



May 25, 2021

Chairman Sherrod Brown  
Senate Committee on Banking, Housing and  
Urban Affairs  
Washington, D.C. 20510

Ranking Member Patrick Toomey  
Senate Committee on Banking, Housing and  
Urban Affairs  
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Dear Chairman Brown and Ranking Member Toomey:

On behalf of ACA International (ACA), the Association of Credit and Collection Professionals, I am writing regarding the hearing, “Annual Oversight of Wall Street Firms.” ACA International is the leading trade association for credit and collection professionals representing approximately 2,100 members, including credit grantors, third-party collection agencies, asset buyers, attorneys and vendor affiliates in an industry that employs nearly 125,000 employees worldwide.

As businesses, community lenders, hospitals, and other providers throughout the country continue to face unprecedented challenges as a result of COVID-19, the work of ACA’s members is more important than ever. As part of the process of attempting to recover outstanding payments, ACA’s members are an extension of every community’s businesses. ACA members work with these businesses, large and small, to obtain payment for the goods and services already received by consumers.

Without an effective collections process, the economic viability of businesses and, by extension, the American economy, is threatened. Recovering rightfully owed consumer debt enables organizations to survive, helps prevent job losses, keeps credit, goods, and services available, and reduces the need for tax increases to cover government budget shortfalls. In short, consumer harm can result in several ways when unpaid debt is not addressed, and ACA members work to help consumers understand their financial situation and what can be done to address it and improve it.

Despite the fact that they are highly regulated, and their work helps ensure a functioning economy, ACA’s members have been unfairly targeted by banks in Operation Choke Point and other similar efforts that have led to banking relationship terminations. This activity occurred as recently as in the past few months when ACA members have reported unfair and unexplainable banking terminations. One of the largest banks in the country stated to an ACA member, “We will not be able to open the savings account for XX because any debt collection activity or entity is considered high risk for our bank.” The bank added, “Upon a second review, we maintain the same decision based on the industry type.” Notably, banks also engage in debt collection

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activities themselves as part of their safety and soundness requirements both in house and using third-party debt collection services.

Nevertheless, credit and collection professionals have had their banking relationships abruptly terminated on numerous other occasions since the inception of Operation Choke Point. In states where a banking relationship is required to have a license to operate, this can threaten the existence of collection businesses, as well as their employees' jobs. There is often little notice and no specific explanation for why a banking relationship was terminated. While the number of ACA members impacted by these efforts has declined since the height of Operation Choke Point, the highly questionable practice of categorical discrimination from banks against the debt collection industry continues.

Legislation including the Fair Access to Banking Act, which addresses these issues by ensuring that banks have a responsibility to make decisions about whether to provide a person with financial services based on impartial criteria free from prejudice or favoritism, is a step in the right direction for addressing these problems. Importantly, the legislation requires that making decisions about banking relationships is based on individualized risk-based analysis using empirical data evaluated under quantifiable standards, rather than on categorical decisions discriminating against entire industries. Furthermore, it requires that, when denying any person financial services, the covered bank offers to provide written justification to the person explaining the basis for the denial, including any specific laws or regulations the covered bank believes are being violated by the person or customer.

ACA believes this legislation is necessary because previous articulations of the fair access principle without the force and effect of law have been inadequate in deterring rogue examiners, as well as banks with political and agenda-driven ideologies. Allowing individuals to pick winners and losers in the financial services marketplace based on individual unresearched ideologies is a very dangerous slippery slope, not just for ACA members but for all Americans. Accordingly, ACA asks that Congress advance this legislation and hold banks that engage in unfair and discriminatory practices against legal and highly regulated businesses accountable for their actions.

Thank you for your attention to these important matters.

Sincerely,

Mark Neeb

A handwritten signature in black ink, appearing to read 'Mark Neeb', with a stylized flourish at the end.

Chief Executive Officer  
ACA International