

House Concurrent Resolution No. 37

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SMITH.

2352L.011

D. ADAM CRUMBLISS, Chief Clerk

1 **WHEREAS**, personal finance literacy is essential to prepare individuals to make
2 informed financial choices and to take control of their circumstances, improve their quality of
3 life, and plan for their financial future; and

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5 **WHEREAS**, the annual Consumer Financial Literacy Survey suggests that many
6 Americans, particularly minorities, continue to struggle with their finances, with one in five
7 United States adults not sure about what types of information are typically included on a standard
8 credit report, and many have misconceptions about or are unaware of the specific types of
9 information that a credit report would contain; and

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11 **WHEREAS**, Missouri is a leader in financial literacy initiatives and has adopted the
12 Council for Economic Education's National Standards for Financial Literacy to help young adults
13 understand how to make informed financial decisions; and

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15 **WHEREAS**, personal financial knowledge and awareness have broad implications for
16 the economic welfare of our state and nation; and

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18 **WHEREAS**, the complexity of credit scoring methods and financial decisions today
19 require better education and tools; and

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21 **WHEREAS**, credit scores are widely used by financial institutions to assess eligibility
22 for mortgages, credit cards, student loans, personal loans, retail credit, and other consumer credit;
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25 **WHEREAS**, the United States Congress has repeatedly stressed the importance of
26 increasing transparency of credit reports and credit scores through amendments to the Fair Credit
27 Reporting Act, the Fair and Accurate Credit Transactions Act of 2003, the Credit Accountability
28 and Responsibility and Disclosures Act of 2009, and the Wall Street Reform and Consumer
29 Protection Act of 2010; and

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31 **WHEREAS**, lenders send an estimated 120 million credit-score disclosures each year
32 when consumers apply for a loan, are denied credit, or are offered less favorable terms, and now
33 many lenders provide their customers with credit scores on monthly statements; and

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35 **WHEREAS**, an increase in availability and access to credit scores generate more
36 consumer questions to both lenders and the nationwide credit reporting agency that provided the
37 score; and

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39 **WHEREAS**, many consumers who contact the nationwide credit reporting agencies to
40 ask questions about how their credit scores are determined and what specific actions they can
41 take to improve their scores find that these agencies are limited by the Credit Repair
42 Organizations Act from providing individualized assistance to consumers; and

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44 **WHEREAS**, the Credit Repair Organizations Act is an important consumer protection
45 law to prevent unfair and deceptive practices among credit repair organizations that undermine
46 the accuracy and completeness of credit reports, but the law has been broadly applied by courts
47 in ways that Congress never intended and has limited the development and delivery of innovative
48 credit education products and services; and

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50 **WHEREAS**, consumers should be able to obtain individualized assistance from sources
51 that are regulated, supervised, and examined about what specific actions they can take to improve
52 their individual credit reports and credit scores; and

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54 **WHEREAS**, the State of Missouri and the United States Congress should do all in their
55 power to ensure that consumers have timely access to financial education and organizations are
56 incentivized to invest in financial education:

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58 **NOW THEREFORE BE IT RESOLVED** that the members of the House of
59 Representatives of the Ninety-eighth General Assembly, First Regular Session, the Senate
60 concurring therein, hereby respectfully encourage the United States Congress to make reforms
61 to the Credit Repair Organizations Act that would affirm nationwide credit reporting agencies
62 that are supervised and examined are able to create, promote, and maintain resources whereby
63 consumers can access specific recommendations to improve their individual credit reports and
64 credit scores; and

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66 **BE IT FURTHER RESOLVED** that such a resource to provide help to consumers to
67 improve their credit reports and credit scores would not violate the Credit Repair Organizations
68 Act; and

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70 **BE IT FURTHER RESOLVED** that the Chief Clerk of the Missouri House of
71 Representatives be instructed to prepare properly inscribed copies of this resolution for the
72 majority and minority leaders of the United States Senate and the United States House of
73 Representatives, and each member of the Missouri Congressional delegation.

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