

## Lower Profile Anti-Consumer Legislation Expected in the 2015-2016 Congress

In addition to more public efforts to weaken the Consumer Financial Protection Bureau, undo the reforms of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other measures, some anti-consumer legislation may attract less attention. Below is a partial list of bills that the National Consumer Law Center, along with many other groups, opposes on behalf of its low income clients. Opposition letters are found in the footnotes and on our Legislation webpage.<sup>1</sup>

### Credit Reporting

The credit bureaus have sought an exemption from the consumer protections of the Credit Repair Organizations Act (CROA) to insulate their activities from challenges by consumers and governmental enforcement. These bills would also preempt state law prohibitions against unfair and deceptive practices from applying to the promotion of credit monitoring products that are of dubious value and have been the subject of highly deceptive marketing.

2013-14 legislation on CROA:

- H.R. 5446 (Royce), Facilitating Access to Credit Act of 2014.<sup>2</sup>

Other legislation would encourage utility companies to report all payments, both on-time and late, to credit bureaus without consumer consent. While these bills are promoted as efforts to help consumers obtain or improve their credit scores, “full file” reporting of utility payments would have the impact of creating millions of new negative black marks, depressing the credit scores of many Americans, harming consumers who struggle with winter or summer bill spikes, and undermining utility payment plans that protect these consumers.

2013-14 legislation on utility credit reporting:

- H.R. 2538 (Fitzpatrick)/S. 1613 (Kirk), The Credit Access and Inclusion Act.<sup>3</sup>

### Debt Collection

Bills amending the Fair Debt Collection Practices Act (FDCPA) purport to be simply technical amendments but would eviscerate the Act by exempting attorneys from coverage. Attorneys are among the most abusive of debt collectors. When attorneys are exempt from consumer protection laws, abusive actors often use attorneys as fronts to avoid responsibility.

2013-14 legislation:

- S. 2328 (Toomey), Fair Debt Collection Practices Technical Clarification Act of 2014.<sup>4</sup>

## **Operation Choke Point and Other Work Against Payment Fraud**

Federal agencies are working to stop scammers from using the payment system, to educate financial institutions about red flags of illegality, and to bring supervisory and enforcement actions if a bank or payment processor ignores clear evidence that it is enabling fraud. Yet legislation would frustrate efforts to protect consumer bank and credit card accounts from scams and illegal activity.

2013-14 legislation:

- H.R. 4986 (Luetkemeyer), End Operation Choke Point Act of 2014.<sup>5</sup>
- H.R. 5758 (Luetkemeyer), Financial Institution Customer Protection Act of 2014.

## **Payday and Other High-Cost Loans**

Payday lenders and other high-cost lenders may continue to push for a federal charter for high-cost nonbank lenders, to weaken state consumer protection laws, to undercut the authority of the CFPB, and to legitimize usurious predatory lending.

2013-14 legislation:

- H.R. 1566 (Luetkemeyer), Consumer Credit Access, Innovation, and Modernization Act.<sup>6</sup>

## **Regulatory “Reform” Bills**

A number of bills would make it hard for federal agencies to adopt and enforce regulations to protect the health and safety of Americans. These bills may be couched in terms of cost-benefit analysis or avoiding regulatory burden, but they would add bureaucratic red tape and frustrate efforts to protect the public.

2015 legislation:

- H.R. 185 (Goodlatte), Regulatory Accountability Act.<sup>7</sup>

2013-14 legislation:

- H.R. 2804 (Holding), Achieving Less Excess in Regulation and Requiring Transparency (ALERRT) Act (H.R. 2804).
- H.R. 2542 (Bachus), Regulatory Flexibility Improvements Act.
- H.R. 2804 (Holding), All Economic Regulations are Transparent (ALERT) Act.
- H.R. 1493 (Collins), Sunshine for Regulatory Decrees and Settlements Act.
- H.R. 367 (Young), Regulations from the Executive in Need of Scrutiny (REINS) Act.
- H.R. 899 (Foxx), Unfunded Mandates Information and Transparency Act.
- S. 450 (Shelby), Financial Regulatory Responsibility Act.
- S. 1173 (Portman), Independent Agency Regulatory Analysis Act.
- HR 4 (Camp), Jobs for America Act.<sup>8</sup>

## Rent-to-Own

Bills dealing with rent-to-own transactions may *look* like consumer protection bills, but they are actually designed to preempt consumer protection laws in Minnesota, New Jersey, Wisconsin and Vermont and other states. These bills provide nothing helpful for consumers.

2013-14 legislation:

- S. 1208 (Tester)/H.R. 1551 (Meeks), Consumer Rental Purchase Agreement Act.<sup>9</sup>

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<sup>1</sup> <http://www.nclc.org/legislation-regulation/legislation.html>.

<sup>2</sup> Consumer opposition letter:

[http://www.nclc.org/images/pdf/credit\\_reports/ltr\\_oppose\\_croa\\_exemption\\_bill\\_hr5446\\_11172014.pdf](http://www.nclc.org/images/pdf/credit_reports/ltr_oppose_croa_exemption_bill_hr5446_11172014.pdf).

<sup>3</sup> Consumer letter expressing concerns.

[http://www.nclc.org/images/pdf/legislation/letter\\_re\\_hr\\_2538\\_full\\_file\\_utility\\_credit\\_reporting\\_8-29-2013.pdf](http://www.nclc.org/images/pdf/legislation/letter_re_hr_2538_full_file_utility_credit_reporting_8-29-2013.pdf).

<sup>4</sup> Consumer opposition letter. [http://www.nclc.org/images/pdf/debt\\_collection/letter-toomey-2014.pdf](http://www.nclc.org/images/pdf/debt_collection/letter-toomey-2014.pdf).

<sup>5</sup> Testimony of Lauren Saunders in opposition:

[http://www.nclc.org/images/pdf/banking\\_and\\_payment\\_systems/testimony-operation-choke-point-2014.pdf](http://www.nclc.org/images/pdf/banking_and_payment_systems/testimony-operation-choke-point-2014.pdf).

Consumer opposition letter:

[http://www.nclc.org/images/pdf/banking\\_and\\_payment\\_systems/ltr\\_choke\\_point\\_letter\\_07312014.pdf](http://www.nclc.org/images/pdf/banking_and_payment_systems/ltr_choke_point_letter_07312014.pdf).

<sup>6</sup> Consumer opposition letter: <http://www.nclc.org/images/pdf/legislation/letter-hr-1566-hill-letter-sign-on-5-6-13.pdf>.

<sup>7</sup> Consumer opposition letter:

[http://www.nclc.org/images/pdf/legislation/afr\\_oppose\\_hr\\_185\\_regulatory\\_accountabilty\\_act\\_01122015.pdf](http://www.nclc.org/images/pdf/legislation/afr_oppose_hr_185_regulatory_accountabilty_act_01122015.pdf).

<sup>8</sup> Consumer opposition letter to several bills combined in H.R. 4: <http://www.nclc.org/images/pdf/legislation/letter-afr-oppose-private-equity-provision-focus.pdf>.

<sup>9</sup> Consumer opposition letter. <http://www.nclc.org/images/pdf/legislation/letter-afr-on-rto.pdf>.