

June 14, 2022

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

On behalf of the American Financial Services Association (AFSA),<sup>1</sup> I am writing to express our concerns on H.R. 166, the *Fair Lending for All Act*, which is included as part of a legislative package before the House of Representatives this week. Additionally, we highlight our perspectives on several amendments under consideration.

At the outset, AFSA emphasizes that the association and its members strongly support the ability of all consumers to access safe and regulated credit products that fit their financial needs, regardless of where they live. For over 100 years AFSA and its member companies have helped to increase access to financial services and legitimate and fair credit products for millions of lower- and middle-income families, including underserved populations.

### **H.R. 166 - Fair Lending for All Act**

As you know, lenders are essential to promoting a thriving economy and fill an important role in providing services to help consumers meet their needs, such as home improvements, purchasing or repairing an automobile, or unexpected expenses. Today, nearly two-thirds of the U.S. population is living paycheck to paycheck,<sup>2</sup> and 40% of people have indicated they have not set aside money specifically as emergency savings or “rainy day” fund to cover a \$400 expense.<sup>3</sup>

Last year, AFSA added its support for the Treasury Department to create a Presidential Commission on Financial Inclusion as called for by Senators Chris Coons, John Hickenlooper, and Raphael Warnock, which seeks to provide “all people with the ability to access, utilize, and reap the benefits of financial products and services.”<sup>4</sup> However, we are concerned that the *Fair Lending for All Act* as currently drafted could unnecessarily add confusion by requiring lenders to ask their customers to provide sensitive personal and private information. Although we are unable to support this proposal in its current form, we stand ready to work with Congress to help develop legislation that ensures access to responsible credit for all.

- **AFSA Opposes H.R. 166 - *Fair Lending for All Act***

**Amendment #6:** *Submitted by Representatives Rodney Davis, Chuck Fleischmann, Scott Fitzgerald, Don Bacon, Young Kim, and Pete Stauber, repeals the Small Business Loan Data Collection requirement under the Equal Credit Opportunity Act for all financial institutions.*

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<sup>1</sup> Founded in 1916, AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, mortgages, direct and indirect vehicle financing, payment cards, and retail sales finance.

<sup>2</sup> CNBC, [Two-thirds of Americans live paycheck to paycheck as inflation continues to climb](#) (May 2022)

<sup>3</sup> Federal Reserve, [Economic Well-Being of U.S. Households in 2021](#) (May 2022)

<sup>4</sup> [Sen. Coons, colleagues urge Treasury Department to create a Presidential Commission on Financial Inclusion](#) (Nov. 2021)

Small businesses are the cornerstone of the American economy. They are local restaurants, retailers, auto repair shops, construction companies, manufacturers, real estate, agriculture businesses, and many others. These main street businesses are in every town across the country and provide employment opportunities and drive economic growth for communities.

To collect and report demographic data about small businesses to the CFPB, covered financial institutions would be required to compile, maintain, and report information concerning credit applications made by women-owned, minority-owned, and small businesses.

Implementing a small business data collection system of this magnitude, which may apply to multiple credit products and loan operation systems within each financial institution, will require the development of new policies and procedures, systems acquisitions and changes, and extensive training. System modifications require not only time for development, but also for appropriate testing before being implemented. It's unclear if the massive effort and expense to collect this information will result in *any* useful data.

- **AFSA Supports the Davis #6 Amendment**

***Amendment #21:** Submitted by Representatives Ayanna Pressley and Jamaal Bowman, requiring creditors to provide American Sign Language interpretation services to consumers who have indicated that language as a preference.*

AFSA supports the amendment's overall intent and objective to provide clear communications services for all consumers. However, as drafted, the amendment's scope raises potential compliance issues for financial services providers, especially for small financial institutions located in rural areas. We encourage Congress to study the feasibility and potential accommodations of how consumer finance companies, vehicle finance entities, banks, mortgage lenders, and other financial providers can implement policies that effectively assist customers while remaining in compliance with federal laws.

- **AFSA Opposes the Pressley #21 Amendment**

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Thank you for the opportunity to comment on legislation before the House of Representatives. AFSA hopes to continue to work with Congress on policies that help ensure access to consumer credit and regulated financial services remains safe and affordable for millions of hard-working families. If you have any questions or require additional information, please do not hesitate to contact me at 202-776-7300 or [cwinslow@afsamail.org](mailto:cwinslow@afsamail.org).

Sincerely,

A handwritten signature in black ink that reads 'Celia Winslow'.

Celia Winslow  
Senior Vice President  
American Financial Services Association