November 5, 2026

Re: The FCRA Liability Harmonization Act (oppose)

Dear Senator:

The undersigned 54 consumer and advocacy groups write to you to express opposition to the FCRA Liability Harmonization Act. This bill (as H.R. 5775) was voted out of the House Financial Services Committee on June 30, 2026 with only Republicans supporting it.

The FCRA Liability Harmonization Act drastically decreases the consequences for credit bureaus, employment background check agencies, tenant screeners and other "consumer reporting agencies" (CRAs) when they violate the FCRA, including when they falsely claim that consumers have failed to pay their bills or have criminal records. The bill would eliminate punitive damages, both in class actions and in individual cases, for willful violations of the FCRA, no matter how egregious the conduct. It would impose an arbitrary, one-size-fits-all cap on both statutory damages *and actual damages* for class actions to $500,000, no matter how many thousands or millions of consumers were harmed or the extent of their losses caused by the illegal conduct.

The FCRA Liability Harmonization Act radically reduces accountability for the most serious violations that these Big Data companies commit. It also does the same for the banks, lenders, and debt collectors (known as "furnishers" under the FCRA) when they supply false information to these companies and then fail to correct it. Being falsely accused of skipping bills or committing a crime is not only upsetting and distressing, it can deprive individuals of their ability to access credit, employment, rental housing and more.

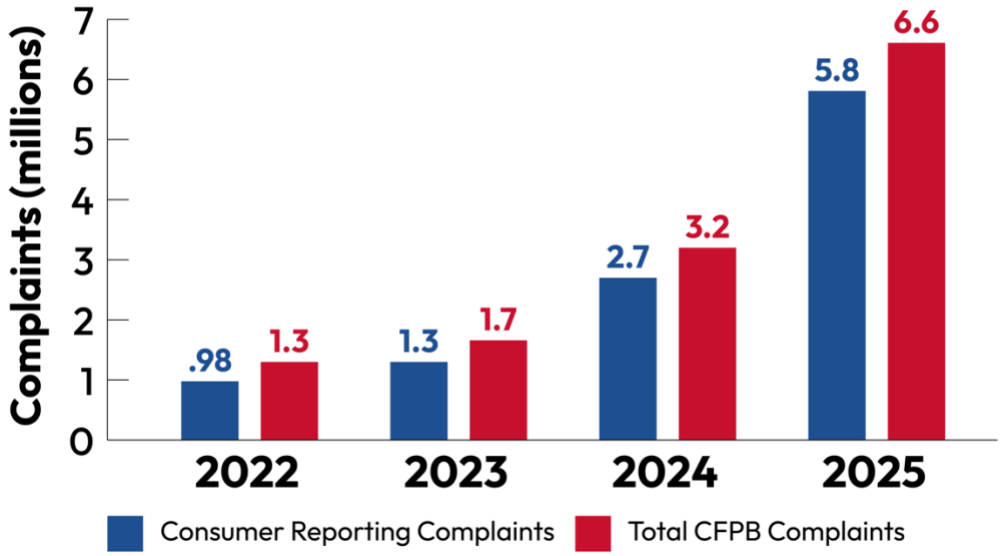
1. The FCRA Liability Harmonization Act is a boondoggle for the most-complained about companies in financial services, with over 5 million CFPB complaints against them last year

This bill is a giveaway to one of the most problematic sectors in the financial services industry. The three major credit bureaus (Equifax, Experian and TransUnion) and other CRAs have been by far the most complained-about companies to the CFPB for many years, with an eye-popping number of complaints against them for the past few years:

- 2022: 978,000 complaints[1]
- 2023: 1.3 million complaints.[2]
- 2024: 2.7 million complaints[3]
- 2025: 5.8 million complaints![4]

[1] CFPB, Consumer Response Annual Report January 1–December 31, 2022 3, 11 (Mar. 2023), https://www.consumerfinance.gov/data-research/research-reports/2022-consumer-response-annual-report/.
[2] CFPB, Consumer Response Annual Report January 1-December 31, 2023, at 11, 19 (Mar. 2024), https://files.consumerfinance.gov/f/documents/cfpb_cr-annual-report_2023-03.pdf.
[3] CFPB, Consumer Response Annual Report January 1-December 31, 2024, at 3, 11 (May 2025), https://files.consumerfinance.gov/f/documents/cfpb_cr-annual-report_2025-05.pdf.
[4] CFPB, Consumer Response Annual Report January 1-December 31, 2025, at 7 (March 2026), https://www.consumerfinance.gov/data-research/research-reports/2025-consumer-response-annual-report/.

As this chart shows, consumer reporting complaints make up the vast majority of complaints to the CFPB.



This massive volume of complaints is unsurprising given what we know of the credit bureaus' dysfunction. As the Federal Trade Commission found, 1 in 5 of consumers (or over 40 million) had verified errors in their credit reports, with 1 in 20 (or over 10 million) having errors so serious they would be rejected for credit or need to pay more.[5] More recent studies by Consumer Reports in 2021[6] and 2024[7] show similar percentages.

