

June 24, 2020

Majority Leader Mitch McConnell
United States Senate
Washington, DC 20510

Minority Leader Chuck Schumer
United States Senate
Washington, DC 20510

Chairman Mike Crapo
Senate Committee on Banking, Housing and Urban Development
Washington, DC 20510

Ranking Member Sherrod Brown
Senate Committee on Banking, Housing and Urban Development
Washington, DC 20510

Re: Support for S. 3508/credit reporting provisions of HEROES Act

Dear Majority Leader McConnell and Minority Leader Schumer:

The undersigned 73 consumer, civil rights, faith, labor, nonprofit, community, human rights and advocacy organizations write to express our support for Section 110401 of the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act. These same provisions have also been introduced as S. 3508/H.R. 6370, the Disaster Protection for Workers' Credit Act. We urge the Senate to pass S. 3508 or include Section 110401 of the HEROES Act in any upcoming COVID-19 relief legislation

The economic catastrophe caused by COVID-19 will lead to damaged credit reports and plunging credit scores for tens of millions of consumers. Lower credit scores will not only impede consumers' ability to get affordable credit, but can also impact jobs, rental housing, insurance, and the ability to recover when this crisis is over.

Section 110401 of the HEROES Act addresses this looming threat by establishing a temporary moratorium on negative credit reporting for the COVID-19 emergency period plus four months, with the option for consumers to obtain an additional nine months of relief if they continue to experience COVID-19 related economic hardship. It also includes a permanent ban on reporting medical debt related to COVID-19. These provisions will greatly help consumers whose finances have been devastated by the economic crisis caused by COVID-19. Section 110401 is much more effective and will protect consumers better than the limited credit reporting provisions of the CARES Act because:

- **Section 110401 of the HEROES Act will protect consumers unable to obtain affordable payment deferrals or accommodations from all of their creditors.** Under the CARES Act currently, many lenders, such as credit card companies and auto lenders, are not required to provide accommodations at all, or to make them affordable to a consumer. Failing to receive an accommodation from even one creditor can ruin a consumer's credit standing.
- **Section 110401 automatically applies to protect all consumers.** The CARES Act provisions require borrowers to know about the existence of accommodations, and how to ask for them. This may be a barrier for those with limited English skills, older consumers, people with disabilities, those who lack internet access, or those too overwhelmed by job losses or dealing with COVID-19 illness or death to be able to obtain relief. And even consumers who do know to ask for an accommodation have had trouble reaching their creditors because of large volumes of calls and other contacts seeking relief.
- **Section 110401 protects consumers from negative information due to evictions or medical debt.** The CARES Act does not provide protections for these types of damaging information. As eviction moratoriums expire, we may see a wave of displaced tenants. Eviction records and rent arrearages sent to debt collectors could make it even more difficult for these tenants to obtain new housing. And medical debts almost always show up as debt collection items.

By recognizing the need to stop negative credit reporting during the COVID-19 pandemic, the HEROES Act will help tens of millions of consumers who have lost their jobs, small businesses, or other income. The HEROES Act will prevent the current financial catastrophe from haunting the credit reports of consumers for the next seven years.

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,

National Organizations

Allied Progress
Americans for Financial Reform
Center for Digital Democracy
CLARIFI
Coalition on Human Needs
Consumer Action
Consumer Federation of America
Consumer Reports
Demos
Hpp Cares CDE
NAACP
National Association of Consumer Advocates

National Center for Law and Economic Justice
National Consumer Law Center (on behalf of its low-income clients)
National Consumers League
National Fair Housing Alliance
National Housing Law Project
National Housing Resource Center
Public Justice
U.S. PIRG
UnKoch My Campus
Woodstock Institute

State and Local Organizations

Alaska PIRG
Arkansans Against Abusive Payday Lending
Center for Economic Integrity (AZ)
William E. Morris Institute for Justice (Arizona)
Housing & Economic Rights Advocates (CA)
Consumers for Auto Reliability and Safety (CA)
Connecticut Fair Housing Center
Tzedek DC
Delaware Community Reinvestment Action Council, Inc.
The Legal Aid Society of Palm Beach County, Inc. (FL)
Jacksonville Area Legal Aid, Inc. (FL)
Florida Legal Services, Inc.
Legal Aid Service of Broward County, Inc. (FL)
Georgia Watch
New Georgia Project
Heartland Alliance for Human Needs & Human Rights (IL)
Fair Housing Center of Central Indiana, Inc.
Hoosier Action (IN)
Consumer Assistance Council, Inc. (MA)
Public Citizen (MD)
Public Justice Center (MD)
Maryland Consumer Rights Coalition (MD)
Michigan League for Public Policy
Montana Organizing Project
OnTrack Financial Education & Counseling (NC)
North Dakota Economic Security and Prosperity Alliance
Consumers League of New Jersey
Consumer League of New Jersey
New Mexico Consumer Attorneys
Legal Aid Center of Southern Nevada
Southern Nevada Senior Law Program
Washoe Legal Services (NV)

Battle Born Progress (NV)
New Day Nevada
Culinary Union (NV)
Make the Road Nevada (NV)
Community Service Society of New York
Mobilization for Justice (NY)
Catholic Charities Archdiocese Oklahoma City
Prospect Church (OK)
Fellowship Congregational UCC (OK)
Recharge Financial Solutions (OK)
VOICE - OKC
Community Legal Services of Philadelphia (PA)
Pennsylvania Council of Churches
SC Appleseed Legal Justice Center
Texas Appleseed
Convencion Bautista Hispana de Texas
The Women's Resource of Greater Houston (TX)
Legal Aid Justice Center (VA)
Virginia Organizing
Mountain State Justice (WV)