

PERC Newsletter

FALL 2018

LETTER FROM THE PRESIDENT

It's hard to believe that we're in our 17th year of operation. It's truly amazing to be part of this endeavor. We opened our doors in the immediate aftermath of the tragedy of September 11th in New York City. We launched from my dining room table in Washington Heights, Manhattan with one barely paid full-time staffer (me) and one unpaid intern (Dan Balis) who had to commute 2 hours each way every day.

With modest support from five organizations--a university, a law firm, and three firms--we launched as the Information Policy Institute ("The" IPI) and fully committed to providing policymakers and regulators with original research on information policy issues (data privacy, data security, valuing the use of data in different markets, assessing the potential social and economic consequences of permitting/restricting the use of various data assets in different markets).

"The" IPI was soon threatened with a lawsuit for service mark infringement by another IPI. Who knew it was so hard to find an available three- or four-letter acronym in the realm of think tanks? Under the advice and council of our Board of Advisors--we changed our name from "The" IPI to PERC for the Political and Economic Research Council, and then the Policy and Economic Research Council to prevent requests for opposition research against politicians. In addition to fulfilling the conditions for a settlement to avoid a costly and pointless lawsuit, we sought to rebrand as an organization broader than data privacy and data security--the staples of our first few years of analysis--and required an appropriately broad name for our organization.

Interestingly, in the process of attempting to become a "fox"--to use Malcolm Gladwell's metaphor--we ended up very much a hedgehog despite our best efforts. While we no longer focus exclusively or even largely upon matters of data privacy and data security (though they loom ever present), we remain

What's Inside

▶ LETTER FROM THE PRESIDENT

▶ DOMESTIC

The Credit Access and Inclusion Act

▶ INTERNATIONAL

PERC publishes Reply Report regarding Indian public credit registry
APEC financial data ecosystem roadmap
C is for Canada - PERC Canada!

▶ PERC IN ACTION

▶ ON THE HORIZON

Read our Reply Report & take our survey
PERC's US National Credit Deserts online interactive map
Catch us at events and connect with us!



focused upon the relationship between the responsible use of data and information on the one hand, and social and economic outcomes on the other. In short, PERC very much continues the core mission of the Information Policy Institute, and remains the only think tank on earth exclusively dedicated to advancing the broader public understanding of these issues.

To date, our journey has afforded PERC opportunities to weigh in on policy debates in over 25 countries on all six substantially inhabited continents. We have contributed directly to changing national law in at least 10 countries we know of, and likely more indirectly through our ongoing research and outreach agenda. PERC has formed and led a coalition of organizations seeking to promote financial inclusion within the Asia-Pacific region that today partners with the Asia-Pacific Economic Cooperation (APEC) and other multilateral institutions. Our research is routinely cited by lawmakers, regulators, and mainstream media around the world and PERC is consulted as subject matter experts by all three branches of government in the US.

While many non-profit organizations put out numbers to demonstrate their impact, PERC has accepted that we will never receive attribution for many of our most significant accomplishments--making impact assessment complicated. Having said that, if we simply limit our impact to a handful of countries that have changed credit reporting policies from negative-only to full-file, or have permitted the reporting of "proven payment data" (non-financial payment information from energy utilities and media firms including broadband, cable and satellite TV, wireless and wireline telephony), then over the years PERC has positively impacted the lives of more than 1.3 billion persons around the world by helping stamp out the scourge of "credit invisibility" (a term coined by PERC, incidentally) and making financial systems fairer and more inclusive. Not bad for a boutique think tank that has always had a hard scrabble business model.

As I look ahead, I am heartened to see PERC expand into Canada with an eye toward elevating issues of social and economic justice there--starting with credit invisibility and credit deserts. I also look forward to continuing to work with the Asia-Pacific Credit Coalition to promote responsible information policy in markets that are increasingly challenged during these times of growing economic nationalism.

Ultimately, it is the core mission work of PERC--that of driving financial inclusion through the use of information and information solutions--that continues to buoy PERC as an organization, while giving meaning to our daily work amidst complex policy challenges nationally, regionally, and globally. I am truly humbled to have been blessed and privileged to have worked with so many gifted and dedicated individuals on a range of critical issues in economies around the world over the past 16 plus years. I owe so many a debt of gratitude on behalf of PERC to list them individually would fill this entire newsletter. Perhaps the best tribute PERC can offer then, is to commit to continuing our steadfast work on behalf of Credit Invisibles in the US and around the world.

