January 18, 2019

Mr. Mark W. Begor
Chairman and CEO
Equifax
1550 Peachtree Street, NW
Atlanta, GA 30309

Mr. Rob Nichols
President and CEO
American Bankers Association
1120 Connecticut Avenue, NW
Washington, DC 20036

Mr. Jim Nussle
President and CEO
Credit Union National Association
5710 Mineral Point Road
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Ms. Rebeca Romero Rainey
President and CEO
Independent Community Bankers of America
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Mr. Francis Creighton
President and CEO
Consumer Data Industry Association
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Mr. Craig Boundy
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Mr. Greg Baer
CEO
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Mr. B. Dan Berger
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Executive Director
Financial Innovation Now
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Mr. Nat Hoopes
Executive Director
Marketplace Lending Association
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Washington, DC 20009

Dear Mr. Begor, Mr. Nichols, Mr. Nussle, Ms. Rainey, Mr. Creighton, Mr. Robert, Mr. Baer, Mr. Berger, Mr. Broeksmit, Ms. Saunders, Mr. Peck, Mr. Peters, and Mr. Hoopes:

I write to bring to your attention the joint press release issued on January 11, 2019, by five financial regulatory agencies and state regulators urging institutions to adopt prudent workout arrangements with consumers who may be affected by the ongoing federal government shutdown.[1] I wrote to these agencies on January 10, 2019, asking that they, at a minimum, reaffirm a similar joint statement they made during the 2013 federal government shutdown to protect affected consumers,[2] and I am glad they promptly did so. Given that today marks the 28th day of the federal government shutdown – the longest in U.S. history – that continues to be needlessly prolonged by President Trump, I believe that your institutions and member companies should take all prudent and appropriate actions, including those outlined in the interagency statement, to help any consumer – whether they are a federal employee, federal contractor, or others – who may be affected by the shutdown.

As a result of the shutdown, affected borrowers, through no fault of their own, are facing immediate hardship in making timely payments on debts such as mortgages, student loans, car loans, business loans, or credit cards.[3] Furthermore, once negative information is reported to consumer reporting agencies, affected employees are likely to see a reduction in their credit scores. This may limit their ability to access credit or result in their being offered higher rates and more costly terms on credit in the future.

[1] https://www.federalreserve.gov/newsevents/pressreleases/bcreg20190111a.htm
[2] https://www.federalreserve.gov/newsevents/pressreleases/bcreg20131009a.htm
[3] https://www.usatoday.com/story/money/2019/01/11/government-shutdown-federal-workers-brace-missing-pay/2539768002

Prudent workout arrangements that are consistent with safe-and-sound lending practices are generally in the long-term best interest of the financial institution, the borrower, and the economy. Such efforts should not be subject to examiner criticism. I share the agencies' view that any affected individual should contact their lenders immediately in the event they are experiencing financial difficulty. However, I believe it would be helpful for your institutions and member companies to engage in proactive outreach to, and provide flexible workout arrangements for, your customers who may be finding it difficult to pay their bills in full and on-time due to the shutdown.

Both financial institutions and consumer reporting agencies should also take steps to ensure that modified credit arrangements intended to help customers fulfill their financial obligations do not end up being reported to, and coded by, consumer reporting agencies on a person's credit report in a manner that hurts the creditworthiness of the affected individuals. For example, financial institutions that enter into workout agreements where the institution agrees to adjust the payment terms on a customer's loan should not in turn penalize the customer by informing a consumer reporting agency that the customer's payment was incomplete.

I recognize that in some situations, institutions will not be able to offer workout arrangements for some of their customers. In these instances, I encourage institutions to consider the appropriateness and fairness of reporting adverse information about their customers to consumer reporting agencies, given the unique circumstances of the shutdown.

I appreciate that some of your institutions and member companies have already been announcing accommodations for affected consumers, but it is important that there be a robust effort by *all* institutions to do what they can to help. I ask that each of you provide a prompt written response no later than January 25, 2019, to describe what your institutions and member companies are doing to help innocent consumers in response to this unprecedented federal government shutdown. Please share specifics on what accommodations your institutions and member companies are offering to affected consumers, and how many affected consumers have been helped through these accommodations to date. Please also share any observations and anecdotes you may be hearing from your members about how the shutdown is affecting the communities and consumers they serve.

President Trump's shutdown of the federal government is inflicting tremendous harm to millions of Americans. Affected employees, contractors, and other individuals did not cause the shutdown and should not suffer any adverse consequences from these circumstances. It is in no one's interest to punish those who may be enduring financial stress through no fault of their own. I look forward to your prompt written response and attention to this urgent matter.

Sincerely,

Maxine Waters

MAXINE WATERS
Chairwoman