

June 23, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

The American Bankers Association writes to express our opposition to H.R. 5332, the Protecting Your Credit Score Act of 2020, scheduled for consideration before the House this week.

We share the sponsor's interest in ensuring that credit reports are complete and accurate and that consumers have appropriate protections, including rights to challenge and have corrected any inaccuracies in their reports. Though the legislation is well-intended, we believe it will make credit reports less predictive and useful by promoting the elimination of negative but accurate information that will weaken the underwriting process and thus increase borrowers' costs and reduce people's ability to get loans. In addition, allowing courts to award injunctive relief will promote questionable lawsuits and replace the current single-interpretation regime with inconsistent interpretations that vary across the country.

The Fair Credit Reporting Act (FCRA) currently provides consumers strong dispute rights to challenge the accuracy of information in their reports — rights that are enforced through supervision, government agency enforcement actions, and civil lawsuits. Consumers may submit claims to either the consumer reporting agency or directly to the furnisher of the information. Disputes must be investigated and resolved promptly. If not, the information is deleted. Thus, consumers have ample legal means to challenge the accuracy of information in their credit reports.

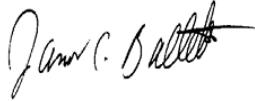
We are concerned about the abuse of these protective provisions to remove accurate but negative information, not only by credit repair organizations and those hoping to erase accurate negative information from their report to improve their ability to obtain credit, but also by individuals, including those involved in organized crime, seeking to defraud lenders.

H.R. 5332 will make it even easier than it is today for individuals to flood consumer reporting agencies and furnishers of information with false claims of inaccuracies that must be resolved in a timely fashion or deleted. The resulting degradation of the reports will reduce the ability of lenders to evaluate an applicant's creditworthiness and ability to repay, which in turn will increase what consumers pay for credit and make it harder for many consumers, especially the underserved, to get credit. Moreover, resources and money spent to manage the increased volume of false claims are better spent resolving legitimate disputes.

The bill will further undermine the consumer reporting system by expanding private rights of action against users of credit reports and by creating uncertainty about how banks and others must comply with the FCRA. Allowing courts to award injunctive relief means that multiple courts can interpret this complicated statute differently from the Consumer Financial Protection Bureau, the primary agency tasked with interpreting and enforcing FCRA. The result will be a patchwork of inconsistent interpretations, uncertainty about how to comply, and lawsuits of questionable merit.

While we appreciate Representative Gottheimer's efforts and welcome discussion on these issues, we must oppose H.R. 5332 as currently crafted.

Sincerely,

A handwritten signature in black ink, appearing to read "James C. Ballentine". The signature is written in a cursive style with a horizontal line extending from the end.

James C. Ballentine

cc: Members of the United States House Representatives