
Joint Release

**Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
National Credit Union Administration**

For immediate release

December 3, 2019

Federal Regulators Issue Joint Statement on the Use of Alternative Data in Credit Underwriting

WASHINGTON – Five Federal financial regulatory agencies today issued a joint statement on the use of alternative data in underwriting by banks, credit unions, and non-bank financial firms.

The statement from the Federal Reserve Board (Federal Reserve), the Consumer Financial Protection Bureau (CFPB), the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the National Credit Union Administration (NCUA) notes the benefits that using alternative data may provide to consumers, such as expanding access to credit and enabling consumers to obtain additional products and more favorable pricing and terms. The statement explains that a well-designed compliance management program provides for a thorough analysis of relevant consumer protection laws and regulations to ensure firms understand the opportunities, risks, and compliance requirements before using alternative data.

Alternative data includes information not typically found in consumers' credit reports or customarily provided by consumers when applying for credit. Alternative data include cash flow data derived from consumers' bank account records. The agencies recognize that use of alternative data in a manner consistent with applicable consumer protection laws may improve the speed and accuracy of credit decisions and may help firms evaluate the creditworthiness of consumers who currently may not obtain credit in the mainstream credit system.

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Attachment:

[Interagency Statement on the Use of Alternative Data in Credit Underwriting](#)

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