

The Week Ahead: Credit Bias and Its Impact on Homeownership

June 25, 2021

On Tuesday, June 29, the U.S. House Committee on Financial Services will be conducting a hybrid hearing titled "[A Biased, Broken System: Examining Proposals to Overhaul Credit Reporting to Achieve Equity](#)" at 10:00 a.m. EDT.

The Fair Credit Reporting Act (FCRA) provides the legal framework for the consumer credit reporting system, which is enforced by both the Consumer Financial Protection Bureau (CFPB) and the Federal Trade Commission (FTC).

This hearing will examine bias in the credit reporting system, which can be traced back to the 1930s, when entire communities and people of color were explicitly excluded from affordable government and other mainstream loans when the Home Owners Loan Corporation (HOLC), known today as the Federal Housing Administration (FHA), [utilized rating systems and redlining maps](#) that deemed communities of color as high credit risks. These exclusionary policies were perpetuated by private industry practices, and studies show that many of these redlining practices continue today. This type of discrimination created segregated neighborhoods, where people of color had limited access to affordable, sustainable credit and were relegated to using fringe, non-bank lenders that regularly charged more to access credit.

A panel of industry experts will examine three key pieces of legislation, the [Protecting Your Credit Score Act of 2021](#), the [National Credit Reporting Agency Act](#), and the [Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency Act of 2021](#).

The Protecting Your Credit Score Act of 2021 was drafted to amend the FCRA to ensure that consumer reporting agencies are providing fair and accurate information reporting in consumer reports, and for other purposes.

The National Credit Reporting Agency Act seeks to revised the FCRA to establish the Public Credit Registry as a federal consumer reporting agency, while the Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency Act of 2021 seeks to provide comprehensive reforms to consumer credit reporting laws.

Invited panelists include: Syed Ejaz, Financial Policy Analyst with [Consumer Reports](#); Jeremie Greer, Co-Founder and Co-Executive Director of [Liberation in a Generation](#); Amy Traub, Associate Director of Policy and Research at [Demos](#); Chi Chi Wu, Staff Attorney for

the National Consumer Law Center (NCLC); and Dan Quan, Adjunct Scholar for Cato Institute's Center for Monetary and Financial Alternatives.