



September 20, 2022

Chairwoman Maxine Waters  
House Financial Services Committee  
Washington, D.C. 20515

Ranking Member Patrick McHenry  
House Financial Services Committee  
Washington, D.C. 20515

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of ACA International, the Association of Credit and Collection Professionals (ACA), I am writing regarding the hearing, “Holding Megabanks Accountable: Oversight of America’s Largest Consumer Facing Banks.”

ACA represents approximately 1,800 members, including credit grantors, third-party collection agencies, asset buyers, attorneys, and vendor affiliates in an industry that employs more than 125,000 people worldwide. Most ACA member debt collection companies are small businesses. Women comprise 70% of the ethnically diverse debt collection workforce.

ACA members work with consumers to resolve their past debts, which in turn saves every American household more than \$700 year after year. The accounts receivable management (ARM) industry’s role serves a critical need in America’s credit-based economy. Its efforts keep access to credit at the lowest possible cost. For example, in 2018 the ARM industry *returned over \$90 billion* to creditors for goods and services they already provided to their customers.

Our industry’s collections benefit all consumers by lowering the costs of goods and services—especially when rising prices are impacting the livelihood of Americans throughout the country. Our members follow comprehensive compliance policies and high ethical standards to ensure consumers are treated fairly. ACA contributes to this by providing timely industry-sponsored education as well as compliance certifications.

In short, ACA members are committed to assisting consumers as they work together to resolve their financial obligations, all in accord with the Collector’s Pledge that all consumers are treated with dignity and respect.

### **Fair Access to Banking**

Credit and collection professionals have had their banking relationships abruptly terminated on numerous occasions since the inception of Operation Choke Point and other similar programs. In states where a banking relationship is required to have a license to operate, this threatens the existence of their businesses and their employees’ jobs. On many occasions, there is often little notice and no specific explanation for why a banking relationship is terminated. Banks should be required to make decisions about banking relationships based on individualized risk-based analysis using empirical data evaluated under quantifiable standards, rather than on

categorical decisions discriminating against entire industries. When denying any person financial services, banks should provide written justification explaining the basis for the denial, including any specific laws or regulations the covered bank believes are being violated by the person or customer. While the rate of banking terminations has declined, the highly questionable practice of preventing fair access to banking continues. We urge Congress to address this.

### **ACA's Thoughts on Legislation**

- *H.R. 4120, the “Comprehensive Consumer Credit Reporting Reform Act” (Rep. Pressley)*
- *H.R. \_\_\_\_, the “Protecting Your Credit Score Act” (Rep. Gottheimer)*
- *H.R. 4112, the “Clarity in Credit Score Formation Act” (Rep. Lynch)*

ACA is very concerned that these bills seek to change the credit reporting system and expand the Consumer Financial Protection Bureau’s (CFPB) activity in this market, which has proven to be misguided as a result of not taking steps to consider all stakeholders’ input on the changes, among other gaps in the process. ACA recently outlined extensive concerns with actions related to limiting credit reporting medical debt in a comprehensive [letter to Congress](#). ACA has serious concerns with all actions from regulators and legislators, including those in H.R. 4120, that limit credit reporting in the student loan or medical debt markets, and any other market for that matter. Suppressing data about a consumer’s creditworthiness leads to several negative unintended consequences as outlined in the referenced letter to Congress. ACA does not support moving forward with these bills that would negatively impact the underwriting process, collection activities, and further threaten the credit-based economy. Lenders and providers need accurate data to provide credit and services at the best rates. When they do not, the cost of credit and services increases.

Thank you for holding this hearing and for listening to the concerns of ACA International, also outlined in our [2022 Advocacy Booklet](#).

Sincerely,



Scott Purcell  
Chief Executive Officer