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## **AFSA CHALLENGES NEW NEVADA CREDIT PROVISION**

*Federal preemption makes new state requirement impossible to implement*

**Washington** – Today (*October 1, 2019*) the American Financial Services Association (AFSA) and other trade associations sought an injunction in federal district court in Nevada to bar enforcement of a provision of SB 311 / CH 280 that would allow an individual with no credit history to apply for credit using their former or current spouse’s credit report without consent. While the original bill laudably expanded the state’s anti-discrimination protections, a last-minute amendment added the problematic credit history requirements.

Federal consumer credit law bars the credit history provisions in Nevada SB 311 / CH 280, making it impossible for creditors to comply when the law goes into effect on October 1, 2019.

For example:

- SB 311 / CH 280 would force creditors to violate the permissible purpose provisions of the Fair Credit Reporting Act (FCRA), passed by Congress in 1970, by requiring them to pull credit of an applicant’s current or former spouse.
- SB 311 / CH 280 would also violate the Equal Credit Opportunity Act’s proscription on inquiries relating to marital status.
- Credit bureaus only maintain current data; the historical credit information this law seeks to access does not exist.

“AFSA and its members applaud Nevada’s effort to strengthen anti-discrimination protections for all its citizens,” said Ed McFadden, AFSA’s vice president for communications. “Our focus is narrowly on the spousal credit provision, which, unfortunately, is impossible for creditors to implement given the federal laws our industry must adhere to. This legal effort is to both protect our customers’ highly personal information, as well as AFSA members’ ability to serve their customers.”

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*Based in Washington, D.C., the American Financial Services Association (AFSA), is the national trade association for consumer credit. For more than a century, AFSA has been committed to protecting access to credit and consumer choice. Its 450 members include traditional installment lenders, vehicle finance companies, consumer and commercial finance companies, mortgage lenders and servicers, payment card issuers, industrial banks, and industry suppliers. For more information, visit [www.afsaonline.org](http://www.afsaonline.org)*