Related Product;
  - iii. For all oral offers for an Equifax Credit-Related Product, in addition to clearly and conspicuously disclosing the information identified in Subsections (a)(i)-(iii), and prior to obtaining any billing information from a consumer, obtain affirmative and unambiguous oral confirmation that the consumer:
    - (a) Consents to authorizing payment for such goods or services; and

- (b) Understands the specific steps the consumer must take to prevent further charges.
- c. Within a reasonable time period after the Effective Date as set forth in the Compliance Plan, Equifax, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of Equifax Credit-Related Products, including through textual, oral or audible communications, or communications disseminated through audible means or interactive media including, but not limited to, Internet advertisements, must take the following actions when offering or providing an Equifax Credit Score or other similar educational credit score to consumers:
  - i. Clearly and conspicuously disclose the nature of the credit score offered in each communication containing the offer and, for Internet offers, on each landing page or email where a score is advertised and on at least one page of the order process;
  - ii. Ensure that the disclosure clearly and conspicuously discloses or substantially states the following:
    - (a) The credit scores Equifax sells to consumers are not the same scores used by lenders or other commercial users for credit decisions; and
    - (b) There are various types of credit scores, and lenders use a different type of credit score to make lending decisions than the one being offered;



- iii. For all written communications, including, for Internet offers, landing pages and emails, ensure that, in the first instance in which the disclosures appear, the disclosures contain a label in a font size double that of the disclosure that says: “What You Need to Know.”
- d. Equifax, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, must take the following actions:
  - i. Further develop and implement comprehensive policies and procedures for improving communication with consumers regarding Equifax Credit-Related Products, including, but not limited to, communications about the nature of the credit score, the pricing structure, and any other material terms, including:
    - (a) At least annually, collecting and reviewing key performance metrics, such as Consumer Complaints (both those it receives directly as well as those it receives through other channels, such as the CFPB and State Attorneys General Offices) and cancellation data, for evidence of consumer confusion regarding the products and services it offers to consumers;
    - (b) At least annually, collecting and reviewing empirical data regarding consumer perceptions of Equifax’s advertising with regard to the nature of the credit score, the pricing structure, and any other material terms, for evidence of consumer confusion regarding the products and services it offers to consumers; and

- (c) At least annually, assessing advertisements to determine what modifications, if any, need to be made to the advertisements to improve consumer understanding of Equifax Credit-Related Products.
- e. Equifax, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of Equifax Credit-Related Products, may not place advertisements on webpages consumers access through AnnualCreditReport.com such that the consumer sees the advertisement before he or she has obtained his or her file disclosure in accordance with Regulation V. 12 C.F.R. § 1022.136(g).

## **VI Compliance Plan**

**IT IS FURTHER ORDERED** that:

- 43. Within 60 days of the Effective Date, Equifax must submit to the Assistant Deputy for Consumer Reporting, for review and determination of non-objection, a comprehensive compliance plan designed to ensure that Equifax's advertising practices comply with all applicable Federal consumer financial laws, such as the CFPA and the FCRA, and the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum:
  - a. Detailed steps for addressing each action required by Section V of this Consent Order;

- b. Specific timeframes and deadlines for implementation of the steps described above; and
  - c. A requirement that the Compliance Plan be updated at least every two years, or as required by changes in laws or regulations, so that the Compliance Plan remains current and effective.
44. The Assistant Deputy for Consumer Reporting will have the discretion to make a determination of non-objection to the Compliance Plan or to direct Equifax to revise it. If the Assistant Deputy for Consumer Reporting directs Equifax to revise the Compliance Plan, Equifax must make the revisions and resubmit the Compliance Plan to the Assistant Deputy for Consumer Reporting within 30 days.
45. After receiving notification that the Assistant Deputy for Consumer Reporting has made a determination of non-objection to the Compliance Plan, Equifax must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

## **VII**

### **Role of the Board**

**IT IS FURTHER ORDERED** that:

46. The Board must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.
47. Although this Consent Order requires Equifax to submit certain documents for the review or non-objection by the Assistant Deputy for Consumer Reporting, the Board will have the ultimate responsibility for proper and sound management of

Equifax and for ensuring that Equifax complies with Federal consumer financial law and this Consent Order.

48. In each instance that this Consent Order requires the Board to ensure adherence to, or perform certain obligations of Equifax, the Board must:
- a. Authorize whatever actions are necessary for Equifax to fully comply with the Consent Order;
  - b. Require timely reporting by management to the Board on the status of compliance obligations; and
  - c. Require timely and appropriate corrective action to remedy any material non-compliance with any failures to comply with Board directives related to this Section.

