

May 20, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

**Re: HEROES Act**

Dear Madam Speaker:

The American Financial Services Association (AFSA)<sup>1</sup> and its members have worked hard during this pandemic emergency to help their customers through this difficult time and continue to make credit available to those who need it. Our members have made an unprecedented number of loan modifications, extensions, and deferrals. They've set up tables outside to make loans with proper social distancing precautions. They've worked with customers who are trying to buy cars remotely. Now is the time to ensure that the credit markets are working effectively, not to shut them down.

The House-passed HEROES Act has some provisions that will help financial institutions serve their customers. The legislation addresses concerns raised with the Paycheck Protection Program (PPP), although it does not go far enough. The next stimulus package should specify that financial institutions can take advantage of the PPP, as long as they have fewer than 500 employees. The HEROES Act also prohibits another Operation Choke Point, an Obama Administration program that ended the banking relationships some of our installment lenders had had for decades.

In addition, AFSA is supportive of the goal of the section amending the Servicemembers Civil Relief Act (SCRA). The amendment is intended to help service members whose permanent change of station (PCS) orders may have changed as a result of the pandemic. Service members certainly should not be harmed by the stop movement order issued in response to the pandemic.

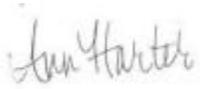
At the same time, we are disappointed that the legislation includes several provisions that would actually make it more difficult for consumers to access safe and reliable credit. The credit reporting amendments would lead to inaccurate information being reported, which could lead to consumers getting loans that they can't really afford. The debt collection provisions would result in a severe tightening of credit. Only the most credit-worthy borrowers would get loans if lenders didn't think they would be able to collect.

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<sup>1</sup> Founded in 1916, AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, mortgages, direct and indirect vehicle financing, payment cards, and retail sales finance.

We hope that you and the House take these considerations into account as you work with the Senate on relief legislation in the wake of the pandemic. Thank you very much for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Ann Harter". The signature is written in a dark ink and is positioned above the typed name.

Ann Harter  
Vice President, Congressional Affairs  
American Financial Services Association