

# NCLC's Attorney Chi Chi Wu to Testify on Sept. 7 before House Financial Services Committee on Six Anti-Consumer Bills

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## **Pending Legislation Would Roll Back Key Consumer Protection Laws and Drastically Reduce Accountability for Company Wrongdoing**

Full testimony available before or by 10am EDT on September 7, 2017:  
<https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=402266>

BOSTON - On Thursday, September 7, National Consumer Law Center attorney Chi Chi Wu will testify before the U.S. House Financial Services Committee to oppose six bills that would severely harm consumers during the hearing Legislative Proposals for a More Efficient Federal Financial Regulatory Regime.

"Once again, anti-consumer forces are working overtime to deprive ordinary Americans of rights and protections that were hard-fought and hard-won," said Wu. "These bills not only hurt consumers, they ultimately have a negative impact on the marketplace by, for example, removing incentives for credit bureaus to ensure accurate information in credit reports.

In her testimony, Wu will discuss how H.R. 2359, the FCRA Liability Harmonization Act (**Loudermilk, R-GA**) would dramatically reduce accountability for credit bureaus and other companies, including when they wrongfully label innocent consumers as deadbeats, criminals, or terrorists. The bill eliminates punitive damages under the Fair Credit Reporting Act (FCRA), no matter how egregious the violation. It caps both statutory damages and actual damages for class actions to \$500,000, no matter how many thousands or millions of consumers harmed or the extent of their losses caused by illegal conduct. Limiting the consequences for wrongdoers under the FCRA would enable credit bureaus and background check agencies to disregard federal protections meant to ensure accurate reporting of credit records and other consumer reports.

The **Credit Services Protection Act of 2017 (Royce, R-CA)**, also known as the "Facilitating Access to Credit Act," creates an unnecessary and harmful exemption for credit bureaus from the Credit Repair Organizations Act (CROA) and potentially allows illegitimate credit repair outfits to escape CROA. The bill substitutes weaker and far less enforceable provisions for the protection of CROA. These provisions fail to prohibit advance fees, lack clear disclosure of the right to cancel, allow providers to keep part of advance payments after cancellation, cannot be privately enforced, preempts state law and state attorney general enforcement authority, and could limit the Consumer Financial Protection Bureau's (CFPB) authority over the credit bureaus with respect to credit monitoring and identity theft prevention products.

Other bills to be discussed are:

H.R. 1849, the Practice of Law Clarification Act of 2017 (**Trott, R-MI**) exempts debt collection attorneys, who have a long history of illegal and abusive conduct, from essential protections against

abusive and deceptive debt collection practices. In 1986, as the result of clear findings of abuses by debt collection attorneys, Congress amended the Fair Debt Collection Practices Act (FDCPA) to ensure that attorneys who meet the statutory definition of debt collector must comply with all of the provisions of the law. This bill would turn back the clock and also eliminate CFPB enforcement authority against law firms and attorneys.

H.R. 3312, the Systemic Risk Designation Improvement Act of 2017 (**Luetkemeyer, R-MO**) would put major new constraints on the ability of the Federal Reserve to provide basic oversight of large bank holding companies that are not among the largest eight global mega-banks, by prohibiting any enhanced systemic risk regulation of such banks unless the Federal Reserve passes special regulations that must be ratified by a two-thirds vote of all financial regulators. It would actually increase systemic risk by dramatically restricting prudential oversight over these large bank holding companies.

**The Community Institution Mortgage Relief Act (Tenney, R-NY)** would create loopholes for abuse by rolling back essential consumer protections and inappropriately extend to larger institutions the carefully tailored exemptions that currently apply to community banks.

**The TRID Improvement Act of 2017 (Hill, R-AR)** undermines incentives to comply with common sense mortgage disclosure requirements and weakens crucial incentives for lenders to exercise due diligence and self-oversight.