

Statement Regarding Credit Report/Score Requirement in DHS Public Charge Regulation

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National Consumer Law Center contact: Chi Chi Wu (cwu@nclc.org) or (617) 542-8010

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Boston – Today, the Department of Homeland Security (DHS) released a regulation that greatly expands what will be considered in determining whether an immigrant is considered a potential “public charge” and thus should be denied a visa or green card. Among the many controversial provisions of this regulation, it requires DHS to consider an immigrant’s credit score and credit report.

Chi Chi Wu, staff attorney at National Consumer Law Center issued the following statement about the credit scoring requirement:

“Using credit scores and credit reports to determine immigration status is misguided and arbitrary for so many reasons. Credit scores and reports are not designed for immigration purposes or to provide information on whether a consumer is likely to rely on public benefits. As the Consumer Financial Protection Bureau has explained, credit scores are specifically designed to measure the likelihood that a borrower will become 90 days late on a loan.

Credit reports do not even include information about a consumer’s income and assets.

“There are way too many errors in credit reports for them to be used reliably. The Federal Trade Commission found that about 20% of consumers had confirmed errors in their credit reports and 5% had serious errors. Denying 1 in 5 or even 1 in 20 immigrants a visa or green card because of erroneous information is unconscionable. DHS states it would not consider any error on a credit report, but only if the error has been verified by the credit bureau. Yet credit bureaus are notorious for obstinately refusing to correct errors after repeated disputes, even in the face of obvious evidence that information is inaccurate. Furthermore, credit reports are not available in languages other than English, making it that much harder for immigrants to access them and correct errors.

“Immigrants are unlikely to have credit histories and credit scores, and when they do, the Federal Reserve has found that their scores are artificially low. Finally, use of credit scores will have a disparate impact on immigrants of color. Study after study has found that African American and Latino communities have lower credit scores as a group than whites, likely due to historical discrimination.”

For more information on why using credit scores and credit reports for immigration purposes is a bad idea:

Issue brief: The Wrong Tool for the Wrong Purpose: Why the Credit Scoring Provision in the Immigration Public Charge Proposal Is Illogical and Ill-Advised, Oct. 2018

Regulatory comments: Consumer, Civil Rights, and Privacy Advocates comments to the Department of Homeland Security opposing Notice of Proposed Rulemaking on Public Charge Determinations, Dec. 10, 2018