As Martin Eakes, founder of the Self-Help Credit Union in Durham, North Carolina (PERC's headquarters have been in NC for the past 13 years) once told me: "Nothing worth doing ever takes less than ten years." Toward that end, I look forward to the next 17 years of helping advance PERC's cause with our network of supporters, allies, friends, and even those who disagree with us--as progress is impossible without disagreement.



Sincerely,

A handwritten signature in black ink that reads "Michael A. Turner". The signature is fluid and cursive, with a large, sweeping "M" and "T".

Michael A. Turner, PhD.

DOMESTIC



THE CREDIT ACCESS AND INCLUSION ACT

For over a decade, PERC has advocated for the inclusion of “proven payment data,” or full-file nonfinancial payment data, such as payment of energy utility, telecom, and rent bills, to be included in credit reports. This year multiple bills were introduced in both chambers of Congress in support of proven payment data. In the House of Representatives, one bill introduced by Rep. Keith Ellison (D-Minn.), H.R. 435, has been unanimously passed. Its Senate companion, S. 3040, has been introduced by Sen. Tim Scott (R-S.C.) and was heard by the Senate Banking Committee. One bill has been incorporated into an Appropriations bill. The Credit Access and Inclusion Act clarifies that the FCRA permits voluntary reporting of proven payment data to national consumer reporting agencies (CRAs), commonly known as credit bureaus. Currently, only negative information (such as nonpayment or 90 days past due) gets reported to credit bureaus, indirectly through third-parties such as collection agencies. However, few fully report the positive information that would allow consumers to build credit histories and be rewarded for on-time payments. Including this information in credit reports allows those who are Credit Invisible to be scored, thereby accessing low-cost, mainstream credit, and start building wealth-generating assets.

JOINT PERC-HUD STUDY

PERC and the U.S. Department of Housing and Urban Development (HUD) are collaborating on a joint-study to assess the impacts of rental payment data in consumer credit reports. This study will be by far the largest and most rigorous scientific analysis of the credit market impacts from the inclusion of a range of rental payment information including subsidized housing payments, Section 8, and payment from a reflective sample of renters provided by property management firms. The effort involves research collaboration between public and private sector entities and is being managed jointly by HUD and PERC. Results are anticipated during the Winter 2018.



INTERNATIONAL

PERC PUBLISHES REPLY REPORT TO RESERVE BANK OF INDIA'S PROPOSED PUBLIC CREDIT REGISTRY

In July 2017, the Reserve Bank of India announced their proposal to create a public credit registry (PCR), and assembled a High-Level Task Force (HTF) in October to publish a report that examined the need for a one in India. PERC released a **report** in March of 2018 summarizing evidence and findings from theoretical and empirical research on the debate about public credit registries vs. private credit bureaus, hoping it would be considered by the HTF. The HTF published their report on June 6, 2018. The HTF report sets forth a grand vision for an ambitious PCR in India. In addition to fulfilling the traditional regulatory, supervisory, economic and data functions of a PCR, the HFT report argues that the PCR can be a powerful instrument for financial inclusion.



PERC and the APCC support the creation of a PCR for traditional monitoring and supervisory functions in its **latest report**, "Reply to the HTF Report on Building a PCR in India." The RBI seems to be fast-tracking the implementation of a PCR, and has already assembled an implementation task force.

ASIA-PACIFIC FINANCIAL FORUM'S FINANCIAL DATA SHARING ECOSYSTEM ROADMAP FOR APEC ECONOMIES

The Asia-Pacific Financial Forum (APFF) and the APEC Business Advisory Council (ABAC) have been collaborating to create a data ecosystem roadmap that will harness the potential of technology and data to achieve greater financial inclusion and efficiency among the 21 APEC member economies. A high-level version of the roadmap will be presented to the APEC Ministers of Finance at their meeting in October to greenlight further action. The roadmap covers two broad themes, general data regulation and cross-border data flows, and proposes actions for member economies. Under general data regulation, the roadmap discusses core principles of data protection, consistency among laws and regulations, expanding the collection and sharing of data, specifically comprehensive full-file credit information systems to advance financial inclusion, and uses of unstructured data and industry regulation, as well as creating sound frameworks for the collection, use, and sharing of data. In cross-border data flows, the roadmap addresses concerns behind data localization, cross-border data privacy protection, data security, facilitating access to data for law enforcement purposes, and promoting the development of domestic infrastructure and data-driven and technology industries.



