

U.S. House Financial Services Committee Votes to Reduce Credit Bureau Consumer Protections

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H.R. 435 Reduces Consumer Control over Personal Data collected by Equifax, Experian, and TransUnion

Boston - Today, the Financial Services Committee of the U.S. House of Representatives voted to approve a bill that strips some of the few privacy rights that consumers have in deciding whether their information is sent to credit bureaus like Equifax.

“Given the angst that members of Congress expressed at the Equifax Congressional hearings over the lack of control consumers have when it comes to the credit bureaus, it is ironic that the House Financial Services Committee has just passed a bill that will actually reduce consumers’ ability to have a say over their own data,” said National Consumer Law Center staff attorney Chi Chi Wu. “They passed this bill despite the opposition of 40 consumer, civil rights, and other advocacy groups.”

H.R. 435 is touted as a way to help consumers with little or no credit history. But the bill tries to achieve this goal by nullifying state and federal privacy protections regarding reporting payment information about rental housing or utilities. The bill overrides state and federal laws that protect consumers, such as by requiring their consent prior to public housing authorities, private landlords, electric or gas companies, and other utilities sending information to credit bureaus.

Another problem is that reporting by gas and electric companies in particular may result in negative marks for millions of families – disproportionately low-income and families of color – who struggle with huge winter heating or summer cooling bills, but catch up in subsequent months. The bill also prevents states from protecting tenants from negative reporting by their landlords, such as by prohibiting negative marks on tenant screening or credit reports for tenants who withhold rental payments due to health or safety disputes.

H.R. 435 now goes to the full House of Representatives for a vote, which has not yet been scheduled. “We hope that members of Congress remember their outrage against Equifax from just a few months ago as they vote on a bill that only benefits the credit bureaus,” stated Wu.

Related links

HR 435: <https://www.congress.gov/bill/115th-congress/house-bill/435>

Huffington Post blog by National Consumer Law Center Staff Attorney Chi Chi Wu: “After the Equifax Data Breach, Why Did a U.S. House Committee Vote to Reduce Credit Bureau Consumer Protections?,” December 13, 2017: <http://bit.ly/2AiqqUx>

Consumer, civil rights, housing, privacy, and utility advocates’ letter to U.S. House opposing HR 435, December 8, 2017:

<https://nclc-old.ogosense.net/images/pdf/legislation/letter-oppose-hr435-hfsc.pdf>