## **VIII**

### **Order to Pay Redress**

**IT IS FURTHER ORDERED** that:

49. Within 10 days of the Effective Date, Equifax must reserve or deposit into a segregated deposit account \$3,795,643 for the purpose of providing redress to Affected Consumers.
50. Within 60 days of the Effective Date, Equifax must submit to the Assistant Deputy for Consumer Reporting for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Assistant Deputy for Consumer Reporting will have the discretion to make a determination of non-objection to the Redress Plan or direct Equifax to revise it. If the Assistant Deputy for Consumer Reporting directs Equifax to revise the Redress Plan, Equifax must make the revisions and resubmit the Redress

Plan to the Assistant Deputy for Consumer Reporting within 30 days. After receiving notification that the Assistant Deputy for Consumer Reporting has made a determination of non-objection to the Redress Plan, Equifax must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

51. The Redress Plan must:

- a. Include a detailed description of the methodology used to determine the population of Affected Consumers and the appropriate redress for each Affected Consumer, and the procedures to issue and track redress payments;
- b. Provide that Equifax shall pay all costs associated with administering redress and remediation as required by this section;
- c. Include the form of the letters (Notification Letters) and envelopes to be sent notifying consumers of the redress payments and a description of the process for sending the Notification Letters to consumers. Equifax must not include in any envelope containing a Notification Letter any materials other than the approved letter and redress checks.
- d. Require Equifax to make reasonable attempts to obtain a current address for any consumer whose Notification Letter is returned for any reason, using the National Change of Address System, and to promptly re-mail all returned letters to current addresses. If a redress check for any consumer is returned to Equifax after such second mailing, or if a current mailing address cannot be identified using the National Change of Address System or similar system, Equifax must retain the redress amount of such consumer for a period of one hundred and twenty (120) days from the date the check was originally mailed,

during which period such amount may be claimed by such consumer upon appropriate proof of identity.

- e. Require Equifax to submit a Redress Plan Report to the Assistant Deputy for Consumer Reporting within 60 days of completion of the Redress Plan. The Redress Plan Report must include an audit and assessment of Equifax's compliance with the terms of the Redress Plan.
52. After completing the Redress Plan, if the amount of the redress provided to Affected Consumers is less than \$3,795,643, within 30 days of the completion of the Redress Plan, Equifax must pay the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Affected Consumers and \$3,795,643, so that such funds may be distributed to the U.S. Treasury as disgorgement.
53. Equifax may not condition the provision of any redress to any Affected Consumer under this Order on that Affected Consumer waiving any right.

## **IX**

### **Order to Pay Civil Money Penalties**

**IT IS FURTHER ORDERED** that:

54. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Equifax must pay a civil money penalty of \$2,500,000 to the Bureau.

55. Within 10 days of the Effective Date, Equifax must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
56. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
57. Equifax must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Equifax may not:
  - a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
  - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.
58. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Equifax may not argue that Equifax is entitled to, nor may Equifax benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action (Penalty Offset). If the court in any Related Consumer Action grants such a Penalty Offset, Equifax must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

**X**

**Additional Monetary Provisions**

**IT IS FURTHER ORDERED** that:

59. In the event of any default on Equifax's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.
60. Equifax must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Equifax.
61. Under 31 U.S.C. § 7701, Equifax, unless it already has done so, must furnish to the Bureau its taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
62. Within 45 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Equifax must notify the Assistant Deputy for Consumer Reporting of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Equifax paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.



## **XI**

### **Reporting Requirements**

**IT IS FURTHER ORDERED** that:

63. Equifax must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company to Equifax; the creation or dissolution of a subsidiary, parent, or affiliate of Equifax that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Equifax; or a change in Equifax's name or address. Equifax must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.
64. Within 7 days of the Effective Date, Equifax must designate at least one telephone number and email, physical, and postal address as points of contact, which the Bureau may use to communicate with Equifax.
65. Equifax must report any change in the information required to be submitted under Paragraph 63 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.
66. Within 120 days of the Effective Date, and again one year after the Effective Date, Equifax must submit to the Assistant Deputy for Consumer Reporting an accurate written compliance progress report (Compliance Report) that has been approved by the Board, which, at a minimum:
  - a. Describes in detail the manner and form in which Equifax has complied with this Order; and

- b. Attaches a copy of each Order Acknowledgment obtained under Section XII, unless previously submitted to the Bureau.

