



The Voice of Minority Banking Since 1927

March 27, 2015

The Honorable Ed Royce  
U.S. House of Representatives  
2310 Rayburn House Office Building  
Washington, DC 20515

The Honorable Rubén Hinojosa  
U.S. House of Representatives  
2622 Rayburn House Office Building  
Washington, DC 20515

Dear Representatives Royce and Hinojosa:

On behalf of the National Bankers Association (NBA), I commend you for introducing H.R. 347, the Facilitating Access to Credit Act of 2015. This legislation will enable consumers and small business owners to learn the specific steps that will enable them to improve their credit standing.

Since its inception in 1927, the NBA has been the leading trade association representing minority and women-owned financial institutions. Because the majority of our member institutions serve economically distressed communities, one of NBA's most important initiatives has been working to increase financial literacy for our youth, young adults, and older citizens within our minority-based communities. As part of the NBA Foundation, we spearheaded a national movement to promote financial literacy tools through training programs and public education campaigns, including the use of national media.

As our nation continues to climb out of an economic recession, paltry growth in homeownership and stagnant wages still threaten our recovery. Although there are a number of elements that led to the financial crisis, I believe that low levels of financial literacy among Americans played a significant role. Nowhere is this more evident than in low- and moderate-income communities served by our members, where consumers oftentimes made poor financial decisions without fully understanding the impact they would have on their ability to get a car loan or mortgage in the future.

The nationwide credit reporting agencies have the ability to provide consumers with timely and accurate information that they can use to improve their credit; however, the credit bureaus are not able to easily provide this to consumers because they have been inadvertently covered under the Credit Repair Organization Act (CROA). This federal law was enacted in 1996 to protect consumers from the deceptive business practices of "credit clinics" that promised, often for exorbitant fees, to help improve a consumer's credit report by removing negative but accurate

information from their credit files. Some organizations are exempt from CROA because they have no vested interest in removing accurate information from credit files, which rely on them to make lending decisions.

If adopted by Congress, the Facilitating Access to Credit Act of 2015 (H.R. 347) would allow the nationwide credit reporting agencies to provide consumers with timely and accurate information they can use to improve their credit. Providing consumers with this important financial literacy tool is not only good for our member banks, but it is essential for the consumers they serve. Understanding how credit scores are used and how information on a credit report influences lending decisions is an important step in improving financial literacy. Congress has recognized this by enacting such laws as the FACT Act, the CARD Act, and the Dodd-Frank Act that require lenders to provide customers with the credit score used in a lending decision under certain situations.

Furthermore, the National Black Caucus of State Legislators (NBCSL) has recognized the value that such innovative credit education would bring to its constituents. In December 2011, the NBCSL passed a policy resolution urging Congress to amend CROA so that consumers could have access to innovative credit education. The NBCSL has also written a letter to Congress in support of H.R. 347.

Again, we commend you on your leadership on this important issue and encourage you to continue to push for passage of H.R. 347. That fact is, improving consumer financial literacy will not only benefit individual consumers, but will also provide a much needed boost to our nation's economy.

Sincerely



Michael A. Grant, J.D.  
President  
National Bankers Association