These high error levels are the result of deep, profound, and longstanding problems in the credit reporting system, such as consumers having their credit files "mixed" with the wrong person, the after-effects of identity theft, and consumers being labeled as dead when they are alive and breathing.[8] The dispute system that is supposed to serve as a safety net to fix errors is an automated travesty, with the Big Three credit bureaus and some furnishers conducting pro forma, perfunctory investigations. Credit bureaus automatically defer to what a furnisher tells them, like a judge who always rules for the defendant.[9]

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[5] Fed. Trade Comm'n, Report to Congress Under Section 319 of the Fair and Accurate Credit Transactions Act of 2003 (Dec. 2012), www.ftc.gov/sites/default/files/documents/reports/section-319-fair-and-accurate-credit-transactions-act-2003-fifth-interim-federal-trade-commission/130211factareport.pdf.

[6] Syed Ejaz, Consumer Reports, A Broken System: How the Credit Reporting System Fails Consumers and What to Do About It (2021) https://advocacy.consumerreports.org/wp-content/uploads/2021/06/A-Broken-System-How-the-Credit-Reporting-System-Fails-Consumers-and-What-to-Do-About-It.pdf.

[7] Lisa L. Gill, Consumer Reports, More Than a Quarter of People Find Serious Mistakes in Their Credit Reports, Study Shows (April 30, 2024), https://www.consumerreports.org/money/credit-scores-reports/serious-mistakes-found-in-credit-reports-a1061511185/.

[8] Chi Chi Wu, Michael Best & Sarah Mancini, NCLC, Automated Injustice Redux: Ten Years after a Key Report, Consumers Are Still Frustrated Trying to Fix Credit Reporting Errors (Feb. 25, 2019), https://bit.ly/ajustre. *See also* Consumer Credit Reporting: Assessing Accuracy and Compliance: Hearing Before the Subcomm. on Oversight and Investigations of the H. Comm. on Financial Servs., 117th Cong. (2021) (statement of Chi Chi Wu), https://www.congress.gov/117/meeting/house/112712/witnesses/HHRG-117-BA09-Wstate-WuC-20210526.pdf.

[9] *Id.*

2. Abuses by credit bureaus, background check agencies, and tenant screeners shut people out of jobs, opportunity, and housing, sometimes even resulting in homelessness and irreversible tragedies

Credit bureaus, employment background check agencies, tenant screeners, big banks, and debt collectors inflict real and serious harm on people when they report inaccurate information, and should be subject to punitive damages. For example:

- In *Taylor v. Equifax*, Equifax mixed the credit report of plaintiff David Anthony Taylor with David Allan Taylor, despite a different social security number and date of birth, with devastating results for David Anthony Taylor. Taylor, a veteran, had put his house on the market after having been preapproved for a VA home mortgage and found a new home. But he was unable to close on his new home, because Equifax had added numerous negative accounts from David Allen Taylor. David Anthony Taylor disputed the inaccurate information several times over the course of six months but Equifax failed to fix its mistakes. Unable to close on his new home, and having sold his old home, Taylor had nowhere to live and could not find an apartment that would accept his pit bulls. Taylor ultimately spent months in a motel, was forced to kennel board and re-home a number of his dogs, and even had to put two dogs to sleep because he could not find somewhere to re-home them.[10]

- In *Cornelius v. Samba Security*, an Uber driver had her account deactivated because a background check CRA falsely reported that her driver's license had been withdrawn. Cornelius disputed this inaccurate reporting twice, including a copy of her valid driver's license, but SambaSafety failed to correct it. In conducting its alleged investigation, SambaSafety failed to even contact the state Department of Motor Vehicles. SambaSafety's incompetence resulted in Cornelius losing 13 months of income, including approximately $7,000 per month during the height of Alaska's summer tourist season. A jury awarded Cornelius both actual damages and punitive damages for Samba Security's failure to correct an obvious error that was easily fixable. [11]

- In *Cayler v. TransUnion Rental Screening Solutions, Inc.*, a subsidiary of TransUnion issued an inaccurate tenant screening report falsely claiming that Cayler was convicted of "Indecency with a Child Sexual Contact" and "Indecency with a Child by Contact." The potential landlord rejected his rental application, only relenting after the plaintiff explained the situation directly and requiring him to pay six months rent in advance, totaling over $18,000. Cayler was understandably deeply distressed by TransUnion's false labeling of him as a child sex offender and his having to prove his innocence to a prospective landlord.[12]

[10] Amended Complaint, Taylor v. Equifax Info. Serv., Case No. 8:23-cv-00860 (M.D. Fla. March 18, 2024), https://storage.courtlistener.com/recap/gov.uscourts.flmd.413266/gov.uscourts.flmd.413266.46.0.pdf
[11] Complaint, Cornelius v. Safety Holdings, Inc., Civ. No. 24-0811 (D.N.M. Aug. 14, 2024), https://storage.courtlistener.com/recap/gov.uscourts.nmd.505497/gov.uscourts.nmd.505497.1.0_1.pdf.
[12] Cayler v. TransUnion Rental Screening Solutions, Inc., Case. No. 8:23-cv-01170 (M.D. Fla. May 26, 2023), https://storage.courtlistener.com/recap/gov.uscourts.flmd.414573/gov.uscourts.flmd.414573.1.0.pdf

