

Statement for the Record

On Behalf of

Americans for Financial Reform

House Committee on Financial Services Subcommittee on Financial Institutions

“Promoting Access to Credit for Everyday Americans”

April 16, 2026

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to the
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Dear Chairman Barr, Ranking Member Foster, and members of the subcommittee:

Americans for Financial Reform (AFR) appreciates the opportunity to provide a statement for the record for the House Committee on Financial Services Subcommittee on Financial Institutions on “Promoting Access to Credit for Everyday Americans.” AFR is a nonpartisan and nonprofit coalition founded by more than 200 civil rights, consumer, labor, business, investor, faith-based, civic, and community groups in the wake of the 2008 crisis. AFR continues to work towards a strong, stable, and ethical financial system and is committed to eliminating inequity and systemic racism and fighting for a just and sustainable economy for everyone, including addressing long-standing shortcomings and errors in credit reporting and credit scoring agencies.

Americans for Financial Reform opposes the four bills noticed in this hearing because they will shield credit reporting agencies from legal accountability, discourage the public reporting of corporate misconduct, and introduce mandatory reporting systems that unfairly penalize lower-wealth people and people of color for missed payments on essential services. Rather than protecting a broken system that weaponizes inaccurate data against everyday people, Congress should work to establish a public credit reporting system and treat credit reporting agencies as public utilities. It should also reintroduce and pass the Comprehensive CREDIT Act, first introduced in 2020, to reform the dispute process and restrict the use of credit data in employment decisions and urge federal regulators to restart comprehensive protections that protect people from data broker abuses.

1. The credit reporting system is broken and fails to protect people from widespread abuse

Credit scoring models provide algorithmic, modeled assessments of people’s creditworthiness and estimate potential borrowers’ ability to repay loans. These credit scores are an entrenched component of determining who is approved for credit and at what prices and what products are offered by banks, insurance, credit cards, vehicle dealers, and other financial firms. Widespread errors in credit reporting distorts credit scoring algorithms, however, and makes it harder for people to secure affordable credit at a time when sharply rising prices are making it hard for people to make ends meet.

Unlike a traditional market where a person can choose to take their business elsewhere if a company provides poor service or inaccurate data, the credit reporting system treats individuals as the product rather than the customer. This captive relationship allows these corporations to consolidate power by collecting vast amounts of personal data, which they then sell to lenders, employers, landlords, insurers, and others. The lack of competition and the inability of consumers to opt out of the system creates a profound power imbalance that prioritizes corporate profit over data accuracy and consumer well-being.

2. The credit reporting system replicates and accelerates the racial biases inherent in the financial system

Credit reporting and scoring replicates the systemic racial biases of the financial system because the Black and Latine consumers with lower incomes, more medical debt, lower homeownership rates, fewer assets, and less credit history are deemed less creditworthy.¹ A 2022 Urban Institute study found that there were far more people with subprime credit scores in Black, indigenous, and Latine communities than in white communities (41 percent, 44 percent, 29 percent, and 17 percent, respectively).² These stark credit score disparities present a significant barrier to wealth building and participation in the financial system because they are a determining factor in accessing credit, insurance, housing, employment, and more. By reinforcing the financial advantages of those with existing financial access while erecting barriers for those without it, the credit reporting system serves to maintain and even widen the racial wealth gap in the United States.³

3. All four bills discussed will harm consumers and make credit more expensive

Americans for Financial Reform opposes the four bills noticed as part of this hearing. If passed, these bills would shield credit reporting agencies from legal accountability by capping damages and discouraging public reporting of corporate misconduct. They would shift the burden of data accuracy onto individuals and introduce mandatory reporting systems that could unfairly penalize people for missed payments on essential services. Taken together, they will increase the amount of bad data fed into a broken system and limit the ability of consumers to correct the very information used to restrict their access to the financial system.

¹ National Consumer Law Center. "Past Imperfect: How Credit Scores and Other Analytics 'Bake In' and Perpetuate Past Discrimination." May 3, 2016.

² Urban Institute. "Credit Health During the COVID-19 Pandemic." March 8, 2022.

