

October 7, 2026

The Honorable Tim Scott, Chairman
The Honorable Elizabeth Warren, Ranking Member
Senate Committee on Banking, Housing, and Urban Affairs
The Honorable French Hill, Chairman
The Honorable Maxine Waters, Ranking Member
House Committee on Financial Services
The Honorable Chuck Grassley, Chairman
The Honorable Dick Durbin, Ranking Member
Senate Committee on the Judiciary
The Honorable Jim Jordan, Chairman
The Honorable Jamie Raskin, Ranking Member
House Committee on the Judiciary

RE: Urgent Need for Legislation to Address Credit Bureau Monopolies and Market Manipulation

Dear Chairs and Ranking Members,

On behalf of the undersigned consumer advocacy organizations, we are writing to express our concerns about what appears to be a growing concentration of power among the three national credit bureaus—Equifax, Experian, and TransUnion. Recent efforts by the U.S. Federal Housing (FHFA) to “modernize” credit scoring models required by Fannie Mae and Freddie Mac (the Enterprises) for loan delivery aren’t working in the interests of consumers. The current trajectory could result in entrenching a system that lacks pricing transparency and thwarts actual credit score competition. We believe that credit scoring agencies should compete to provide a better product to consumers. That is not happening at present.

Furthermore, the lack of market discipline has allowed the Big Three to operate with near impunity regarding data accuracy. They remain the most complained-about entities in the Consumer Financial Protection Bureau’s (CFPB) annual complaint data. Rather than being held accountable, the bureaus continue to maintain broken, opaque dispute mechanisms that trap consumers in endless loops trying to correct damaging errors on their credit reports. True market reform must include robust, statutory consumer protections that force the Big Three to swiftly and accurately resolve credit reporting errors, rather than leaving

consumers powerless against inaccurate data that dictates their financial futures.

Among the problems is conflict of interest emerging with the FHFA's announcement that Fannie Mae and Freddie Mac will begin accepting VantageScore 4.0. As highlighted in a recent FHFA press release about VantageScore, found in the footnote below, the scoring entity remains wholly owned and controlled by the three bureaus. The concentration of power among the Big 3 will likely allow them to control the data, pricing, and scoring model designed to provide "competition," creating a circular market that lacks independence. That is not a good model for consumers.

Our concerns are further heightened by recent synchronized actions, with all three credit bureaus simultaneously lowering the price of VantageScore 4.0 to approximately \$1.00. This is no coincidence. It's an example of an abuse of market power by the Big 3 to undercut outside competition.

The focus on score pricing masks a larger issue that the credit bureaus, VantageScore, and federal officials have failed to address: the actual cost of the credit reports themselves. While the bureaus manipulate the price of the score to gain market share, including reducing the prices of a credit score in sync with one another to drive out the competition, there is no transparency regarding how they price the underlying data and credit reports to lenders. Without regulatory oversight, which is sorely lacking now, the bureaus are free to set arbitrary prices for reports for mortgage origination—those costs are invisible but ultimately passed on to the homebuyer.

To protect American consumers and ensure a fair mortgage market, we urge Congress to take immediate legislative action. Specifically, we request support for legislation that would amend the Credit Score Competition Act to prohibit the GSEs from relying on a scoring model from any company owned by a nationwide consumer reporting agency, as well as imposing a similar prohibition on the Federal Housing Administration, Veterans Administration, and USDA. This measure is the only way to eliminate this inherent conflict of interest and foster a truly competitive environment.

Looking to the future, Congress should also create pathways and regulatory incentives for cashflow underwriting models. By evaluating how consumers actually manage cash flow and navigate financial setbacks over time, cash-flow

underwriting offers an innovative, modern alternative that moves beyond the dated, easily manipulated concept of traditional credit. Over the long term, supporting independent cash-flow underwriting will break the stranglehold of the credit bureau monopolies, lower barriers for consumers, and foster a more equitable financial system.

The "New Era of Credit Score Competition," as described in a recent FHFA press release,¹ should not be defined by the same three players working in sync with one another. Consumer advocates believe that we need real competition among companies that provide credit scores. The Big 3 have gamed the system, and unfortunately, we see a void among the federal regulators – including FHFA and HUD - to demand meaningful reform; their actions appear to be solidifying the power of an already concentrated industry.

We look forward to working with Members of Congress to ensure competition in this market is real, transparent, and provides a true benefit to consumers.

Sincerely,

cc: The Honorable William J. Pulte, Director, Federal Housing Finance Agency

Sally Greenberg

CEO

National Consumers League

Sharon Cornelissen

Director of Housing

Consumer Federation of America

Chi Chi Wu

¹ Federal Housing Finance Agency. (2026, April 22). *Homebuying advances into new era of credit score competition* [Press release]. <https://www.fhfa.gov/news/news-release/homebuying-advances-into-new-era-of-credit-score-competition>

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