

November 15, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable Patrick J. Toomey
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Re: Credit Reporting Disputes

Dear Chairman Brown and Ranking Member Toomey:

The American Financial Services Association (AFSA) read the November 10, 2021, letter on credit reporting from several Senate Banking Committee members to Consumer Financial Protection Bureau (CFPB) Director Rohit Chopra.

AFSA believes the United States has the best and most robust credit reporting system in the world. However, improvements can always be made. We agree that the credit reporting industry plays an integral role in deciding individuals' access to credit and that accurate information is crucial. We also agree that any errors should be addressed as quickly as possible.

While the signatories made several recommendations, the issue surrounding the rapid number of increasing frivolous or duplicative credit disputes submitted by supposed credit repair organizations (CROs) was absent. CROs are hired by consumers to improve their credit by getting negative credit information removed, generally regardless of whether the information being disputed is accurate or not.

As the [Federal Trade Commission \(FTC\)](#) and [CFPB](#) have warned, CROs take advantage of consumers who are trying to improve their financial situation. CROs use form letters and template communications designed for mass SPAM-like deployment to credit bureaus and lenders, while at the same time charging consumers exorbitant fees through monthly subscription services that can cost thousands of dollars but yield few positive results.

Not only does this hurt vulnerable consumers, but by flooding the credit bureaus and lenders with meritless tradeline disputes, CROs divert compliance resources away from legitimate consumer disputes which limits efficacy of investigations.

We encourage the Congress and the CFPB to look more closely at CROs and to see what steps can be taken to help protect consumers from these schemes. Please contact me at 202-776-7300 or cwinslow@afsamail.org with any questions.

Sincerely,



Senior Vice President
American Financial Services Association

cc: CFPB Director Rohit Chopra and Sens. Brian Schatz, Ron Wyden, Elizabeth Warren, Jack Reed, Chris Van Hollen, and Ben Ray Lujan.