³ Rice, Lisa and Deidre Swesnik. "Discriminatory Effects of Credit Scoring on Communities of Color" *Suffolk University Law Review*. Vol. XLVI:935 January 2014 at 936.

3.1. H.R. 5775 — FCRA Liability Harmonization Act

Americans for Financial Reform opposes this bill that seeks to shield the nation’s largest credit reporting agencies from the financial impact of systemic legal violations. By imposing a \$500,000 cap on class action settlements, the bill ensures that even widespread data errors affecting millions of people result in negligible penalties.⁴ It further discourages legal challenges by capping attorney fees, making it nearly impossible for consumers to find counsel for complex cases. This legislation shifts the burden of credit reporting accuracy entirely onto the consumer while stripping away their primary source of redress.

3.2. H.R.7588 — Eliminating Fraud in the CFPB’s Complaint Database Act

Americans for Financial Reform opposes this bill that seeks to dismantle the CFPB’s complaint system by banning the publication of consumer narratives and imposing drastic identity verification hurdles. Consumer complaints about credit reporting agency errors are the single largest category of complaints in the CFPB complaint database, representing three-fifths of all complaints and more than 9 million complaints since 2011.⁵ This bill is part of a decade-long industry-backed effort to hide corporate misconduct from public view. By requiring identity verification such as a driver’s license, birth certificate, or social security card and threatening perjury for filing a complaint, the bill creates an intentional barrier for people seeking redress from financial institutions that have failed to adequately respond to their problems.⁶ The mandatory 60-day waiting period will mean that financial harm can persist for months before the CFPB can intervene. Even a cursory review of the complaint narratives in the CFPB complaint system shows that it is widely used by people whose prior efforts to resolve their problems directly with a company have resulted in customer service doom loops, inaction, and obfuscation. People are not turning to the CFPB frivolously; they are turning to the agency for help after they feel they have no other option.

3.3. H.R. 5402 — Credit Access and Inclusion Act of 2025

Americans for Financial Reform opposes this bill as introduced because it shifts the credit reporting of rent and utility data from a voluntary opt-in system to a mandatory full-file system, which can unfairly penalize lower wealth people.⁷ While the bill aims to help credit invisible individuals, the mandatory reporting of these data means that a single missed utility payment during a financial hardship can lead to a lasting negative credit entry. Utility and telecom

⁴ U.S. House. (2025). *H.R. 5775 - FCRA Liability Harmonization Act*. 119th Congress.

⁵ Consumer Financial Protection Bureau. CFPB Complaint Database. [Credit reporting or other personal consumer reports](#). Accessed April 2026.

⁶ [Eliminating Fraud in the CFPB’s Complaint Database Act](#), H.R. 7588. 119th Cong. § 5493(b)(3)(E)(i) and (iii). (2026).

⁷ U.S. House. (2025) [H.R.5402 - Credit Access and Inclusion Act of 2025](#). 119th Congress.

services are also essential goods and missing a payment due to seasonal price spikes or massive increases driven by geopolitical events should not result in a lower credit score that limits a person's long-term ability to secure housing or employment. We also oppose any revisions that would preempt state credit reporting laws, such as the language included in prior versions of this bill.⁸ Preempting state credit reporting laws would strip states of their authority to enact stronger consumer protections for how utility and rental data are reported.⁹ By overriding those protections, states would be prevented from shielding people from aggressive credit reporting practices that may not account for state or local utility payment protections or tenant rights.

3.4. H.R. 8141 — the Fair Credit Reporting Reseller Accuracy Act

Americans for Financial Reform opposes this bill that provides free passes to credit reporting resellers that sell credit report information containing errors.¹⁰ These entities purchase consumer credit information from major credit reporting agencies and package that information for end-users like mortgage lenders. This bill is a giveaway to these companies that profit from selling inaccurate information and eliminates the ability of harmed consumers to seek redress through litigation.

