

July 12, 2018

Senator Mike Crapo, Chairman
Senator Sherrod Brown, Ranking Member
Senate Committee on Banking, Housing & Urban Affairs
U.S. Senate
Washington, DC 20510

Re: S. 2362, the Control Your Personal Credit Information Act of 2018

Dear Senator Crapo and Senator Brown:

The undersigned consumer groups write in support of S. 2362, the Control Your Personal Credit Information Act of 2018. S. 2362 would amend the Fair Credit Reporting Act to give consumers, not credit bureaus or banks, the ultimate decisionmaking power over our credit reports. It addresses a paradox repeatedly pointed out in the aftermath of the Equifax data breach – that the credit bureaus hold vast amounts of sensitive information about hundreds of millions of American consumers, which they sell for hefty profits, yet we have very little control over how this information is used or disseminated. S. 2362 provides this control to consumers.

S. 2362 requires that credit bureaus first obtain the consumers' permission in order to release their credit reports and scores to lenders, insurers, and others. Requiring permission to access credit reports is neither new nor overly burdensome. For decades, the FCRA has required employers to obtain consumers' permission to use credit and consumer reports for employment purposes. The State of Vermont requires lenders to obtain consumers' permission to access reports, and credit appears not to have been hampered in that state.

As an additional measure to prevent identity theft, S.2362 requires the common-sense step of requiring consumers to provide proof of identity to the credit bureau when granting permission to access a credit report or score, using the standard in Section 610(a) of the FCRA, 15 U.S.C. § 1681h(a). This is the same section of the FCRA that establishes the proof of identity requirements when consumers order their own credit reports, such as through www.annualcreditreport.com, and the same type of proof would be required. Given that consumers must provide proof of identity to obtain their own credit report, it is illogical and unreasonable for the CRAs to argue that it is too burdensome to require this same documentation to prove their identity when credit or insurance is being sought. The goal is the same – to protect the security of the consumer's credit report information and prevent identity theft.

As for claims that this would make unavailable web-enabled credit and insurance applications, that is simply not true. Authentication can all be done online, the same way consumers can order their credit report online through www.annualcreditreport.com. If it's good enough for consumers ordering their own reports, it's good enough for them in order to prevent identity theft when applying for credit or insurance online. As for instant retail credit and auto financing, these are in-person transactions where identity validation could be conducted using actual identity documents, such as a driver's license. Finally, we expect that the credit bureaus would

develop new authentication measures to make the process more seamless, just as they have developed credit “locks” as a new measure.

As for the proposed revision to FCRA Section 604(c)(3), this is also intended to give consumers more control over their own information. Currently, the ability of lenders and insurers to use credit reports for marketing “firm offers” of credit - which are not very firm at all, being little more than advertising – has resulted in huge amounts of unwanted junk mail generated using personal private information. Switching from an opt-out to an opt-in system with affirmative written consent doesn’t limit options; it gives consumers the right and ability to decide whether to accept use of their credit reports and scores for marketing.

Thank you for your attention. If you have any questions about this letter, please contact Chi Chi Wu (cwu@nclc.org or 617-542-8010).

Sincerely,

Americans for Financial Reform
Consumer Action
Consumer Federation of America
Consumers Union
National Association of Consumer Advocates
National Consumer Law Center (on behalf of it low-income clients)
Public Citizen
U.S. PIRG

cc: Senator Jack Reed