

MEMO# 16357

August 5, 2003

HOUSE COMMITTEE APPROVES BILL TO MAKE PREEMPTION PROVISIONS OF FCRA PERMANENT

[16357] August 5, 2003 TO: BOARD OF GOVERNORS No. 40-03 FEDERAL LEGISLATION MEMBERS No. 16-03 PRIMARY CONTACTS - MEMBER COMPLEX No. 63-03 PUBLIC INFORMATION COMMITTEE No. 27-03 RE: HOUSE COMMITTEE APPROVES BILL TO MAKE PREEMPTION PROVISIONS OF FCRA PERMANENT On July 24, the House Financial Services Committee approved H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003, by a 61-3 vote. The legislation, introduced by Representative Spencer Bachus (R-AL), would renew and make permanent the uniform national standards for credit reporting set forth in the Fair Credit Reporting Act (FCRA). The legislation also enhances consumer protections in areas such as identity theft and credit report accuracy. The key component of H.R. 2622 is the reauthorization of FCRA. Absent the legislation's permanent extension of FCRA, the uniform national standards for credit reporting would expire at the end of 2003. The FCRA preempts states laws that would prohibit the sharing of financial information among affiliates. The Institute supports the creation of a single, nationwide standard for the sharing of customer information that does not unduly burden financial institutions or their customers. The full House is expected to consider H.R. 2622 after the August congressional recess. The Senate Banking Committee has held a series of hearings on FCRA reauthorization this year. We will keep you informed of further developments. Matthew P. Fink President