

# The catalysts for credit reporting issues and how to fix them

---

Errors during the credit reporting process can cause headaches for consumers and financial institutions alike. When a consumer catches an error on their credit report, it can come at the expense of an important life moment, like financing a new car or home. You want to provide a stellar experience to keep your customers loyal to you, and being proactive with credit reporting errors is a great way to do so.

This tip sheet can help you pinpoint where exactly things go wrong and what you can do to fix credit reporting issues. By revamping some of your processes, you can set both your customers and your organization up for financial success.

## The furnishers' dilemma

Wrangling multiple data streams is typical for organizations that report on credit. You're tasked with making sure your submitted data is in line with Metro 2® requirements at the end of each month. After that, you send it off to the bureaus and Credit Reporting Agencies (CRAs) and receive the results, and possible rejects, in the first week of the following month.

Upon receiving the results, you aggregate the information into a single file. This means reconciling discrepancies, interpreting rejects, and identifying anomalies. At the same time as the previous month's data is being sorted, you have to prepare reports to submit for the next month. Because these processes are time-sensitive, they might be rushed.

It's often hard for data furnishers to have visibility into the reports that are sent. Since reporting is often highly automated, technical issues like incorrect mapping or non-compliance with business rules can result in inaccuracies, and it's hard to pause the process to catch them. Manual modifications can also often result in errors, like loan modifications or system conversion hitches. Navigating technical and manual complexities like these can make it challenging to monitor data to meet regulatory expectations.



## Manual processes create challenges

Given the large volumes of data created in reporting cycles between the bureaus and furnishers, current manual processes can make it challenging to effectively resolve rejects and disputes. When furnishers receive rejects during the course of the monthly reporting, data analysts then manually review each case and either resolve the record or perform a root-cause analysis to determine if the issue is systematic. Based on their conclusions, changes may be made to the system to catch further instances. Either way, it can take a tremendous amount of time and resources to resolve these issues.

In addition to rejects, any disputes that have been filed by consumers must be handled with care, researched appropriately, and resolved in eOSCAR—an automated system designed specifically to centralize credit reporting disputes. With the number of moving pieces and manual work to be done, data furnishers are feeling the pressure to keep ahead.

## Be proactive in your data management

Stopping errors before they become more serious issues will improve your credit reporting accuracy. However, it's no easy feat. You likely face a balancing act of having to manage large data volumes, make

sure they're quality, and that they're in compliance with FCRA and Metro 2<sup>®</sup> requirements.

It's essential to find the right technology that can meet all your needs as well as the standards of the industry. Experian's DataArc 360<sup>™</sup> was designed specifically for this purpose. This bureau agnostic tool is equipped with over 130 pre-built rules for you to check your data against, and modify or tweak the rules if necessary.

In an instant, DataArc 360<sup>™</sup> can profile Metro 2<sup>®</sup> data fields for completeness, anomalies, and more. The tool flags discrepancies against the built-in rules, which is helpful for you to identify and resolve issues like misapplied payments or false interest rates more quickly. Addressing possible issues before submitting reports will help stave off reporting errors and possible disputes. For visibility and tracking, the product also has dashboards that are user-friendly that helps you continuously monitor your data and make sure that it is Metro 2<sup>®</sup> compliant.

Providing accurate, high-quality data that is in compliance with Metro 2<sup>®</sup> standards doesn't have to be an arduous juggling act. Leveraging a solution like DataArc 360<sup>™</sup> is a way to minimize errors before they result in disputes and helps you take control of your credit reporting process.

Ready to improve your credit reporting process and provide a better customer experience? DataArc 360<sup>™</sup> can help!

[Tell me more](#)