CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

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EXECUTIVE VICE PRESIDENT &
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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce strongly opposes H.R. 3621, the "Comprehensive Credit Act of 2020," which is composed of a number of bills regarding credit reporting that were reported out of the House Financial Services Committee in 2019.

The Chamber has previously expressed opposition to each of the bills below which are now included as part of this comprehensive package:

H.R. 3621, the "Student Borrower Credit Improvement Act," would arbitrarily remove repayment information regarding student loans issued by private lenders. Reducing the quality of information in credit reports would in the aggregate reduce their utility, making it more difficult for consumers to access credit or other services.

H.R. 3614, the "Restricting Use of Credit Checks for Employment Decisions Act," would restrict an employer from initiating a credit check of an employee despite the fact that the Fair Credit Reporting Act requires an employee to first provide consent. This legislation would make it more difficult for employers to review the backgrounds of prospective employees, which would make it more difficult to hire for sensitive positions or would otherwise delay the hiring process.

H.R. 3618, the "Free Credit Scores for Consumers Act," would require credit bureaus to pay for and disclose for free a credit scoring model that is owned by a third party. Credit bureaus already provide ample information to consumers at no charge to assist them with understanding their credit standing. The legislation would make it more difficult for credit bureaus to provide for the accurate flow of useful information between consumers, furnishers, and entities that need to make informed decisions.

H.R. 3622, the "Restoring Unfairly Impaired Credit and Protecting Consumers Act," would reduce the quality of credit reports by arbitrarily reducing the term of adverse information and instituting redundant remediation mechanisms. Disrupting the utility of information in credit reports would make it more difficult for credit providers, and nonfinancial entities such as telecommunications companies and utilities to efficiently provide their services to consumers.

H.R. 3642, the "Improving Credit Reporting for All Consumers Act," would create dispute resolution requirements that are redundant to services voluntarily provided by credit bureaus and existing requirements under both the Fair Credit Reporting Act and a recent agreement among 38 State Attorneys General. Additionally, the legislation would frustrate the ability of credit bureaus to provide information to consumers by imposing new restrictions on the marketing of products intended to improve credit standing.

H.R. 3629, the "Clarity in Credit Score Formation Act of 2019," would make the CFPB, not lenders, the de facto underwriter of consumer loans and is redundant to existing supervisory and regulatory authority. The CFPB currently supervises larger participants in consumer reporting under its authority in the Dodd-Frank Act and has broad regulatory authority via enforcement of the Fair Credit Reporting Act. Interference in the proprietary models developed by credit bureaus and used by lenders would increase lenders' risk and decrease their ability to provide objective information.

The Chamber urges you to oppose the Comprehensive Credit Act.

Sincerely,

Neil L. Bradley