

FTC Flexes FCRA Muscle with \$3M Settlement

Wednesday, October 24, 2018

The FTC has been accused of failing to “meaningfully enforce” the FCRA,^[1] but on October 16, 2018, it announced a \$3 million settlement with RealPage Inc. (“RealPage”), which it billed the “largest civil penalty the FTC has obtained against a background screening company.”

According to the FTC press release ([here](#)), RealPage is a Texas consumer reporting agency focused on tenant screening. The FTC brought charges alleging that the company failed to take reasonable steps to ensure the accuracy of tenant screening information that it provided to landlords and property managers. More specifically, the FTC alleged that RealPage used broad criteria to match applicants to criminal records and only applied limited filters to the results, with no policies or procedures to assess the accuracy of those results. The FTC filed the complaint and final order in the U.S. District Court for the Northern District of Texas, Dallas Division.

FCRA § 607(b) reads:

(b) Accuracy of report. Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

According to the FTC, in addition to the civil penalty, the proposed settlement also requires RealPage to maintain reasonable procedures to assure the maximum possible accuracy of the information it includes about individuals in its consumer reports. In addition, RealPage is subject to compliance and reporting requirements.

The FTC is not the only sheriff in town. It shares enforcement responsibility with the BCFP (formerly CFPB). Of course, the FCRA is also enforced by private litigants.



Article By
[John C. Hawk IV](#)
[Womble Bond Dickinson \(US\) LLP](#)

[Real Estate](#)
[Criminal Law / Business Crimes](#)
[Financial Institutions & Banking](#)
[All Federal](#)

[1] Austin H. Krist, Large-Scale Enforcement Of The Fair Credit Reporting Act And The Role Of State Attorneys General, Columbia Law Review, Vol. 115, No. 8.

Copyright © 2019 Womble Bond Dickinson (US) LLP All Rights Reserved.

Source URL: <https://www.natlawreview.com/article/ftc-flexes-fcra-muscle-3m-settlement>