February 4, 2025

Chairman Tim Scott
Senate Banking Committee
Washington, D.C. 20510

Ranking Member Elizabeth Warren
Senate Banking Committee
Washington, D.C. 20510

Dear Chairman Scott and Ranking Member Warren:

On behalf of ACA International (ACA), I am writing regarding the hearing, "Investigating the Real Impacts of Debanking in America." ACA International is the leading trade association for credit and collection professionals. Founded in 1939, and with offices in Washington, D.C., and Minneapolis, Minnesota, ACA represents approximately 1,600 members, including credit grantors, third-party collection agencies, asset buyers, attorneys, and vendor affiliates in an industry that employs more than 150,000 individuals worldwide.

ACA members include the smallest of businesses that operate within a limited geographic range of a single state, and the largest of publicly held, multinational corporations that operate in every state. The majority of ACA-member debt collection companies, however, are small businesses. According to recent ACA member data, 35% of ACA members have 10 employees or fewer, 56% of ACA members have 25 employees or fewer, and 70% of ACA members have 100 employees or fewer.

As part of the process of attempting to recover outstanding payments, ACA members are an extension of every community's businesses. ACA members work with these businesses, large and small, to obtain payment for the goods and services already received by consumers. In years past, the combined effort of ACA members has resulted in the annual recovery of billions of dollars –

dollars that are returned to and reinvested by businesses, and dollars that would otherwise constitute losses on the financial statements of those businesses. Without an effective collection process, the economic viability of these businesses and, by extension, the American economy in general, is threatened. Recovering rightfully owed consumer debt enables organizations to survive, helps prevent job losses, keeps credit, goods, and services available, and reduces the need for tax increases to cover governmental budget shortfalls.

Consumer harm can result in several ways when unpaid debt is not addressed, and ACA members work to help consumers understand their financial situation and what can be done to address it and improve it. Despite the fact that they are highly regulated, and their work helps ensure a functioning economy, ACA's members have been unfairly targeted by banks in Operation Choke Point and other similar efforts that have led to banking relationship terminations. In recent years, one of the largest banks in the country stated to an ACA member, "We will not be able to open the savings account for XX because any debt collection activity or entity is considered high risk for our bank." The bank added, "Upon a second review, we maintain the same decision based on the industry type." This is ironic because banks also engage in debt collection directly and using third-party agencies.

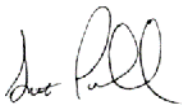
In states where a banking relationship is required to have a license to operate, banking terminations can threaten the existence of collection businesses, as well as their employees' jobs. There is often little notice and no specific explanation for why a banking relationship was terminated. While the number of ACA members impacted by these efforts has declined since the height of Operation Choke Point, the highly questionable practice of categorical discrimination from banks against the debt collection industry continues.

The Fair Access to Banking Act, bicameral legislation introduced by Senator Kevin Cramer (R-ND) and Congressman Andy Barr (R-KY), addresses these issues by ensuring that banks have a responsibility to make decisions about whether to provide a person with financial services based on impartial criteria free from prejudice or favoritism. Importantly, the legislation requires that making decisions about banking relationships is based on individualized risk-based analysis using empirical data evaluated under quantifiable standards, rather than on categorical decisions discriminating against entire industries. Furthermore, it requires that, when denying any person

financial services, the covered bank offer to provide written justification to the person explaining the basis for the denial, including any specific laws or regulations the covered bank believes are being violated by the person or customer. ACA believes this legislation is necessary because previous articulations of the fair access principle without the force and effect of law have been inadequate in deterring rogue examiners, as well as banks with political and agenda-driven ideologies.

Allowing individuals to pick winners and losers in the financial services marketplace based on individual unresearched ideologies is a very dangerous slippery slope, not just for ACA members but for all Americans. Accordingly, ACA asks that Congress consider these issues in both chambers and hold banks that engage in unfair and discriminatory practices against legal and highly regulated businesses accountable for their actions.

Thank you for your attention to these important matters.



Scott Purcell
Chief Executive Officer
ACA International