

A word about Secondary Use

When a credit report is ordered by one lender and then forwarded to another entity as part of the lending process, this is known as Secondary Use.

The big three credit bureaus, Experian, Trans Union and Equifax, require that all credit reporting agencies such as Advantage Credit, Inc. track and report the Secondary Use of consumer data by lenders.

They created Secondary Use policies to ensure compliance with the FCRA, promote the protection of consumer privacy, ensure that the bureaus receive compensation for multiple uses of their credit data, and enhance data security. More importantly, however, these policies also ensure that consumers have visibility to the businesses that are accessing and viewing their credit reports.

Are Secondary Use fees in addition to the reissue fees?

Yes, the Secondary Use fee is in addition to all standard reissue fees.

What about shopping around a loan to multiple lenders, will I incur Secondary Use Fees with each?

Simply put, yes. The process requires that each and every lender obtain a report through a soft inquiry, and be recognized as a Secondary User. This means that you will be charged for every instance of secondary use.

Secondary Use Examples:

- Mortgage brokers obtain a consumer's report, and then provide a copy of that consumer's report to a wholesale lender.
- Lenders obtain a credit report and then arrange for a copy of that report to be sent to an automated underwriting system.
- Secondary Users request a copy of the original credit report from Advantage Credit, resulting in the posting of a soft inquiry and a Secondary Use fee charged to the Secondary User.
- Mortgage brokers shop the loan around to several different lenders, each of which accesses the credit report for review.