THORN RUN PARTNERS
GOVERNMENT RELATIONS

Hearing Summary *April 16, 2026*

HFSC Holds Subcommittee Hearing on Credit Access

Executive Summary

On Apr. 16, the House Financial Services Subcommittee on Financial Institutions held a hearing on credit reporting. Throughout the hearing, Republicans argued the credit reporting system is under strain from fraudulent claims and emphasized the importance of complete credit reports, opposing efforts to exclude negative reports. Republicans also supported incorporating new, alternative data on consumers to help issuers craft more comprehensive, accurate credit reports. For their part, Democrats said including medical debt in reports unfairly harms people's credit scores and joined **Ms. Chi Chi Wu** in claiming medical debt does not accurately reflect financial responsibility. In response, Chair Barr explicitly pushed back against excluding medical debt from credit reports, claiming such an omission harms the accuracy of consumer reports. Democrats broadly criticized the Trump administration's reductions in funding for the Consumer Financial Protection Bureau (CFPB), stating it provides remedy for consumers facing inaccurate credit reports from credit reporting agencies (CRAs).

Of note, four pieces of legislation were highlighted during the hearing: (1) the Fair Credit Reporting Act (FCRA) Liability Harmonization Act (H.R. 5775), (2) the Credit Access and Inclusion Act (H.R. 5402), (3) the Eliminating Fraud in the CFPB's Complaint Database Act (H.R. 7588), and (4) the Fair Credit Reporting Reseller Accuracy Act (H.R. 8141). **Rep. Barry Loudermilk (R-GA)** spent considerable time discussing the Fair Credit Reporting Act's (FCRA) liability framework, warning against burdensome compliance standards and abusive litigation practices. Absent from the discussion was any mention of President Trump's recent proposal to cap on credit card fees.

Opening Statements

Chair Andy Barr (R-KY) (testimony) argued excluding negative reports reduces the accuracy of credit reports and thus introduces instability to the credit reporting market. He opposed the use of, in his view, frivolous and duplicative complaints filed under the CFPB's Consumer Complaint Database and supported using additional data, like rent and utility bills, to expand credit access.

Ranking Member Bill Foster (D-IL) opposed reductions in force at the CFPB and issued optimism over the ability of new data sources and artificial intelligence (AI) to help people provide new data to expand their access to credit and get relief. However, Ranking Member Foster opposed the inclusion of medical debt on credit reports.

Witness Testimony

Mr. Dan Smith, (testimony), President and Chief Executive Officer, Consumer Data Industry Association, endorsed the FCRA and emphasized that excessive litigation and liability risks under current law discourage data sharing and limit the use of alternative data to expand credit access. Mr. Smith supported the FCRA Liability Harmonization Act (H.R. 5775), warning against duplicative regulations and urging Congress to expand credit access.

Ms. Rebecca Kuehn, (testimony), Partner, Hudson and Cook, claimed FCRA's existing framework effectively promotes access to credit and supports competition in credit markets. Ms. Kuehn supported the FCRA Liability Harmonization Act (H.R. 5775), urging Congress to align liability standards with other consumer protection laws to reduce abusive litigation while preserving consumer protections.

Mrs. Celia Winslow, (testimony), President and Chief Executive Officer, American Financial Services Association, warned against growing fraud in the credit reporting system through false disputes and misuse of identity theft claims. She said such practices undermine accurate data, leading to tighter credit, higher interest rates, and ultimately reduce credit access.

Mrs. Veneshia Ferdinand, (testimony), Director of Compliance Policy, Simmons Bank, on behalf of the American Bankers Association, stressed that accurate and complete credit reporting under FCRA is essential for banks to assess risk, price credit, and expand access to borrowers. She opposed excluding negative information from credit reports and supported proposals seeking to reduce frivolous disputes.

Ms. Chi Chi Wu, (testimony), Director of Consumer Reporting and Data Advocacy, National Consumer Law Center, opposed the Eliminating Fraud in the CFPB's Complaint Database Act (H.R. 7588), arguing it hamstrings essential consumer protections services provided by the bureau.

DISCUSSION AND QUESTIONS

CFPB

- After claiming the CFPB's complaint database is "abused" by consumers to inundate reporting agencies, Chair Barr asked Mr. Smith asked how his sponsored legislation, the Eliminating Fraud in the CFPB's Complaint Database Act (H.R. 7588) helps curb abuse. While Mr. Smith acknowledged the tool's importance for consumers, he argued FCRA requires consumers to directly file complaints with CRAs and said the bill helps improve the accuracy of the consumer reporting system.
- Criticizing the Office of Management and Budget's (OMB) reductions in force (RIF) at the CFPB, **Full Committee Ranking Member Maxine Waters (D-CA)** and Ranking Member Foster asked Ms. Wu if these RIFs make filing complaints more difficult and Ms. Wu agreed.

FCRA

- Chair Barr asked Ms. Kuehn how the FCRA helps promote accuracy in consumer reporting and Ms. Kuehn explained the FCRA is routinely updated to incorporate new technology and data to strengthen reporting accuracy.
- Rep. Loudermilk raised concerns that FCRA's liability framework — particularly surrounding statutory and punitive damages — encourages excessive litigation and said his sponsored bill, the FCRA Liability Harmonization Act (H.R. 5775), caps statutory damages in class action lawsuits and limits punitive damages to curb abuse while preserving consumer remedies. Ms. Kuehn supported the proposed reforms, stating FCRA's civil liability provisions burden small CRAs and warrant reform. Rep. Huizenga also issued support for the proposal.
- Rep. Loudermilk asked Ms. Kuehn for mechanisms to help CRAs comply with FCRA. Ms. Kuehn responded that, in addition to the CFPB, the FTC and state Attorneys General already provide sufficient enforcement authority.
- Rep. Loudermilk asked Mr. Smith how uncapped civil liabilities in FCRA present challenges for CRAs and Mr. Smith lamented that such risks are passed on to users of credit reports.
- Rep. Loudermilk asked Mr. Smith how much consumers benefit from settlements under FCRA's current framework and Mr. Smith claimed lawyers receive an unduly large proportion of the settlement compared to consumers.

