



April 2, 2025

The Honorable Russell Vought
Acting Director, Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Protecting Americans from Harmful Data Broker Practices (Regulation V) [Docket No. CFPB-2024-0044-0001]

Dear Acting Director Vought:

The National Association of REALTORS® (NAR) appreciates the opportunity to comment regarding the Consumer Financial Protection Bureau's (Bureau) recent proposed rule amending Regulation V under the Fair Credit Reporting Act (FCRA) (89 Fed. Reg. 101402) (Proposed Rule). We represent 1.5 million real estate professionals who are dedicated to helping Americans navigate the real estate market and achieve homeownership.

However, according to the Bureau's regulatory flexibility analysis, more than 100,000 real estate offices would be negatively impacted affected by this rule. To facilitate a real estate transaction, some sensitive and limited property information may be temporarily collected and used, but this is done solely with the direct consent of the consumer. This practice is fundamentally different from the operations of large data brokers, which are the primary focus of this rulemaking. Data brokers collect and scrape vast amounts of information from both public and private sources to create profiles for permissible purposes, often without consumers' knowledge or ability to review and correct the data.

NAR shares the Bureau's commitment to consumer protection and believes the FCRA plays a vital role in ensuring fairness and accuracy in credit reporting. However, we urge the CFPB to reconsider and withdraw the proposed rule so that the real estate industry may be involved in developing a more tailored and efficient regulation that does not create unintended consequences for small businesses across America, including real estate professionals.

Exploring Definitions and Scope

NAR is concerned about the proposed expansion of definitions like "consumer report" and "consumer reporting agency," especially regarding activities considered "assembling or evaluating" information. Could broadening these definitions inadvertently capture real estate or related entities and data uses that fall outside the traditional scope Congress envisioned for the FCRA (focused on credit, insurance, employment needs under 15 U.S.C. § 1681(b))? The Fair Credit Reporting Act was intended to address large data brokers, but this definition appears to be so broad and expansive that we are unclear of the full implications for the real estate industry.

Understanding Consumer-Permissioned Data Sharing

Many modern systems utilized to improve the home buying journey rely on consumers proactively sharing their own data, sometimes through an authorized third party acting as their agent. Is the intent of this proposed rule to address this routine data sharing to transact real estate where a consumer and a real estate professional has agreed on the limits and uses of the data? Are the provisions to require written instructions and frequent reauthorizations for different services necessary for a home buyer to purchase a home within a 30-45 day window? We do not believe this would protect or benefit a buyer. We are concerned that the

broad scope of this rule could create unintended consequences by classifying data shared by the consumer as a "consumer report" (which is typically information shared by a credit reporting agency), which may create unexpected hurdles for consumers trying to access these beneficial services efficiently.

Clarifying Impact on Digital Advertising

We also believe the language could be interpreted to include digital advertising providers as credit reporting agencies if they use certain data elements for marketing. Real estate professionals may use this data to offer products and assistance programs for consumers. Is the purpose of this provision to eliminate all marketing efforts and how does that serve the consumer?

The real estate industry stands ready to work with the Bureau to develop a commonsense rule which protects consumers without creating unintended consequences for those who help facilitate the American dream.

We believe that collaborative discussion can lead to the best outcomes, and the National Association of REALTORS® would welcome the chance to explore these points further with you or your staff. Thank you for considering our perspective.

Sincerely,



Kevin Sears
President, National Association of REALTORS®