

Congress of the United States
Washington, DC 20515

August 22, 2016

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552-0003

Re: Notice of Proposed Rulemaking on Arbitration Agreements (Docket ID No. CFPB-2016-0020; RIN 3170-AA51)

Dear Ms. Jackson:

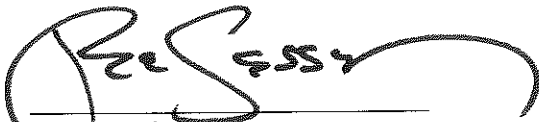
We are concerned that the Consumer Financial Protection Bureau's ("CFPB") Proposed Rule on Arbitration Agreements ("Proposed Rule") will choke off access to products and services that help consumers manage their creditworthiness, monitor changes in their credit reports, and protect themselves against identify theft. Specifically, we ask that any final rule from the Bureau should not limit the ability of companies providing these services to use arbitration clauses and class action waivers for claims related to the Credit Repair Organizations Act ("CROA").

Congress enacted CROA in 1996 to protect consumers from predatory credit repair scam operators that made false claims of "fixing" a consumer's credit score in exchange for exorbitant fees. The law was designed to be a strict liability statute, with an aggressive private right of action, to put abusive Credit Repair Organizations out of business. In recent years, however, CROA has been the subject of expansive judicial interpretations, including the 2014 ruling by the Ninth Circuit Court of Appeals in *Stout v Freescore*. Under *Stout*, any product that can help a consumer improve his or her credit report or credit score may be subject to CROA. As a result, CROA's definition of "credit repair" now includes legitimate credit services such as credit monitoring and credit education. This interpretation contradicts the position of the Federal Trade Commission, who, in a letter to Representative Ed Royce (R-CA) and subsequent congressional testimony said it "sees little basis on which to subject the sale of legitimate credit monitoring and similar educational products and services to CROA's specific prohibitions and requirements."

Footnote 680 of the Proposed Rule asks if "allowing consumers to bring class actions pursuant to [CROA] against providers that offer credit monitoring products could threaten the availability of those products due to the challenge of complying with CROA (to the extent it applies to those products)?" In light of the expanded reach of CROA created by the judiciary, acting counter to the original intent of Congress, we believe that the answer to this question is a resounding "yes."

The benefits of a good credit standing cannot be understated, as anyone who has taken out a mortgage, purchased a car, or signed up for student loans will tell you. If legitimate providers of credit education, credit monitoring, and identity protection products and services face increased liability under CROA, they will be forced to curtail or remove those products and services from the marketplace. In the end, the consumers the Bureau aims to protect will be hurt the most.

Respectfully,



Pete Sessions




Ed Royce



Ann Wagner



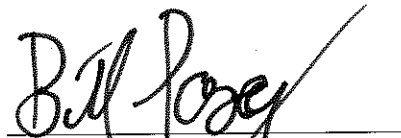
Mimi Walters



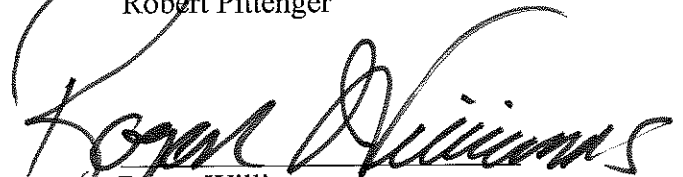
Steve Stivers




Robert Pittenger



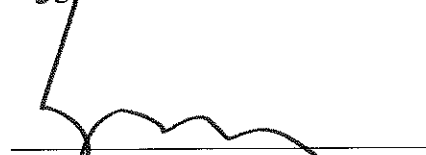
Bill Posey



Roger Williams



Steve Pearce



Steve Womack