

Press Release



A Public Credit Reporting Agency: Evaluating a Biden Campaign Proposal

ALLISON EDWARDS | JUNE 2, 2021

The Biden presidential campaign endorsed a proposal to eliminate the private credit reporting industry and replace it with a new public agency to provide the same service. Proponents of a public credit agency point to criticisms of credit reporting and scoring currently provided by private industry, but they fail to explain why a government agency would be perform any better. In a new insight, AAF's Director of Financial Services Policy Thomas Wade considers whether there is a need for a public credit reporting agency and the potential costs.

An excerpt:

The business model and services provided by the public credit reporting agencies are not without flaw, and the Biden Administration and Congress could, via legislation and oversight, continue to work to address policy goals including racial inclusion. A public credit reporting agency, in contrast, does not logically or necessarily fix the problems of credit-relevant data collection and credit scoring. Proponents of a public credit reporting agency rely on a single fundamental assumption: that government is better placed than industry to provide competitive services with strong oversight in the most efficient manner to the maximum number of people. Never has this been shown to be the case.

[Read the analysis.](#)