

EH Capital Group Inc. – Dispute Investigation Policy & Procedures

Program of Compliance for Consumer Credit Reporting

The date on which the provisions of this document become operative: January 1, 2025.

Section 1: Policy Statement

EH Capital Group Inc. is dedicated to ensuring that all consumer credit information furnished to consumer reporting agencies (CRAs) is accurate, complete, and reported in full compliance with all applicable federal and state laws.

This policy outlines our internal procedures for investigating disputes; the responsibilities, timelines, and measures we take to ensure that any corrective action we determine is necessary is taken—just as the Fair Credit Reporting Act (FCRA) requires.

The FCRA, enacted in 1970, is a federal law that protects the privacy and accuracy of information in the files of consumer reporting agencies (CRAs). It requires CRAs to follow procedures that insure maximum possible accuracy of the information they report. It also protects consumers by restricting access to the information and giving consumers the right to know and to contest any inaccuracies.

Furnisher Standard, 12 C.F.R. § 1022.40 - 1022.43 (Regulation V)

The Fair and Accurate Credit Transactions Act (FACTA)

Consumer Financial Protection Bureau (CFPB) Compliance Directives

Guidelines for Reporting in the Metro 2 Format (CDIA)

Laws and regulations related to credit reporting, as established at the state level.

This document covers all consumer tradeline data provided by EH Capital Group Inc. in every one of its business divisions, whether it's private lending, portfolio purchases, or something else. And it doesn't matter where the data is sent; if it's sent to a third party, these rules still apply.

Section 2: Scope

This policy covers all consumer disagreements that come to us directly or indirectly via any of the three largest credit bureaus: Equifax, Experian, and TransUnion. It applies to:

- Installment loans, credit lines, and private funding accounts.
- Debt portfolios that our firm originated, purchased, or sold.
- Payment records, current account condition, amounts written off as uncollectable, and past due payments

- Identity theft, fraud, and duplicate tradeline investigations.

Section 3: Legal Obligations of a Data Furnisher

As a certified data provider, EH Capital Group Inc. recognizes and obeys its obligations under FCRA § 623 (15 U.S.C. § 1681s-2), which entails:

- The obligation to provide information with the utmost level of precision and accuracy (Section 1681s-2(a)(1)(A))
- **Responsibility to rectify and refresh incorrect data (§ 1681s-2(a)(2))**
- Outlawing the practice of relaying information after being informed of the theft or fraud of one's identity (§ 1681c-2)
- Responsibilities regarding the statutory timeline for investigating consumer disputes (§ 1681s-2(b)(1))
- Requirement to stop providing information if the account can't be corroborated or the paperwork is not satisfactory.

EH Capital Group Inc. meets the requirements of the Furnisher Rule (12 C.F.R. § 1022.40 - § 1022.43), which mandates standardized processes for handling disputes, trained employees, policies ensuring accuracy, and "full and complete" cooperation with the Consumer Financial Protection Bureau.

Section 4: Dispute Intake and Acknowledgment

4.1 Acceptable Conflict Resolution Channels

Consumer disputes can be lodged via these verified channels:

- e-OSCAR System (CRA-initiated disputes)
- **Certified Mail (as required under FCRA § 611)**
- Email that is encrypted and sent with a verified sender identity.
- Tel. (only for acknowledgment of receipt; must give written confirmation)

4.2 Minimum Documentation Required

To guarantee the accurate verification of identity and the legitimacy of the process, every dispute submission must entail:

- Complete legal name, residence, and final four numbers of Social Security Card
- The account number in question
- Item(s) disputed are plainly stated.
- Grounds for disagreement (e.g., ownership, timeliness, correctness of charges):
Not my account; never late; balance is incorrect.

- Documents that provide support (e.g., identification, billing statements, fraud affidavits, and police reports)

Dispute Acknowledgment Timeline

4.3

- Disputes submitted to the CRA (via e-OSCAR) are automatically acknowledged and time-stamped in our internal system.
- Acknowledgment of direct consumer disputes is done in writing within five **business days of receipt, as mandated by FCRA § 611(a)(1)(A).**

Section 5: Investigation Procedure

Every dispute undergoes a complete and independent reinvestigation. This is done by trained compliance officers. They follow strict legal and operational standards.

