

**Americans for Financial Reform  
National Consumer Law Center  
(on behalf of its low-income clients)  
Consumer Action  
Consumer Federation of America  
Consumer Reports  
National Association of Consumer Advocates  
USPIRG  
World Privacy Forum**

June 23, 2020

Dear Chairwoman Waters:

The undersigned consumer organizations write to support H.R. 5332, the Protecting Your Credit Score Act of 2019 (Gottheimer). This bill will address serious problems in the credit reporting system and empower consumers by providing them with much greater access to and control over their own information.

Credit reports and credit scores play a huge role in determining a consumer's financial health. Not only do they determine a consumer's ability to obtain credit at a fair price, but they are used by many other sectors - insurance companies, landlords and even employers. Despite their importance, credit reports are also full of errors, which can cost a consumer thousands of dollars in higher-priced credit, or worse yet, result in the denial of a job, insurance coverage, an apartment rental, or the ability to open a small business or buy a house. The Federal Trade Commission's definitive study showed that 21% of consumers had verified errors in their credit reports, 13% had errors that affected their credit scores, and 5% had errors serious enough to cause them to be denied or pay more for credit.<sup>1</sup>

Trying to fix these errors can be a Kafka-esque nightmare in which the Big Three nationwide consumer reporting agencies (CRAs) –Equifax, Experian and TransUnion - consistently favor the side of the creditor or debt collector (“the furnisher”) over the consumer. As documented in NCLC's report [\*Automated Injustice Redux \(2019\)\*](#), some of the most serious problems include consumers having their credit files “mixed” with the wrong person, being unable to remove negative information even after court judgments in their favor, the after-effects of identity theft when CRAs don't believe the victim, and being labeled as dead when they are alive and breathing. The report also documents the massive number of credit and consumer reporting complaints to the Consumer Financial Protection Bureau (CFPB), over 380,000 since July 2011, which is often the top category of complaints to the CFPB.

The irony of these problems is that credit reports consist of *our information*. Yet consumers are only entitled to free access to this information once a year and in certain other limited situations,

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<sup>1</sup> Federal Trade Comm'n Report to Congress Under Section 319 of the Fair and Accurate Credit Transactions Act of 2003 (Dec. 2012), available at <http://www.ftc.gov/sites/default/files/documents/reports/section-319-fair-and-accurate-credit-transactions-act-2003-fifth-interim-federal-trade-commission/130211factareport.pdf>.

despite the fact that the Big Three nationwide CRAs are making tens of millions selling our financial data. Also, consumers are not entitled to our own credit scores for free, while these same scores are being sold to creditors and others for hefty profits.

Last, but not least, there are serious issues with data security at the nationwide CRAs, of the type that led to the massive Equifax data breach in 2017. These data security issues have not yet been adequately addressed.

The Protecting Your Credit Score Act of 2019 would address these issues by:

**Fixing the broken system for credit reporting disputes** by (1) creating a CFPB ombudsperson that will have the power to resolve persistent errors when CRAs don't fix them properly, and to make referrals to the Office of Supervision or the Office of Enforcement for supervisory or enforcement action when CRAs don't comply with their dispute investigation responsibilities and (2) requiring CRAs to dedicate sufficient resources and provide proper training to personnel who handle disputes.

**Giving consumers the tools they need to access their rights, understand their creditworthiness, and control their financial destinies** by (1) giving consumers the right to unlimited free credit reports and free credit scores online; (2) requiring the Big Three nationwide CRAs to create a simple, easy-to-use portal tool to access online credit reports and credit scores, as well to exercise other important rights such as placing a security freeze, initiating a dispute, and opting out of prescreening (*i.e.*, the use of credit report information to generate offers of credit).

**Improving credit reporting accuracy** by (2) requiring CRAs to conduct periodic audits to check for accuracy and (2) mandating that Big Three nationwide CRAs use all 9 digits of the consumer's Social Security number when matching information from a lender to a consumer's file, thus preventing mixed files, which are one of the worst types of errors.

**Improving data security for credit reports** by giving the CFPB the authority to write rules under the Gramm-Leach-Bliley Act to govern the Big Three nationwide CRAs.

**Give consumers a tool to compel CRAs to fix a credit report** by providing them with a right to seek injunctive relief so that a court could order a CRA to correct an error or otherwise follow the law.

There are a number of other important reforms in the bill, such as giving consumers the right to opt out of the selling or sharing of information about them that does not fall into the FCRA's current definition of "consumer report" and creating a comprehensive registry of all consumer reporting agencies.

The above reforms are urgently needed in order to ensure that consumers are treated fairly by the credit reporting system and that they have the access and control that they should be entitled to. Thus, we support the Protecting Your Credit Score Act of 2019 and look forward to working with you to swiftly enact it into law.

Thank you for your attention. If you have any questions about this letter, please contact Chi Chi Wu (cwu@nclc.org) at (617) 542-8010.

Sincerely,

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