



Coalition to Improve
CREDIT EDUCATION

April 20, 2016

The Honorable Richard Shelby
Chairman
Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Shelby and Ranking Member Brown,

The Coalition to Improve Credit Education urges you to consider a simple change to the Credit Repair Organizations Act (CROA) that would improve access to personalized, legitimate credit education for millions of Americans.

Launched earlier today, the Coalition to Improve Credit Education represents more than 20 influential community development, minority leadership, and financial literacy groups, including Center for Financial Services Innovation, Concerned Black Clergy of Metropolitan Atlanta, Credit Builders Alliance, Economic Empowerment Initiative, eCredibile, Florida Prosperity Partnership, HomeFree-USA, Naledge in Action, National Bankers Association, National Baptist Convention of America International, National Black Caucus of State Legislators, National Hispanic Caucus of State Legislators, Operation HOPE, Policy and Economic Research Council, Single Parent Alliance and Resource Center, Society for Financial Education and Professional Development, Southern Christian Leadership Conference, Turner Chapel AME, Urban Asset Builders, U.S. Black Chambers, and U.S. Hispanic Chamber of Commerce.

The Coalition's mission is to make it easier for consumers to get the tools and information they need to improve their credit reports and scores. While the Coalition will focus on a range of policy issues to advance that goal, our initial priority is working with policymakers to fix an unintentional yet harmful provision of CROA, so consumers can more easily get personalized credit education information and services from the nationwide credit bureaus.

As you know, CROA was intended to address the problem of fraudulent solicitations and consumer scams around credit repair, an important issue on which it has a substantial and largely positive impact. When passed, the law was never intended to cover those credit bureaus, which are already heavily regulated and provide a range of legitimate services to business and consumers.

Unfortunately, subsequent court rulings have interpreted the language of CROA to also cover the credit bureaus, thus preventing the three nationwide credit bureaus from providing valuable credit education and improvement tools to consumers. Specifically, the law now requires credit bureaus to read consumers a lengthy legal disclaimer and imposes a debilitating three-day waiting period before they can call consumers back to provide any credit education services.

Exempting the nationwide credit bureaus from CROA will in no way reduce the robust protections that already exist for consumers in their interactions with those companies, including oversight by the Consumer Financial Protection Bureau, the Federal Trade Commission, and state Attorneys General. It will simply increase consumer access to personalized credit education information and services, so millions of Americans can chart a better financial future by getting a loan for a new home or car, securing a credit card with better interest rates, or finding an investment for a small business.

The Coalition to Improve Credit Education urges policymakers to take prompt action by adding language to CROA that exempts the nationwide credit bureaus from the onerous CROA requirements for notification and delay that are stand between consumers and innovative credit education.

Additional information on the Coalition to Improve Credit Education can be found on our web site at www.mycreditlife.org, and we would be delighted to meet with you or members of your staff to discuss this issue in more detail.

Sincerely,

A handwritten signature in black ink that reads "William Cheeks". The signature is written in a cursive, slightly slanted style.

William (Bill) Cheeks
Executive Director
Coalition to Improve Credit Education