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**Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services**

**Subcommittee on Financial Institutions and Consumer Credit
“Fair Credit Reporting Act: How It Functions for Consumers
and the Economy”**

June 5, 2003

Thank you, Chairman Bachus, for convening this latest hearing of your Subcommittee on the vitally important subject of the Fair Credit Reporting Act.

The Subcommittee’s hearing last month served to underscore the benefits to American consumers and the national economy of a credit reporting system that puts a premium on real-time information disclosure and ready access to credit. The testimony at that hearing left little doubt that congressional inaction on renewing the uniform national standards established by the 1996 amendments to the Fair Credit Reporting Act will have serious consequences, particularly in an economy where consumer spending now makes up over two-thirds of gross domestic product.

With mortgage interest rates at historic lows – and affordable consumer credit available to low and moderate-income consumers on a scale unthinkable only a decade ago – now is **not** the time for experimentation or for overturning well-settled legal standards governing the credit reporting and credit granting systems.

The Ranking Minority Member, Mr. Frank, and I are fully committed to a hearing process that is comprehensive, bipartisan, and informative for Members of the Committee, who will be called upon later this year to make legislative judgments on reauthorizing certain key provisions of the Fair Credit Reporting Act. This hearing, which will feature testimony from more than 20 government and private sector witnesses representing a broad range of philosophical and practical perspectives, is nothing if not comprehensive in its coverage. Importantly, it is also balanced – the Subcommittee will hear from witnesses who strongly believe that FCRA’s uniform national standards must be extended; others who favor allowing those standards to expire so that the 50 States can impose different standards; and still others who fall somewhere in between.

Although it is somewhat outside the “regular order” to have four panels of witnesses testify at a subcommittee hearing, an exception has been made in this instance so that Members can receive what amounts to a “crash course” on the operation and effect of the national credit reporting system. Subsequent hearings scheduled for later this month will address other aspects of the Fair Credit Reporting Act, as well as related issues such as what more can and should be done to protect consumers

from identity theft and from the potential misuse of their medical information. I am confident that by sometime later this summer, the Committee will have established a hearing record that can serve as the basis for legislating before the FCRA's uniform national standards expire at the end of this year. While many Members are quite properly reserving judgment on the underlying issues until the hearing process has run its course, it is my hope that the bipartisan spirit in which Chairman Bachus has initiated these hearings can result in a bipartisan Committee product at the end of the day.

Thank you again, Chairman Bachus, for all of your good work on this issue, and I look forward to the testimony of our witnesses.