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## **NCLC, NACA Statement Regarding Fair Consumer Reporting in Bankruptcy Act of 2015**

**(WASHINGTON)** Today, Senator Sherrod Brown, ranking member of the Senate Banking Committee, introduced the **Fair Consumer Reporting in Bankruptcy Act of 2015**. "On behalf of our low-income clients, we applaud Senator Brown for introducing this bill that will prevent banks and other creditors from continuing to list on a consumer's credit report that a debt discharged in bankruptcy is still owed by the consumer," said National Consumer Law Center staff attorney John Rao. "This practice of failing to update credit reports after bankruptcy has harmed consumers by making them look like they are still hopelessly in debt when they are not. They deserve the fresh start that bankruptcy offers."

The bill would require a creditor to inform the consumer reporting agency that a debt has been discharged in bankruptcy and has a zero balance. It also would create a private remedy against a creditor that reports inaccurate information to a consumer reporting agency.

An estimated one in five consumers has an error on their credit report, and one in twenty has an error so serious it could result in the consumer being denied credit or paying more. Additionally, misreporting of debt discharged in bankruptcy pressures consumers paying for debts no longer owed and could negatively impact their credit scores and ability to obtain credit or a job.

"American consumers across the country who go through bankruptcy are harmed by discharged debts that continue to wrongly appear on their credit reports," said Ellen Taverna, legislative director at the National Association of Consumer Advocates. "This bill is an important first step to putting consumers in control of obtaining good credit, jobs, and the financial stability they seek."

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Since 1969, the nonprofit **National Consumer Law Center**<sup>®</sup> (NCLC<sup>®</sup>) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. [www.nclc.org](http://www.nclc.org)

**The National Association of Consumer Advocates (NACA)** is a nonprofit association of more than 1,500 consumer advocates and attorney members who represent hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. As an organization fully committed to promoting justice for consumers, NACA's members and their clients are actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means. [www.consumeradvocates.org](http://www.consumeradvocates.org)