

Ending Scam Credit Repair Act (ES CRA)

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The Problem

- Credit Repair Organizations (CROs) claim to help consumers improve their credit scores by reviewing credit reports, disputing errors, and negotiating with creditors.
- The CRO industry is rife with scams, where some companies make false promises and charge high upfront fees without improving credit scores. Consumers are often misled by claims that CROs can guarantee credit score increases or remove accurate negative information.
- CROs cannot do anything for consumers they cannot do themselves for free.
- A common abusive practice, known as “jamming,” involves CROs repeatedly submitting identical disputes to overwhelm reporting agencies and prevent legitimate credit issues from being resolved.

The *Ending Scam Credit Repair Act*...

- Bans upfront fees by prohibiting CROs from charging or receiving payment until they provide documentation from a consumer reporting agency, issued at least six months after services are completed, showing that improvements have been achieved.
- Prohibits “jamming” practices that flood credit reporting systems with duplicative disputes and undermine legitimate credit correction efforts.
- Requires all CROs to register with a state, increasing oversight and accountability.
- Strengthens consumer protections by increasing civil liability to \$500 per violation, or the full amount of damage a consumer sustained—whichever is greater.
- Requires CROs to clearly disclose that they do not provide a service that consumers could not perform for themselves, for free.
- Standardizes requirements for CRO’s communications with furnishers to streamline credit repair.

ES CRA is endorsed by...

The American Bankers Association, AARP, American Financial Services Association, American Fintech Council, Consumer Action, Consumer Bankers Association, Delaware Community Legal Aid Society, Delaware Community Reinvestment Council, National Association of Consumer Advocates, National Association of Consumer Bankruptcy Attorneys, and National Consumer Law Center.