

June 24, 2020

Majority Leader Mitch McConnell  
United States Senate  
Washington, DC 20510

Minority Leader Chuck Schumer  
United States Senate  
Washington, DC 20510

Chairman Mike Crapo  
Senate Committee on Banking, Housing and Urban Development  
Washington, DC 20510

Ranking Member Sherrod Brown  
Senate Committee on Banking, Housing and Urban Development  
Washington, DC 20510

Re: Support for S. 3508/credit reporting provisions of HEROES Act

Dear Majority Leader McConnell and Minority Leader Schumer:

The undersigned 73 consumer, civil rights, faith, labor, nonprofit, community, human rights and advocacy organizations write to express our support for Section 110401 of the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act. These same provisions have also been introduced as S. 3508/H.R. 6370, the Disaster Protection for Workers' Credit Act. We urge the Senate to pass S. 3508 or include Section 110401 of the HEROES Act in any upcoming COVID-19 relief legislation

The economic catastrophe caused by COVID-19 will lead to damaged credit reports and plunging credit scores for tens of millions of consumers. Lower credit scores will not only impede consumers' ability to get affordable credit, but can also impact jobs, rental housing, insurance, and the ability to recover when this crisis is over.

Section 110401 of the HEROES Act addresses this looming threat by establishing a temporary moratorium on negative credit reporting for the COVID-19 emergency period plus four months, with the option for consumers to obtain an additional nine months of relief if they continue to experience COVID-19 related economic hardship. It also includes a permanent ban on reporting medical debt related to COVID-19. These provisions will greatly help consumers whose finances have been devastated by the economic crisis caused by COVID-19. Section 110401 is much more effective and will protect consumers better than the limited credit reporting provisions of the CARES Act because:

- **Section 110401 of the HEROES Act will protect consumers unable to obtain affordable payment deferrals or accommodations from all of their creditors.** Under the CARES Act currently, many lenders, such as credit card companies and auto lenders, are not required to provide accommodations at all, or to make them affordable to a consumer. Failing to receive an accommodation from even one creditor can ruin a consumer's credit standing.
- **Section 110401 automatically applies to protect all consumers.** The CARES Act provisions require borrowers to know about the existence of accommodations, and how to ask for them. This may be a barrier for those with limited English skills, older consumers, people with disabilities, those who lack internet access, or those too overwhelmed by job losses or dealing with COVID-19 illness or death to be able to obtain relief. And even consumers who do know to ask for an accommodation have had trouble reaching their creditors because of large volumes of calls and other contacts seeking relief.
- **Section 110401 protects consumers from negative information due to evictions or medical debt.** The CARES Act does not provide protections for these types of damaging information. As eviction moratoriums expire, we may see a wave of displaced tenants. Eviction records and rent arrearages sent to debt collectors could make it even more difficult for these tenants to obtain new housing. And medical debts almost always show up as debt collection items.

By recognizing the need to stop negative credit reporting during the COVID-19 pandemic, the HEROES Act will help tens of millions of consumers who have lost their jobs, small businesses, or other income. The HEROES Act will prevent the current financial catastrophe from haunting the credit reports of consumers for the next seven years.

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

Sincerely,

National Organizations

Allied Progress  
 Americans for Financial Reform  
 Center for Digital Democracy  
 CLARIFI  
 Coalition on Human Needs  
 Consumer Action  
 Consumer Federation of America  
 Consumer Reports  
 Demos  
 Hpp Cares CDE  
 NAACP  
 National Association of Consumer Advocates

National Center for Law and Economic Justice  
National Consumer Law Center (on behalf of its low-income clients)  
National Consumers League  
National Fair Housing Alliance  
National Housing Law Project  
National Housing Resource Center  
Public Justice  
U.S. PIRG  
UnKoch My Campus  
Woodstock Institute

#### State and Local Organizations

Alaska PIRG  
Arkansans Against Abusive Payday Lending  
Center for Economic Integrity (AZ)  
William E. Morris Institute for Justice (Arizona)  
Housing & Economic Rights Advocates (CA)  
Consumers for Auto Reliability and Safety (CA)  
Connecticut Fair Housing Center  
Tzedek DC  
Delaware Community Reinvestment Action Council, Inc.  
The Legal Aid Society of Palm Beach County, Inc. (FL)  
Jacksonville Area Legal Aid, Inc. (FL)  
Florida Legal Services, Inc.  
Legal Aid Service of Broward County, Inc. (FL)  
Georgia Watch  
New Georgia Project  
Heartland Alliance for Human Needs & Human Rights (IL)  
Fair Housing Center of Central Indiana, Inc.  
Hoosier Action (IN)  
Consumer Assistance Council, Inc. (MA)  
Public Citizen (MD)  
Public Justice Center (MD)  
Maryland Consumer Rights Coalition (MD)  
Michigan League for Public Policy  
Montana Organizing Project  
OnTrack Financial Education & Counseling (NC)  
North Dakota Economic Security and Prosperity Alliance  
Consumers League of New Jersey  
Consumer League of New Jersey  
New Mexico Consumer Attorneys  
Legal Aid Center of Southern Nevada  
Southern Nevada Senior Law Program  
Washoe Legal Services (NV)

Battle Born Progress (NV)  
New Day Nevada  
Culinary Union (NV)  
Make the Road Nevada (NV)  
Community Service Society of New York  
Mobilization for Justice (NY)  
Catholic Charities Archdiocese Oklahoma City  
Prospect Church (OK)  
Fellowship Congregational UCC (OK)  
Recharge Financial Solutions (OK)  
VOICE - OKC  
Community Legal Services of Philadelphia (PA)  
Pennsylvania Council of Churches  
SC Appleseed Legal Justice Center  
Texas Appleseed  
Convencion Bautista Hispana de Texas  
The Women's Resource of Greater Houston (TX)  
Legal Aid Justice Center (VA)  
Virginia Organizing  
Mountain State Justice (WV)