C IS FOR CANADA

PERC has expanded operations to the Great White North! We are in the initial phase of our inaugural project, which will be about Canadian credit invisibility and credit deserts. Also, the Asia-Pacific Credit Coalition (APCC) is now housed under PERC Canada. Visit us at www.perccanada.ca, and listen to our **podcast** to learn more about us.

NEW FACES



Rabih Namani joins PERC Canada as the Director of Social Media. He will oversee and develop PERC Canada and the Asia-Pacific Credit Coalition's online and media footprint. In addition, he will spearhead PERC's new media content, including podcasts and videos. Rabih also is a practitioner in financial services specializing in the real estate market and mortgage financing, and has been a member of the Greater Montreal Real Estate Board since 2003. He studied social and political science at Dawson College in Montreal.



Kazumi Moore began working at PERC Canada in July as an Economic Policy Research Manager. In May, she graduated from McGill University with a Bachelor of Commerce, majoring in International Management and minoring in International Relations.

PERC IN ACTION

AT VENABLE LLP FOR THE APFF SYMPOSIUM IN WASHINGTON D.C. BUILDING AN ASIA-PACIFIC DATA REGIME FOR FINANCIAL SERVICES: CHALLENGES AND PROSPECTS



APEC Business Advisory Council

SESSION 1 - DATA, TECHNOLOGY, AND THE EVOLUTION OF CREDIT INFORMATION SYSTEMS AND FINANCIAL SERVICES



PERC's own Patrick Walker on a panel with Dara Duguay from the Credit Builders' Alliance.



SESSION 2 - DATA SECURITY: DEVELOPING A REGIONAL FRAMEWORK FOR INDUSTRY- GOVERNMENT COLLABORATION



SESSION 3 - DEVELOPING AN ASIA- PACIFIC PRIVACY REGIME

SESSION 4 - PROMOTING FAIRNESS, INNOVATION, AND COMPETITION



Thanks to all our participants, attendees, and host Venable LLP for a successful event, and we hope to see everyone again in the near future!

ON THE HORIZON

WASHINGTON D.C. SEPT 26-27

APFF'S BUILDING AN ASIA-PACIFIC DATA REGIME FOR FINANCIAL SERVICES

PERC and the APCC co-organized this symposium as part of APEC's Financial Data Ecosystem Roadmap initiative.

WASHINGTON D.C. NOV 14

ASPEN INSTITUTE'S EPIC ROUNDTABLE

Dr. Turner will be attending and speaking at the Aspen Institute's Expanding Prosperity Impact Collaborative's roundtable on consumer debt.

TORONTO SEPT 13

TRANSUNION CANADA'S 2018 FINANCIAL SERVICES SUMMIT

Kazumi Moore attended this summit hosted by TransUnion Canada. The theme was Smarter Decisions: Innovations in the Consumer First Era.

MANILA NOV 20

FINANCIAL INFRASTRUCTURE DEVELOPMENT NETWORK CONFERENCE

PERC and the APCC are co-organizing a 1-day workshop on credit information sharing. The workshop will be part of the 2018 FIDN Conference in the Philippines. More details are coming soon.



BUENOS AIRES OCT 4-5

INTERNATIONAL COMMITTEE ON CREDIT REPORTING MEETING

Dr. Turner will be attending the ICCR's meeting on behalf of the Asia-Pacific Financial Forum.

NEW DELHI SEPT 23-25

2018 WORLD CONSUMER CREDIT REPORTING CONFERENCE

Patrick Walker was a panelist and discussed key regulatory developments impacting the future of credit reporting and financial services industries.

BRUNEI NOV 15-16

FINANCIAL INFRASTRUCTURE DEVELOPMENT NETWORK CONFERENCE

PERC and the APCC are co-organizing a 2-day FIDN conference in Brunei. Day 1 will focus on credit information sharing, Day 2 will focus on secure transactions. Stay tuned for more details.

▶ TAKE OUR SURVEY!

The survey is a baseline survey for key APEC stakeholders on the credit information sharing ecosystem in their home economies, and the results will help guide and inform the details of the APFF data ecosystem roadmap. The APFF Symposium taking place on September 26-27 in Washington will also be part of the broader roadmap effort.

▶ Read PERC's reply to the RBI Public Credit Registry High-Level Task Force report.

▶ Coming soon: PERC's U.S. national "credit deserts" online interactive map! Will show the geography of credit invisibility, and demonstrate how proven payment data greatly reduces fringe financial institutions while dramatically facilitating access to credit.

CONNECT WITH US:
WWW.PERC.NET

