September 29, 2026

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
The Capitol
Washington, D.C. 20515

The Honorable Steve Scalise
Majority Leader
United States House of Representatives
The Capitol
Washington, D.C. 20515

The Honorable Tom Emmer
Majority Whip
United States House of Representatives
The Capitol
Washington, D.C. 20515

Dear Speaker Johnson, Majority Leader Scalise, and Majority Whip Emmer:

The undersigned organizations support H.R. 5775, the *FCRA Liability Harmonization Act*, which passed the Committee on Financial Services on June 30, 2026. We strongly urge House leadership to prioritize floor action and secure passage of this critical consumer protection measure before the end of this Congress.

H.R. 5775 would align the Fair Credit Reporting Act ("FCRA") with other financial consumer protection laws by capping damages and eliminating punitive damages in private litigation. Additionally, the bill places reasonable limits on the fees that attorneys may be awarded in these cases. These FCRA lawsuits affect a wide range of industries - including consumer reporting agencies, auto finance, lenders, banks and credit unions, retailers, restaurant chains, insurers, 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preserve the consumers' ability to seek meaningful redress while curbing abusive litigation tactics that exploit an outdated law.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 stands apart from other consumer financial protection statutes by allowing class action plaintiffs to pursue unlimited damages - including punitive damages. In contrast, many other Federal consumer protection laws establish reasonable limits on economic liability:

- The Equal Credit Opportunity Act allows plaintiffs only to recover actual damages (as opposed to the statutory damages available under FCRA), and limits punitive damages to the lesser of $500,000 or 1% of the net worth of the creditor;[1]

- The Electronic Fund Transfer Act (EFTA) and the Fair Debt Collection Practices Act both limit total damages in a class action to $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 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. While the attorneys' fee provision in the existing law enriches attorneys, it does not serve consumers, who often receive little or no money from these cases, as revealed in recent court cases and public filings. In one recent case, consumers received roughly 7 percent of the total settlement.[5] 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 product innovation, ultimately driving up costs for consumers.

The FCRA Liability Harmonization Act promotes fairness in FCRA litigation by establishing reasonable limits on liability while preserving the protections granted to consumers under the

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[1] 15 U.S.C. § 1691e(a)–(b).
[2] 15 U.S.C. § 1693m(a)(2)(B) (EFTA); 15 U.S.C. § 1692k(a)(2)(B) (FDCPA).
[3] 15 U.S.C. § 1693m(c).
[4] 15 U.S.C. § 1640(a)(1), (a)(2)(B).
[5] James Wendelin Eiler and Kathryn Ann Eiler, Deceased v. Commissioner of Internal Revenue, 167 T.C. No. 3, July 14, 2026, in which the consumers received only $4,700 from settlements totaling $64,750, but were required to include the full settlement amount in the gross income for tax purposes; Striplin v Equifax, N.D. IL, Case: 1:25-cv-06975 Document #: 38 Filed: 03/31/26, in which pleadings revealed the lawyers recommended their client accept a $25,000 settlement, of which the client would receive only $3,078.25; and Wilderson v. Columbia Debt Recovery, LLC et al, No. 1:25 cv-03395-SEG-JKL (N.D.Ga. Jan. 8, 2026), in which the Court stated "[T]he undersigned has serious concerns about the fee arrangement FCRA Attorneys had with Plaintiff in this case. Every attorney in attendance at the hearing (excepting Ms. Hersh, of course) was surprised to learn that the engagement agreement provided for payment to FCRA Attorneys both the full hourly amount of their attorney's fees and 40% of any settlement."

FCRA. The bill ensures that individuals harmed by FCRA violations can still receive appropriate compensation while maintaining consumers' 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. We urge you to bring H.R. 5775 to the House floor expeditiously.

Sincerely,

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

CC: The Honorable French Hill
The Honorable Andy Barr