4. These legislative attacks on consumer protections come as the CFPB has abandoned efforts to address widespread credit reporting harms

Taken together, these bills represent a dramatic retreat from long-standing federal protections against errors and abuses in the credit reporting system. At the same time, the Trump administration CFPB led by Russell Vought has continued a systematic regulatory dismantling of key consumer credit protections. Over the past year, the CFPB vacated a landmark rule designed to shield millions of people from predatory reporting of medical debt. The CFPB also halted critical rulemaking intended to prevent data brokers from selling sensitive personal information and dismissed several high-profile enforcement actions against major credit reporting agencies. This rapid deregulation marks a significant departure from previous efforts to ensure financial privacy and hold corporate repeat offenders accountable.

⁸ National Consumer Law Center. "[Letter from 70 Groups Opposing S. 1465, Credit Access and Inclusion Act.](#)" June 18, 2025.

⁹ *Ibid.* at 4.

¹⁰ U.S. House. (2026). [H.R.8141 - Fair Credit Reporting Reseller Accuracy Act.](#) 119th Congress.

4.1. The CFPB has reversed medical debt protections that would increase access to credit

In January 2025, the CFPB finalized a rule that removed an estimated \$49 billion in medical debt from the credit reports of approximately 15 million people.¹¹ By banning lenders from considering medical information, the rule aimed to protect consumer privacy and prevent debt collectors from using credit reports as a tool to coerce payment for inaccurate bills. CFPB research had previously shown that medical debt is a poor predictor of loan repayment.¹² By prohibiting medical debt on credit reports, the rule was expected to help approve 22,000 additional mortgages annually while raising average credit scores by 20 points.¹³ In May 2025, however, the Trump-Vought CFPB joined plaintiffs in a successful request to vacate the rule, effectively stripping 15 million people of a much-needed protection against coercive medical debt reporting and likely locking thousands of people out of homeownership each year.¹⁴

4.2. The CFPB has halted new protections from data broker abuses that increase costs and facilitate fraud

In 2024, the CFPB began a landmark rulemaking process to classify many data brokers as consumer reporting agencies, subjecting them to the Fair Credit Reporting Act's accuracy and privacy requirements.¹⁵ The proposed rule also helped prevent the sale of sensitive personal identifiers, such as Social Security numbers and phone numbers, to entities that could use them for stalking, scamming, or foreign espionage.¹⁶ In May 2025, however, the Trump-Vought CFPB halted the effort to restrict how these brokers profit from consumer data.¹⁷ Following this successful industry-led push to scrap the proposed rule, the sprawling data broker market remains free from federal oversight and privacy safeguards.

¹¹ Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 8, January 14, 2024 at 3276 to 3374.

¹² Consumer Financial Protection Bureau. "Consumer Credit Reports: A Study of Medical and Non-medical Collections." December 2014 at 7.

¹³ Consumer Financial Protection Bureau. "CFPB Finalizes Rule to Remove Medical Bills from Credit Reports." January 7, 2025.

¹⁴ Final Judgment. Cornerstone Credit Union League v. Consumer Financial Protection Bureau, No. 4:25-CV-16-SDJ (E.D. Tex. July 11, 2025).

¹⁵ Protecting Americans from Harmful Data Broker Practices (Regulation V). *9 Fed. Reg. 240, December 13, 2024 at 101402 to 101462.

¹⁶ Consumer Financial Protection Bureau. "CFPB Proposes Rule to Stop Data Brokers from Selling Sensitive Personal Data to Scammers, Stalkers, and Spies." December 3, 2024.

¹⁷ Protecting Americans from Harmful Data Broker Practices (Regulation V): Withdrawal of Proposed Rule. 90 Fed. Reg. 93, May 15, 2025 at 20568.

4.3. The CFPB has halted or terminated enforcement actions that would have protected people from credit reporting abuses

As of October 2025, the Trump-Vought CFPB has reversed or dismantled numerous pending enforcement actions against credit reporting agencies and financial institutions that violated credit reporting protections.¹⁸ A major action against TransUnion for using digital dark patterns to trick consumers into unwanted subscription plans was dismissed in February 2025.¹⁹ Additionally, the CFPB terminated an order against U.S. Bank, which had been found to have violated the Fair Credit Reporting Act by obtaining consumer reports without a permissible purpose for unauthorized credit applications.²⁰ Other actions involving the inaccurate reporting of borrower data by Carrington Mortgage Services and Washington Federal Bank were also terminated early or dismissed.²¹ While the CFPB did file a lawsuit against Experian in early 2025 for allegedly conducting sham investigations of credit report errors, it has elsewhere sought to pardon repeat offenders and abdicate its responsibility to enforce credit reporting protections.²²

