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National Association of Federally-Insured Credit Unions

June 25, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: H.R. 5332, the *Protecting Your Credit Score Act*

Dear Speaker Pelosi and Leader McCarthy:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to share with you our concerns with H.R. 5332, the *Protecting Your Credit Score Act*. As you are aware, NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve 120 million consumers with personal and small business financial service products.

NAFCU believes an accurate credit report is imperative to consumers and the financial industry as a whole. While NAFCU is supportive of the legislation's intent to promote accuracy and increase transparency for credit reports, we believe provisions of H.R. 5332 may lead to unintended consequences, and we must oppose it in its current form.

Section 4 of H.R. 5332 requires furnishers of information, such as credit unions, to review and consider new or additional information each time a consumer disputes the accuracy of information in their credit report. We have some concerns that this could result in predatory credit repair companies continually disputing accurate information, at great cost to financial institutions and consumers. Such continuous dispute opportunities could lead to situations where accurate "negative" information ends up being excluded from credit scores due to ongoing disputes. This will also leave less bandwidth for real disputes to be investigated.

Furthermore, the expansion of private rights of action under the bill could have a chilling effect on credit unions and other financial institutions that could see a rise in frivolous lawsuits that will take resources away from serving consumers. Allowing courts injunctive relief could also lead to situations where courts may interpret the *Fair Credit Reporting Act* (FCRA) differently than the Consumer Financial Protection Bureau (CFPB), leading to confusion amongst financial institutions on how to comply with the FCRA.

We also would encourage additional clarity in addressing situations when minor transcribing issues occur under the bill's Social Security Number match requirement in Section 3. NAFCU is supportive of the legislation's efforts to hold consumer reporting agencies (CRAs) accountable for their obligations under the *Gramm-Leach-Bliley Act* and to improve data security at the CRAs. We do believe that there should be further examination as to whether the CFPB or the Federal Trade Commission is best suited to establishing appropriate standards.

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Page 2 of 2

In conclusion, while we support the intent of H.R. 5332, we have concerns about the bill in its current form and must oppose it at this time.

We thank you for your leadership in continuing pandemic relief efforts and appreciate the opportunity to share our thoughts. We look forward to continuing to work with you on pandemic relief and economic recovery. Should you have any questions or require any additional information, please contact Janelle Relfe, NAFCU's Associate Director of Legislative Affairs, at 703- 842-2204 or jrelfe@nafcu.org.

Sincerely,

A handwritten signature in cursive script that reads "Brad Thaler".

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the U.S. House of Representatives