## **XII**

### **Order Distribution and Acknowledgment**

**IT IS FURTHER ORDERED** that:

67. Within 30 days of the Effective Date, Equifax must deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, affiliates, service providers, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.
68. For 5 years from the Effective Date, Equifax must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section XI, any future board members and executive officers, as well as to any managers, employees, affiliates, service providers, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
69. Equifax must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

### **XIII**

#### **Recordkeeping**

**IT IS FURTHER ORDERED** that:

70. Equifax must create, or if already created, must retain for at least 5 years from the Effective Date, the following business records:

- a. All documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.
- b. All documents and records pertaining to the Redress Plan, described in Section VIII above.
- c. Copies of all Internet (website), direct email, and print advertisements, sufficient to demonstrate the experience of consumers on each materially different version of each advertisement, including all order flow pages on which Equifax, whether acting directly or indirectly, advertises, promotes, markets, offers for sale, sells, or provides Equifax Credit-Related Products or services, and any other marketing material, including, but not limited to, sales scripts and training materials relating to Equifax Credit-Related Products, including any such materials used by a third party or affiliate on behalf of Equifax;
- d. For each Internet (website), direct email, print advertisement, or other marketing material relating to Equifax Credit-Related Products:
  - i. A record of the date(s) and locations or placements where the advertisement is publicly accessible, to extent that information is available; the number, type, and cost of all Equifax Credit-Related

- Products purchased through the advertisement; and any and all modifications made to the advertisement, including to any disclosure(s) on the advertisement; and
- ii. A record of all consumer perception assessments or testing and all documents created pursuant to the requirements of Section V.
- e. For each Internet (website) advertisement, impressions of, the number of visits to, unique visitors (to the extent such data is available), and clicks on the advertisement and any associated landing and flow page(s); and the number of conversions, purchases of an Equifax Credit-Related Product, and consumers acquired through the advertisement.
  - f. For each individual Affected Consumer: the consumer's name, address, phone number, email address, amount paid, description of the Equifax Credit-Related Product purchased, the date on which the Equifax Credit-Related Product was purchased, and, if applicable, the date, and reason (when available), consumer left the program.
  - g. For each Equifax Credit-Related Product, accounting records showing the gross and net revenues generated by the Equifax Credit-Related Product.
  - h. All non-telephonic Consumer Complaints and refund requests (whether received directly or indirectly, such as through a third party) relating to any Equifax Credit-Related Product, and any responses to those complaints or requests.
  - i. Equifax must make the documents identified in Paragraph 70 available to the Bureau upon the Bureau's request.

71. Equifax will retain telephonic communications with consumers in accordance with its standard document retention policy, as set forth in the Compliance Plan.

#### **XIV**

#### **Notices**

**IT IS FURTHER ORDERED** that:

72. Unless otherwise directed in writing by the Bureau, Equifax must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "In re Equifax Inc., File No. 2017-CFPB-0001," and send them either:

- a. By overnight courier (not the U.S. Postal Service), as follows:

Assistant Deputy for Consumer Reporting  
Consumer Financial Protection Bureau  
Office of Supervision  
1625 Eye Street, N.W.  
Washington, D.C. 20006

- b. By first-class mail to the below address and contemporaneously by email to

[Enforcement\\_Compliance@cfpb.gov](mailto:Enforcement_Compliance@cfpb.gov):

Assistant Deputy for Consumer Reporting  
Consumer Financial Protection Bureau  
Office of Supervision  
1625 Eye Street, N.W.  
Washington, D.C. 20006

#### **XV**

#### **Cooperation with the Bureau**

**IT IS FURTHER ORDERED** that:

73. Respondents must cooperate fully to help the Bureau determine the identity and location of each Affected Consumer. Respondents must provide such information

in their or their agents' possession or control within 21 days of receiving a written request from the Bureau.

## **XVI**

### **Compliance Monitoring**

**IT IS FURTHER ORDERED** that, to monitor Equifax's compliance with this Consent Order:

74. Within 21 days of receipt of a written request from the Bureau, Equifax must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.
75. Equifax must permit Bureau representatives to interview any employee or other person affiliated with Equifax who has agreed to such an interview. The person interviewed may have counsel present.
76. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

## **XVII**

### **Modifications to Non-Material Requirements**

**IT IS FURTHER ORDERED** that:

77. Equifax may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Assistant Deputy for Consumer Reporting.
78. The Assistant Deputy for Consumer Reporting may, in his/her discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions

of time and changes to reporting requirements) if he/she determines good cause justifies the modification. Any such modification by the Assistant Deputy for Consumer Reporting must be in writing.

## **XVIII**

### **Administrative Provisions**

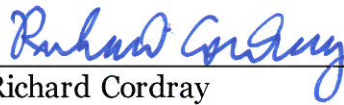
79. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Equifax, except as described in Paragraph 80.
80. The Bureau releases and discharges Equifax from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Equifax and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.
81. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under section 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

82. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Equifax. If such action is dismissed or the relevant adjudicative body rules that Equifax did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.
83. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
84. Should Equifax seek to transfer or assign all or part of its operations that are subject to this Consent Order, Equifax must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
85. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Equifax's Registered Agent or designated point of contact for Consent Order-related communications as described in Paragraph 64 above and Equifax may not contest that court's personal jurisdiction over Equifax.



86. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
87. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Equifax, its Board, officers, or employees to violate any law, rule, or regulation.

**IT IS SO ORDERED**, this 3<sup>rd</sup> day of January, 2017.

  
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Richard Cordray  
Director  
Consumer Financial Protection Bureau