

Financial Services Committee Member Day
June 24, 2025
Ending Scam Credit Repair Act (ESCRA)

Thank you, Chair Hill and Ranking Member Waters, for having me today.

I am here to discuss my bipartisan bill, H.R. 306, the Ending Scam Credit Repair Act, also known as ESCRA. I'd like to thank my colleague, Representative Young Kim, for serving as the Republican co-lead on this legislation.

We've all seen the commercials for so-called credit repair organizations, also known as CROs—shiny promises and toll-free numbers offering miraculous credit score boosts. But what we don't see behind those advertisements is the deception, the predation, and the heartbreak. Behind the curtain are CROs exploiting legal loopholes, charging high upfront fees, taking advantage of our confused constituents, and overwhelming financial institutions with manipulative tactics—leaving vulnerable Americans worse off than before.

Our bill cracks down on predatory practices by CROs. It prohibits them from charging upfront fees until at least six months after they've provided proof of real credit score improvement. While this protection is already the law, CROs exploit a loophole to rip consumers off anyway. As long as they don't use certain telemarketing sales practices, they're able to evade this consumer protection. Our bill rightfully closes that loophole.

ESCRA also prohibits CROs from jamming financial institutions with duplicative requests, which has prevented them from addressing legitimate credit report issues. Additionally, ESCRA strengthens state oversight, raises penalties for bad actors, and ensures that every consumer knows their rights—that they can do all of this, on their own, for free.

Our bill doesn't punish legitimate services. It protects the bankruptcy attorneys, the nonprofit advisors, the ethical actors who are trying to do the right thing.

Both the financial services industry and consumer advocates—groups that rarely align—support ESCRA. This legislation exemplifies how Congress is supposed to work: bringing people together to improve life for our constituents. Preventing scams is not a partisan issue.

In Delaware, I've spoken with hardworking families who, in moments of financial stress, turned to these companies believing help was on the way. Instead, they were met with high costs, false hope, and ultimately, more debt and confusion. That's not just immoral—it should be illegal.

Thank you, and I urge the Committee to consider this much-needed, bipartisan legislation.

I yield back the remainder of my time.