5.1. Timeline of the Investigation

- Investigation finished within 30 calendar days, or 45 calendar days if the consumer gives more documentation.
- The receipt of complete dispute documentation marks the start of the timeline.

5.2 Review and Verification Procedure

- Identity Validation - Ensure the account is the property of the consumer by means of identification and the essential loan paperwork.
- Metro 2 Compliance Review - Check to ensure all the fields reported are accurate (i.e., ECOA, payment rating, account status).
- Review of Loans and Portfolio Chain—For accounts obtained through a portfolio acquisition, confirm the chain of custody and legal assignability.
- Fraud/ID Theft Check - If the consumer has provided proof of fraud or identity theft, apply FCRA § 605B.
- Double Reporting Review - Identify instances of duplicate reporting between originator and collector that violate CDIA's duplicate tradeline guidance.

Section 6: Investigation Outcomes

There are three legally distinct categories into which dispute outcomes can be grouped:

- Confirmed/Certain Reporting
- Continue to report in the same manner.
- Offer an in-depth account to the client.

- If you want to dispute what is in your file, you have the right to ask for a statement to be included in your file. The FCRA says you can do this, and it requires consumer reporting agencies to maintain procedures to ensure that your request is honored.
- Reporting that has been changed in some way
- (Usually it has been changed to make it less truthful.)
- Changed Reporting (Also Called)
 - - Misleading Reporting
 - - Deceptive Reporting
 - - Biased Reporting
- Examples:
 - - A works-report changed to make it look as though B is at fault.
 - - A news report changed to make it look as though a certain group of people is dangerous.
- Revise the account using the Metro 2 standard.
- **By FCRA § 623(a)(2), you have five business days from the date of resolution to submit your correction to the CRA.**
- Inform the customer of the correction in written form.
- Uninformation that's confirmable.
- Eliminate the account record from your credit history.
- Notify the consumer that their data has been deleted.
- **Stop reporting of account in the future per FCRA § 623(b)(1)(D).**

Section 7: Record Retention and Audit Compliance

For a minimum of seven years, we hold onto every dispute file, piece of correspondence, note in the system, and record of the outcome.

The CFPB, along with state attorneys general and other federal regulators, can audit the country's record-keeping systems.

Disputes among personnel must be resolved more quickly and at lower levels within the organization. To this end, federal contractors must conduct an internal Personnel Audit on a quarterly basis.

Section 8: Consumer Notification

When the reinvestigation is finished, EH Capital Group Inc. sends a formal resolution notice that contains:

- Summary of findings

- What action has been taken, if any?
- Corrected tradeline (if applicable)
- A consumer may add a statement of explanation that does not exceed 100 words.
- How to escalate to the CFPB or another agency if your problem isn't solved yet.

All notices comply with FCRA § 611(a)(6) and are sent via certified mail or secure electronic communication.

Section 9: Escalation and Appeals

In the event that a consumer or regulator contests the result:

- The Compliance Director conducts a second review within ten business days.
- Regulatory bodies such as the CFPB, state departments of financial institutions, and state attorneys general have my full cooperation when they wish to conduct any examination or investigation of my business practices.
- If consumers and a provider have a disagreement that remains unresolved, the consumers may request one of two options: binding arbitration or regulatory oversight.

Section 10: Staff Training and Oversight

- Every worker who is responsible for providing data and resolving disputes must finish the following.
- **Initial training on the FCRA, FDCPA, Metro 2®, and the Privacy Act.**
- Yearly requalification on laws related to consumer credit and processes of the CRA.
- Reviews of cases every three months to ensure that we are in compliance with both the law and our operating procedures.
- The Compliance Department documents, tracks, and reviews all training.

Section 11: Policy Updates

- This annual review of this policy will occur, or a review will occur if any of the following are true.
- Changes to the FCRA, FDCPA, FACTA, or Regulation V
- **Metro 2® guidelines have been updated by the CDIA.**
- Actions taken by regulators that affect how we report things.
- Consent decrees or judgments from legal cases that affect how we report things.

