



June 26, 2020

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**The National Taxpayers Union urges Representatives to vote “NO” on H.R. 5332, the “Protecting Your Credit Score Act of 2020.” Though well-intentioned, this legislation would cede more power to the unaccountable Consumer Financial Protection Bureau, jeopardize consumer information, and potentially weaken lending underwriting standards.**

Accurate and complete credit reports are the foundation of this country’s robust and competitive consumer credit market. Most, if not all, lenders rely upon credit history data found in credit reports to identify and evaluate potential risks a consumer may pose before entering into a financial relationship with that consumer. That information is critical for lenders to evaluate the applicant’s ability to repay, interest rates, and other loan terms. Since many home loan borrowers will have their mortgage guaranteed by the federal government, lawmakers must be cautious in their reforms to the Fair Credit Reporting Act (FCRA) to avoid adding undue credit risk onto the government-sponsored enterprises’ balance sheets.

Perhaps the most problematic provision of H.R. 5332 is the requirement for the three major credit bureaus, which are entirely private businesses, to jointly create an online consumer portal for consumers to access their credit reports and scores, dispute errors, and place or lift security freezes. While a one-stop shop may seem to offer consumer benefits, having one location containing every credit report, personal information, and social security number of every individual could have disastrous consequences in the event of a cyber hack or data breach.

Secondly, this legislation provides no legal protection to these entities in the event of a large scale cyber breach, leaving these businesses vulnerable to big class-action lawsuits. H.R. 5332 also changes how consumers dispute adverse information found in their credit reports, allowing individuals to flood reporting agencies and lenders with false claims of inaccuracies that must be resolved in a timely manner. Ultimately, this proposal shifts the burden on dispute resolution from the individual onto the credit bureaus.

Additionally, this bill establishes a second, duplicative ombudsman at the CFPB who will have sole control over credit reporting. The ombudsperson would have to help resolve persistent errors in credit reports that aren’t addressed in a timely manner, and make referrals for supervisory or enforcement actions against credit reporting companies. This situation sets up a new opportunity for the CFPB to specifically target certain companies that may become “unsavory” and be subject to political targeting.

NTU also questions the need for such legislation, as the FCRA currently provides consumers ample opportunity to dispute inaccurate information on their credit reports. The FCRA already requires these disputes to be resolved in a timely manner and, if the disputed information is incorrect, the information in question is eliminated from a report. In essence, this legislation does not bring any new meaningful benefits to the credit reporting process.

**Roll call votes on H.R. 5332 will be included in NTU’s annual Rating of Congress and a “NO” vote will be considered the pro-taxpayer position.**

*If you have any questions, please contact NTU Policy and Government Affairs Manager Thomas Aiello at [Thomas.Aiello@ntu.org](mailto:Thomas.Aiello@ntu.org)*