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# Senate Passes Multiple Scott Provisions As Part of Relief For Main Street Package

## The bipartisan Economic Growth, Regulatory Relief, and Consumer Protection Act passed this evening

Washington - Early this evening, the U.S. Senate passed a major economic growth and regulatory relief package which featured four important provisions secured by U.S. Senator Tim Scott (R-SC). Scott's provisions will help increase financial security for many low-income and minority families, as well as protect children and families across the country from synthetic identity theft and fraud.

The bipartisan Economic Growth, Regulatory Relief, and Consumer Protection Act passed by a vote of 67-31. Drafted through a bipartisan process on the Senate Banking Committee, of which Senator Scott is a member, the bill will free small and community banks to extend credit, loans and mortgages by right-sizing burdensome regulations created by the Dodd-Frank Act. It also increases consumer protections for veterans, senior citizens, victims of fraud and others.

"Today is a great day for Main Street, as we are finally cutting some of the unnecessary and burdensome red tape created by Dodd-Frank," Senator Scott said. "As I continue working to ensure access to opportunity for all American families, I am extremely pleased four of my provisions were accepted as part of this critical bill. From increasing access to the financial system for underbanked and credit invisible families, to ensuring more access to job training and workforce development programs for residents of public housing, to protecting children from identity theft, we are taking a huge step forward today. I want to thank Chairman Crapo and my

colleagues on the Banking Committee for all their hard work on this legislation, and I hope to see the House take it up as quickly as possible!"

Scott's first provision, the bipartisan Credit Score Competition Act (Section 310), directs the Federal Housing Finance Agency to create a process by which new credit scoring models can be validated and approved for use by Fannie Mae and Freddie Mac (GSEs) when they purchase mortgages. Currently, the GSEs are mandated to consider a decades-old credit scoring model that does not take into account consumer data on rent, utility, and cell phone bill payments. The exclusion of these data disproportionately hurts minorities and first-time homebuyers. For example, In South Carolina alone, only 77% of adults can be scored under the model currently used by the GSEs. An additional 16% of South Carolinians can be scored under newer credit scoring models in the market.

Scott's second provision is the bipartisan Protecting Children From Identity Theft Act (Section 215). A recent study found that one in ten children had their Social Security Numbers stolen and used to open bank accounts and lines of credit fraudulently. This amendment aims to stop this illegal activity by directing the Social Security Administration (SSA) to accept electronic signatures as consumer consent for financial institutions trying to verify customer ID and root out synthetic ID fraud.

Scott's Making Online Banking Initiation Legal and Easy (MOBILE) Act (Section 213) addresses the fact that current laws in regard to identity verification have not kept up with the changing technologies of the Internet era. This amendment would allow banks and credit unions to use a scan or picture of a driver's license to verify a customer's identification when they open an account online. It also specifically stipulates the image must be destroyed after the account is created in order to protect privacy. Approximately 16 million adults live in households without a checking or savings account and an additional 51 million adults live in households that have a bank account but rely on nonbank lenders like payday lenders and pawnbrokers with

sky-high interest rates. However, about 90 percent of underbanked adults own a mobile phone, of which 75 percent are smartphones.

Finally, Scott's bipartisan Family Self-Sufficiency Act (Section 306) would streamline and improve the U.S. Department of Housing and Urban Development's Family Self-Sufficiency (FSS) program. Specifically, it would:

- Improve the FSS program by permanently streamlining the Housing Choice Voucher-FSS and Public Housing-FSS into one program, which would relieve public housing agencies of the unnecessary burden of running two separate programs that share the same goal
- Broaden the scope of the supportive services that may be offered to include attainment of a GED, education in pursuit of a post-secondary degree or certification, homeownership assistance, and training in asset management
- Expand the reach of the FSS program to more families that may be excluded due to a technicality related to the kind of housing assistance a family receives. The bill would authorize HUD to open up the FSS program to families that live in privately-owned properties subsidized with project-based rental assistance.

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