

December 15, 2025

The Honorable French Hill
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Andy Barr
Chairman
Subcommittee on Financial Institutions and Consumer Credit
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Hill and Barr:

The undersigned organizations strongly support the **FCRA Liability Harmonization Act (H.R. 5775) legislation introduced by Representative Barry Loudermilk (GA)**. This legislation would align the Fair Credit Reporting Act (FCRA) with other financial consumer protection laws by capping statutory damages in class action lawsuits, eliminating punitive damages, and limiting attorney's fees. Together, these reforms would help curb abusive litigation practices while preserving strong consumer protections and an effective dispute resolution process.

FCRA lawsuits affect a wide range of industries - including consumer reporting agencies, lenders, retailers, restaurant chains, and employers of all sizes - and have real-world consequences. Retailers rely on accurate information to ensure their staff and customers are safe. Landlords use consumer reports to protect tenants and communities from potential harm. Lenders need confidence in their ability to assess risk without the constant threat of frivolous lawsuits. The proposed changes in this legislation strike a critical balance: they preserve the consumers' ability to seek meaningful redress while curbing abusive litigation tactics that exploit an outdated law.

The FCRA is out of alignment with other consumer financial protection statutes by allowing class action plaintiffs to pursue unlimited damages - including punitive damages. In contrast, there are a number of other Federal consumer protection laws that establish reasonable limits on economic liability:

- The Equal Credit Opportunity Act limits punitive damage in class actions to the lesser of \$500,000 or 1% of the net worth of the creditor and caps at \$10,000 punitive damages available to individuals;¹

¹ 15 U.S.C. § 1691e.

- The Electronic Fund Transfer Act (EFTA) and the Fair Debt Collection Practices Act both limit total damages in a class action to actual damages and \$500,000 or 1% of the net worth of the defendant;²
 - EFTA goes further by protecting defendants from liability if they can show “that the violation was not intentional and resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error”;³ and,
- Similarly, the Truth in Lending Act limits class action liability for credit transactions to actual damages and the lesser of \$1,000,000 or 1% of the net worth of the creditor.⁴

The inconsistencies between FCRA and other Federal consumer laws have led to the filing of lawsuits with little or no actual injury, often based on novel legal theories. The risk of a multimillion-dollar plaintiff’s attorney fee award - on top of even a nominal judgment for the consumer - pressures businesses into settlements. These settlements are often driven not by merit but by the desire to avoid costly litigation and uncertainty. In turn, this diverts resources away from job creation and innovation, ultimately driving up costs for consumers.

The FCRA Liability Harmonization Act promotes fairness in FCRA class action litigation by establishing reasonable limits on liability while preserving the protections granted to consumers under the FCRA. The bill ensures that individuals harmed by FCRA violations can still receive appropriate compensation while ensuring that consumers will continue to have the right to file individual or class action lawsuits and recover fair and reasonable attorney’s fees and litigation costs.

Passing the FCRA Liability Harmonization Act is an important action Congress can take to rein in abusive litigation practices while sustaining consumer protections.

Sincerely,

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| • Consumer Data Industry Association | • National Independent Automobile |
| • American Bankers Association | Dealers Association |
| • U.S. Chamber of Commerce | • National Automobile Dealers Association |
| • Consumer Bankers Association | • National Association Mutual Insurance |
| • Electronic Transaction Association | Companies |
| • Online Lenders Alliance | • Innovative Lending Platform Association |
| • American Fintech Council | • ACA International |
| • Professional Background Screening | • American Property Casualty Insurance |
| Association | Association |
| • America’s Credit Unions | |

² 15 U.S.C. §§ 1692k, 1693m.

³ 15 U.S.C. § 1693m.

⁴ 15 U.S.C. § 1640.