Alternative Data & Credit Scoring

- Chair Barr, **Rep. Roger Willaims (R-TX)**, and **Rep. Bill Huizenga (R-MI)** asked Ms. Winslow and Ms. Ferdinand about the importance of encompassing the entirety of consumers' financial decisions to create accurate credit profiles. Both witnesses opposed excluding negative data, including medical debt, from reports to ensure accurate credit reporting.
- **Rep. John Rose (R-TN)** asked Mr. Smith how strictly positive reporting impacts the safety and soundness of financial institutions and Mr. Smith claimed that excluding negative reporting obstructs lenders from obtaining accurate reports on consumers.
- Rep. Williams asked Mr. Smith how data and technology have expanded access to credit. Mr. Smith expressed openness to accepting new datasets to help expand credit access.
- **Rep. Young Kim (R-CA)** issued concern over a downward trend in credit scores and asked Mr. Smith how using multiple credit reports impact consumers' access to affordable housing and Mr. Smith reiterated his support for sharing more consumer data with lenders.
- Rep. Kim spoke to her bill — the Credit Access and Inclusion Act (H.R. 5402), which seeks to include rent and utilities to credit reports — and asked Mr. Smith to explain existing regulatory barriers barring additional data sources. Mr. Smith again stated his support for including new data sources in credit reports to expand credit access.
- Pushing back on broad Republican support for alternative data sources, **Rep. Nydia Velázquez (D-NY)** asked Ms. Wu how certain data can be used to discriminate against consumers. Ms. Wu accused landlords of "weaponizing" past, late rent payments against renters and supported only including additional positive, voluntary data sources in reports.

- **Rep. Al Green (D-TX)** asked Ms. Wu if people without credit scores can access credit through alternative sources like utility bills. Ms. Wu reiterated her support for leveraging new data sources, provided they are used in a non-predatory manner.
- **Rep. Sean Casten (D-IL)** asked Mr. Smith to compare the quality and reliability of alterative data to more traditional data sources used by CRAs and Mr. Smith ultimately believed alternative data sets are best used to supplement traditional sources.
- Rep. Casten continued and asked Mr. Smith how the use of alternative data — like cash-flow and bank account information — in non-traditional financing arrangements should be treated in credit underwriting and whether it should affect a company's credit rating. Mr. Smith responded that while alternative data can enhance underwriting by providing a more complete risk picture, it must be carefully validated for predictiveness and is best used alongside traditional credit data.
- **Rep. Joyce Beatty (D-OH)** asked Ms. Wu to explain the benefits of free access to consumer reports for underwriting purposes and the removal of medical debt from scoring. Ms. Wu agreed that medical debt is not predicative and thus should be excluded from credit reports.
- Rep. Rose asked Mr. Smith if the Federal Housing Finance Agency's (FHFA) move away from exclusive reliance on legacy FICO scores towards VantageScore will increase credit score competition and benefit consumers. Mr. Smith supported the inclusion of alternative credit scores.
- Rep. Velázquez criticized the Credit Access and Inclusion Act (H.R. 5402) for not providing additional funding to Public Housing Authorities (PHA) to report rent information to CRAs and asked Ms. Wu if PHAs need more funding to carry out the proposed mandate. Ms. Wu agreed, warning that these costs may be passed on to consumers.

Identity Theft

- Ranking Member Foster touted his bipartisan, sponsored bill the Stop Identity Fraud and Identity Theft Act (H.R.7270), which attempts to spur state investment in mobile and digital drivers licenses to combat identify fraud.
- Ranking Member Foster asked Ms. Winslow to explain the effect of identity fraud on credit reporting. Ms. Winslow said identity fraud is the most significant factor in errors on credit reports.

Credit Repair

- Rep. Kim and **Rep. Brad Sherman (D-CA)** asked Ms. Winslow how Congress should address fraudulent practices by credit repair organizations (CRO). Ms. Winslow supported the bipartisan Ending Scam Credit Repair Act (ESCRA) (H.R.306), which bans CROs from charging consumers without proof of success and requires state licensure for CROs.
- Rep. Rose asked Ms. Ferdinand about efforts to ease the regulatory burden of banks' compliance programs, specifically with respect to smaller, community banks. Ms. Ferdinand said reporting information as a furnisher to CRAs presents a compliance burden that is too high for smaller banks.

Other Matters

- Rep. Rose discussed recent concerns among CRAs over Anthropic's new Mythos AI model and asked the witnesses if credit bureaus have adequate cybersecurity capabilities. Mr. Smith did not answer the question directly but agreed that data security is vital.
- Rep. Sherman asked Mr. Smith if Congress should pass legislation banning trigger leads — when credit bureaus sell consumer data to lenders after they apply for a mortgage, leading to unsolicited calls and emails. Mr. Smith said the Consumer Data Industry Association is in compliance with the Homebuyers Privacy Protection Act (H.R.2808), which was signed into law in Sep. 2025.