

**OPENING REMARKS FOR THE HONORABLE RUBEN HINOJOSA  
HOUSE FINANCIAL SERVICES COMMITTEE  
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS  
“THE ROLE OF FCRA IN THE CREDIT GRANTING PROCESS”  
JUNE 12, 2004**

Chairman Bachus and Ranking Member Sanders,

I want to thank you for holding this third in a series of hearings today to investigate the role of the Fair Credit Reporting Act in the credit granting process. It is necessary that we continue to assess the importance of the national credit reporting system. I look forward to this hearing and the series of hearings this Subcommittee will hold to further clarify the issue.

As I noted at the first hearing, my office has been contacted by numerous individuals and groups about the Fair Credit Reporting Act over the past few months. I personally have heard from industry, consumer groups and several regulators on this issue.

I have said in the past that one of the main decisions we, as a Committee, needed to make is whether to extend all seven exceptions to the Fair Credit Reporting Act that preempt state law, just some of the exceptions, or none of them. They all expire January 1, 2004.

On June 11, 2003, I and several New Democrats cosigned a letter to Chairman Oxley and Ranking Member Frank looking towards their leadership to ensure that legislation extending the seven expiring provisions of the Fair Credit Reporting Act (FCRA) is passed by the House and Senate before their termination on January 1<sup>st</sup> of next year.

I believe that these seven provisions enhance the efficiency of the nation's credit system, promote access to the financial industry, protect American consumers, and I am firmly committed to extending them.

However, I also believe it is imperative that any such legislation address problems that have developed since the 1996 enactment of the FCRA amendments. Those issues include, but are not necessarily limited to:

- Identity theft prevention and mitigation;
- The expeditious handling of consumer complaints and disputes;
- Greater accuracy in credit reports; and,
- Consumers' access to their credit information.

I will continue to work with all interested parties to ensure that the final legislation is balanced and fair.