

May 4, 2017

The Honorable Barry Loudermilk  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Loudermilk:

The undersigned organizations commend you for your leadership on the FCRA Liability Harmonization Act. The bill would align the Fair Credit Reporting Act (FCRA) with other financial consumer protection laws by capping the amount of statutory damages allowed in class action lawsuits and eliminating the availability of punitive damages.

In contrast to other consumer financial protection statutes, the FCRA does not impose a cap on recovery in class action lawsuits. Therefore, under current law, plaintiffs in a FCRA class action lawsuit may pursue unlimited damages including punitive damages and attorneys' fees. The Electronic Fund Transfer Act (EFTA), Fair Debt Collection Practices Act (FDCPA), Equal Credit Opportunity Act (ECOA), and Truth in Lending Act (TILA) establish parameters of economic liability in class action litigation.

This imbalanced structure invites class action lawsuits alleging technical violations of the FCRA with large putative classes to generate payouts for attorneys. For many businesses, the risk of uncapped liability effectively forces them into settling even the most speculative claims. These lawsuits leave businesses with fewer resources to invest in jobs and growth, ultimately leading to higher costs for consumers.

The FCRA Liability Harmonization Act promotes fairness in FCRA class action litigation and establishes reasonable limits on liability while maintaining the protections afforded to consumers under the FCRA. The FCRA would continue to ensure that individual consumers who are harmed are appropriately compensated for their injuries. With the passage of this bill, consumers may continue to bring individual or class action lawsuits and recover attorneys' fees and the costs of litigation.

Passing the FCRA Liability Harmonization Act is an important action Congress can take to rein in abusive litigation practices while sustaining consumer protections.

Sincerely,

American Bankers Association  
Consumer Bankers Association  
Consumer Data Industry Association  
Electronic Transactions Association  
Financial Services Roundtable  
International Franchise Association

National Association of Professional Background Screeners  
National Automobile Dealers Association  
Retail Industry Leaders Association  
The Software & Information Industry Association  
U.S. Chamber Institute for Legal Reform  
U.S. Chamber of Commerce