February 10, 2025

Hon. Russ Vought
Acting Director
Consumer Financial Protection Bureau
1700 Pennsylvania Avenue, N.W.
Washington, DC 20006

Dear Acting Director Vought:

We, the undersigned associations representing financial institutions, their technology providers, and consumer reporting agencies, respectfully urge you to withdraw the proposed rule expanding the scope of the Fair Credit Reporting Act (FCRA) to cover data brokers and related activity (Proposed Rule).[1] We believe that the proposal is both substantively and procedurally flawed in several key areas, including those outlined below.

The Proposed Rule's expansion of the definitions of "consumer report" and "consumer reporting agency" conflicts with the statutory language of FCRA and decades of well-settled case law. These proposed new interpretations exceed the statutory framework Congress created and raise significant concerns regarding legality and potential unintended consequences.

Additionally, should the Proposed Rule be finalized, it would undermine financial institutions' ability to combat identity fraud and comply with existing regulatory requirements, including customer identification procedures under BSA/AML laws. The rule's lack of a clear exception for such beneficial use cases could create operational challenges for financial services companies and expose consumers and financial institutions to greater risk.

Finally, the Proposed Rule's cost-benefit analysis is insufficient and lacks supporting data. The CFPB asserts impacts and conclusions that are either unsubstantiated or inaccurate. In fact, the Bureau acknowledges in nearly two dozen instances that it "does not have data" or sufficient information to substantiate its policy conclusions or assess the proposal's potential impact on consumers and the financial services industry. Without a robust data foundation, this rule risks being poorly targeted and counterproductive as well as not meeting the requirements under the Consumer Financial Protection Act and Administrative Procedure Act.

While the comment period remains open until March 3rd, we strongly urge you to withdraw the Proposed Rule as soon as practicable. Given the issues outlined above, the Bureau should abandon the rulemaking completely. We would appreciate the opportunity to discuss our concerns in more detail and are happy to meet with you or your staff to explore potential solutions.

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[1] 89 Fed. Reg. 101402.

Thank you for your attention to this matter. We look forward to your response.

Sincerely,

ACA International

America's Credit Unions

The American Credit Union Mortgage Association (ACUMA)

The American Fintech Council (AFC)

The American Financial Services Association (AFSA)

The Bank Policy Institute (BPI)

The Consumer Bankers Association

The Consumer First Coalition

The Consumer Data Industry Association (CDIA)

The Electronic Transaction Association (ETA)

The Financial Technology Association (FTA)

The Innovative Lending Platform Association

The Mortgage Bankers Association (MBA)

The National Association of Credit Union Service Organizations (NACUSO)

The Online Lenders Alliance

The Professional Background Screening Association (PBSA)

The U.S. Chamber of Commerce