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Statement of the Electronic Transactions Association

United States House of Representatives

Committee on Financial Services

Subcommittee on Financial Institutions and Consumer Credit

“Legislative Proposals for a More Efficient Federal Financial Regulatory Regime.”

Thursday, September 7, 2017

The Electronic Transactions Association (ETA) submits the following statement for the House Committee on Financial Services Subcommittee on Financial Institutions and Consumer Credit hearing on September 7, 2017. ETA is the leading trade association for the payments industry; its membership spans the breadth of the payments industry to include independent sales organizations, payments networks, financial institutions, transaction processors, mobile payments products and services, payments technologies, equipment suppliers, and online small business lenders.

As part of today’s hearing, the subcommittee is expected to discuss H.R. 2359, the FRCA Liability and Harmonization Act, authored by Rep. Barry Loudermilk. ETA supports H.R. 2359 and encourages the committee to move forward with its consideration.

H.R. 2359 would align the Fair Credit Reporting Act (FCRA) with other financial consumer protection laws such as the Electronic Funds Transfer Act, Fair Debt Collection Practices Act, Expedited Funds Availability Act, Homeowner’s Protection Act, and Truth in Lending Act by capping the amount of statutory damages allowed in class action lawsuits and eliminating the possibility of punitive damages. ETA believes harmonization of these federal laws is important to decrease the number of frivolous class action lawsuits against businesses where consumer harm is not at issue.

Further, harmonization of FCRA with other financial consumer protection laws would set an example for modernization of other similar consumer protection laws such as the Telephone Consumer Protection Act (TCPA) which has also encountered litigation abuse.

In recent years, class action litigation filed under FRCA and TCPA has skyrocketed, with data demonstrating the consumers in the lawsuits may not reap the reward.

Although statutory changes to TCPA may be outside the jurisdiction of this committee, ETA thanks the subcommittee for holding this hearing to facilitate the discussion of potential abuse in class action litigation more broadly. We look forward to working with the subcommittee to assist in its efforts and to encourage similar actions by other committees.