5. Recommendations

Taken together, we have the worst of both worlds. The credit reporting system is dominated by an oligopoly that trades in inaccurate information and has entrenched itself as a gatekeeper to economic opportunity without any direct consumer consent. At the same time, we have a shadow market of unchecked, unregulated data brokers that acquire and sell the personal data of millions of people to anyone willing to pay for it for nearly any purpose. We urgently need solutions to both of these problems, not a package of bills that accelerate the harm of these widespread abusive practices. We urge the consideration and adoption of the proposals below, among other approaches to this considerable problem.

5.1. Treat credit reporting agencies as public utilities and establishing a public credit reporting system

Credit reporting agencies should be treated as essential financial infrastructure since they provide services that are necessary to participate in the economy and access the tools needed to build wealth. By treating credit reporting agencies as utilities, the government could impose stricter standards for accuracy, mandate transparent dispute resolution processes, and establish a public

¹⁸ Protect Borrowers. “[CFPB Enforcement Actions Dismissed or Terminated Under Trump’s CFPB](#).” October 15, 2025 at 1.

¹⁹ [Joint Stipulation of Voluntary Dismissal](#), Consumer Financial Protection Bureau v. TransUnion, No. 1:22-cv-01880 (N.D. Ill. 2024).

²⁰ Consumer Financial Protection Bureau. (2025). *In the matter of: U.S. Bank National Association: [Order terminating consent order](#)* (File No. 2025-CFPB-0008).

²¹ Consumer Financial Protection Bureau. (2025). *In the matter of: Carrington Mortgage Services, LLC: [Order terminating the consent order](#)* (File No. 2022-CFPB-0010).

²² Protect Borrowers. “[CFPB Enforcement Actions Dismissed or Terminated Under Trump’s CFPB](#).” October 15, 2025.

credit reporting alternative. This shift would move credit reporting from a tool of private corporate extraction to a public good that supports, rather than hinders, broad-based economic participation.

5.2. Reintroduce and pass the Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency Act of 2020

The Comprehensive CREDIT Act of 2020 (H.R.3621) addresses the issues previously discussed by fixing the credit reporting dispute process, protecting private student loan borrowers, and further protecting people facing identity theft.²³ It limits the use of credit data in employment, preventing a cycle where bad credit leads to unemployment, which in turn prevents credit improvement and financial access. It also grants the CFPB a new authority to police the algorithms that determine creditworthiness and set meaningful standards for fairness and transparency.

5.3. Restart CFPB protections against data broker abuses

Federal regulators should establish new protections based on the 2025 CFPB proposed data broker rule to address harmful data broker practices. Like the prior proposed rule, new protections should classify data brokers as consumer reporting agencies in order to prevent well-documented privacy abuses and the harmful sale of sensitive personal information.²⁴ New protections should, among other things, apply to credit header information, treat the sale of sensitive financial data as a consumer report, and establish strict consent requirements for consumer authorization and prevent evasions by data brokers claiming to be software providers or conduits.

6. Conclusion

Thank you for considering these comments and recommendations in your deliberations. Please contact Tom Feltner with Americans for Financial Reform (tfeltner@ourfinancialsecurity.org) with any questions or comments you have about our submission.

²³ U.S. House (2020) *H.R. 3621 - Comprehensive CREDIT Act of 2020*. 116th Congress.

²⁴ Accountable Tech et al. "[Comment on Protecting Americans from Harmful Data Broker Practices](#)." Consumer Financial Protection Bureau. Docket No. CFPB-2024-0044/RIN 3170-AB27. April 2, 2025. and National Consumer Law Center. "[Comment on Protecting Americans from Harmful Data Broker Practices](#)." Consumer Financial Protection Bureau. Docket No. CFPB-2024-0044/RIN 3170-AB27. March 28, 2025.