Additional case examples of significant harm from inaccurate information are included in NCLC's testimony from an April 16, 2026 House Financial Services Committee Subcommittee on Financial Institutions hearing,[13] as well as a September 2017 hearing on the previous version of this bill.[14]

3. The FCRA Liability Harmonization Act's severe cutbacks in liability would reduce the FCRA's remedies far below other consumer laws and prevent accountability for widespread systemic failures such as the Equifax data breach

The FCRA Liability Harmonization Act would deny all of the consumers discussed above the ability to seek full accountability for the outrageous violations of the FCRA that affected their lives. In addition to eliminating punitive damages and capping class action damages at $500,000, the bill limits attorney's fees to the lesser of 40% of the damages recovery or $100,000. This cap would apply no matter how complicated the case, including class actions involving millions of class members such as the Equifax data breach.[15] It would decimate the fee-shifting nature of the FCRA, devastating the ability of injured consumers to seek legal assistance. And it would give enormous incentive for industry attorneys to obstruct, delay, and drag out litigation, knowing that consumer attorneys would have their fees capped no matter how badly industry attorneys behaved. This bill purports to merely "harmonize" the FCRA with other consumer laws, but no other consumer law limits attorney's fees in this manner or caps actual damages in class actions to $500,000.

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For these reasons, we urge you to oppose the FCRA Liability Harmonization Act. Thank you for your attention. If you have any questions about this letter, please contact Chi Chi Wu (cwu@nclc.org) at (617) 226-0326.

National Organizations

National Consumer Law Center (on behalf of its low-income clients)
American Association for Justice (AAJ)
Americans for Financial Reform
Center for Justice & Democracy
Center For Responsible Lending
Center for Survivor Agency and Justice
Check My Ads Institute

(signatories continue on the following page)

[13] Promoting Access to Credit for Everyday Americans : Hearing Before the Subcomm. on Fin. Inst. of the H. Comm. on Financial Servs., 119th Cong. (2026) (statement of Chi Chi Wu), https://www.nclc.org/resources/testimony-before-the-subcommittee-on-financial-institutions-of-the-house-financial-services-committee-opposing-harmful-fair-credit-reporting-act-amendments/

[14] Legislative Proposals for a More Efficient Federal Financial Regulatory Regime: Hearing Before the Subcomm. on Fin. Inst. and Consumer Credit of the H. Comm. on Financial Servs., 115th Cong. (2017) (statement of Chi Chi Wu), https://financialservices.house.gov/uploadedfiles/hhrg-115-ba15-wstate-ccwu-20170907.pdf.

[15] The Equifax data breach, where hackers stole the private personal information of 147 million Americans due to that company's lax security measures, resulted in a $380.5 million settlement for injured consumers. Peter Hayes, Equifax to Pay $380.5 Million to Settle Data Breach Class Claims, Bloomberg News, Jan. 14, 2020, https://news.bloomberglaw.com/product-liability-and-toxics-law/equifax-to-pay-380-5-million-to-settle-data-breach-class-claims. Ironically, the last time that a bill called the "FCRA Liability Harmonization Act,"" was discussed in Congress was at a September 7, 2017 hearing – the same day that the Equifax data breach was publicly revealed.

Coalition on Human Needs
Consumer Action
Consumer Federation of America
Consumer Reports
Electronic Privacy Information Center (EPIC)
JustLeadershipUSA
National Association of Consumer Advocates
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Community Reinvestment Coalition
National Consumers League
National Disability Institute
National Fair Housing Alliance
National Housing Law Project
PolicyLink
The Change Up Midnight Coalition

State and Local Organizations

Center for Economic Integrity (AZ)
William E. Morris Institute for Justice (AZ)
Arkansas Community Organizations
Community Legal Services in East Palo Alto (CA)
East Bay Community Law Center (CA)
Housing and Economic Rights Advocates (CA)
Public Law Center (CA)
The Academy of Financial Education (CA)
Community Economic Defense Project (CO)
Legal Aid DC
Tzedek DC
Everything I Am (FL)
Jacksonville Area Legal Aid Inc. (FL)
Georgia Watch
Cambridge Economic Opportunity Committee (MA)
Greater Boston Legal Services (MA)
Northern Nevada Legal Aid
NJ Appleseed Public Interest Law Center
New Jersey Citizen Action
New Yorkers for Responsible Lending
Western New York Law Center
Advocates for Basic Legal Equality Inc (OH)
Restored Citizen FAITH Foundation (OH)
Correct Connect (OR)
Oregon Consumer Justice
Oregon Consumer League
The Pathfinder Network (OR)
Reentry Ready (PA)
South Carolina Appleseed Legal Justice Center
Texas Appleseed
VT CURE
Legal Aid Works (VA)