



To achieve economic justice for low-income and other disadvantaged people and to address the racial and economic inequality that the pandemic has made so apparent, we need major changes in federal consumer protections. The steps listed are common-sense reforms rooted in basic fairness that will fight fraud and help keep consumers in their homes, cars, and jobs so they can invest their wages in their local businesses and communities.



ACCESS TO JUSTICE: Restore our Day in Court

Our justice system should be open to all.

Stop fine-print forced arbitration clauses and class action bans, which take away [access to the courts](#) and prevent us from joining together to fight widespread wrongdoing. ([H.R. 963/S. 505](#)).

End the double taxation of successful consumer claims, which turns a winning lawsuit into a loss ([H.R. 4457/S. 766](#)).



BANKRUPTCY: A Fresh Start for Working Families

Bankruptcy gives families burdened with debt an opportunity for a fresh start – all the more essential in the wake of the COVID-19 crisis.

Simplify the bankruptcy process and eliminate burdensome requirements imposed in 2005 that have led to a [25% increase in insolvency](#).

Give student loan borrowers, and those struggling with unaffordable criminal justice fines and fees, the same fresh start opportunity as others.

Increase [homestead protections](#) so families can declare bankruptcy without losing their homes.



EQUITY & RACIAL JUSTICE: Defend & Enforce Our Laws

A years-long campaign to weaken civil rights laws and gut fair lending protections has given some lenders, housing providers, car dealers, insurers, and financial service companies a license to discriminate. New technologies pose new threats of discrimination.

Strengthen disparate impact standards and the duty to Affirmatively Further Fair Housing, and **enforce** fair lending and fair housing laws vigorously, including in new uses of data and algorithms.

Require mortgage companies and other financial services to provide language access for borrowers with limited English proficiency.

Preserve the collection of race and ethnicity data and require loan-level data during the COVID-19 emergency and beyond.



BANKING & PAYMENTS: Keep our money safe

People need safe accounts and payment systems that protect their funds and promote financial inclusion.

Stop overdraft fees used as a high-cost form of credit ([H.R. 4277/S. 2677](#)).

Protect [person-to-person payments](#) from scams and errors.

Require deposit insurance for mobile wallets and all accounts that hold consumer funds.



CARS: Safe & Affordable Vehicles & Financing

Cars are essential for most families, providing physical and economic mobility. Yet many families cannot afford a car or pay too much due to [discriminatory pricing](#) for cars [and add-ons](#), and costly financing.

Promote [car ownership programs](#) for low-income families, and ensure that electric vehicles are an affordable option.

Ensure that car financing does not come with an unreasonable risk of default.

Stop used car dealers from selling cars with unperformed safety recalls ([S. 1835](#)).

Collect race and ethnicity data in auto sales and finance to combat discrimination.



CREDIT: Limit Interest Rates to Stop Predatory Lending

Interest rate limits are the [simplest and most effective protection](#) against predatory lending.

Extend the [36% interest rate cap](#) that currently protects active duty servicemembers to all consumers ([H.R. 5974/S. 2508](#)).

Support [state interest rate caps](#) and stop [rent-a-bank lending](#) by capping bank interest rates, repealing FDIC and OCC rules, and stopping [bank partnerships with predatory lenders](#).

Prevent evasions by [fintech credit products](#).



CREDIT REPORTS: Stop Errors & Abuses

Credit scores and credit reports, as well as [background check](#) and [tenant screening reports](#), impact the ability to obtain credit, buy a house, rent an apartment, or even find a job. Yet these reports are [full of errors](#), penalize consumers for [far too long](#), include unfair information such as [medical debts](#) and [rental debt](#) arising out of the COVID-19 pandemic, and reinforce [racial disparities](#). [Full reform](#) includes:

Enact comprehensive credit and consumer reporting reform ([H.R. 4120](#)), including improving accuracy and dispute investigations, shorter time periods for negative information, and limits on the use of credit reports for jobs.

Stop tenant screening reports from blocking families from securing decent housing, including by restricting the use of credit information, and address disparate racial impacts.

Create a public credit registry that is designed to be responsive to consumer needs and equity concerns.



DEBT & DEBT COLLECTION: Protect Consumers from Abusive Collection Practices

Debt collectors are a top source of [consumer complaints](#), with [77.6 million people](#) having past-due accounts.

Strengthen the Fair Debt Collection Practices Act by increasing penalties, closing coverage loopholes, stopping collection of zombie debt, and requiring collectors to have accurate information. ([H.R. 2547](#))

Protect [wages](#), [bank accounts](#) and other income needed for food and necessities, including the Earned Income and Child Tax Credits and Social Security benefits, from garnishment or offset.

Reform debt collection rules to [improve consumer protection](#), and **protect** consumers from crushing [medical debt](#) ([H.R. 2537](#), [H.R. 773](#), [S. 214](#), & [S. 355](#))



HOUSING: Ensure Access to Sustainable Homeownership

Over one million homeowners, including low-income and Black and Latinx borrowers, are exiting mortgage forbearances and need options for affordable payments to save their homes.

Enforce mortgage servicing and loss mitigation rules to prevent avoidable foreclosures.

Publish [Homeowner Assistance Fund](#) plans on the Treasury Department's website, with demographic and program data on fund distribution, to ensure that state programs are effective and equitable.

Expand [FHA](#) loss mitigation options for [forward](#) and [reverse](#) mortgage borrowers, including for [note sales](#).



CRIMINAL JUSTICE: Disarm the Poverty Trap

State and local governments impose [unaffordable fines and fees](#) that trap families in poverty, ensnare them in the criminal justice system, and [harm over-policed communities of color](#).

End debtors' prisons and require private collectors of state and local government debt to comply with [fair debt collection](#) rules ([H.R. 3948](#)).

Incentivize state and local governments to reduce and cap revenue from fines and fees and end debt-based driver's license suspensions that prevent people from getting to work ([S. 4186](#)).

Stop bail and corrections industry profiteering, including prohibiting the prison phone industry from charging families extortionate rates ([S. 1764/H.R. 6389](#)).



ENERGY, TELECOM & ROBOCALLS: Keep Vulnerable Consumers Connected

Nearly [1 in 3 households report challenges in paying energy bills](#), and [over one million households have been disconnected](#) from utility service during the pandemic. Low-income households face a [digital divide](#), and all are plagued by robocalls.

Ensure that electricity, as a household energy source and as fuel for electric vehicles, is affordable for low-income households, and that households are connected to affordable broadband and voice service.

Provide households with access to safe and affordable water and sewer services.

Protect consumers from illegal [robocalls](#) and **scam** calls.

Promote interpretations of the [TCPA](#) to hold callers and sellers accountable for unconsented-to robocalls.



STUDENT LOANS: Lift the \$1.6 Trillion Weight from Consumer Shoulders

Millions of Americans are facing unaffordable student loan debt. Falling behind on student loans should not threaten the financial security of borrowers and their families.

Provide large-scale student loan debt cancellation.

Restore strong borrower defense and gainful employment protections to hold predatory institutions of higher education accountable and provide relief to harmed students.

Ensure access to affordable repayment programs, like [income driven repayment](#), and end punitive collection tactics like [seizure of Child Tax Credits](#).

For more information, contact Communications Manager Stephen Rouzer (srouzer@nclc.org) who will connect you with an expert.