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Senators Coons, Murkowski introduce legislation to protect Americans from credit repair scams

WILMINGTON, Del. – U.S. Senators Chris Coons (D-Del.) and Lisa Murkowski (R-Alaska) introduced the Ending Scam Credit Repair Act (ESCRA) yesterday to crack down on fraudulent credit repair organizations that exploit consumers with high fees, false promises, and deceptive practices.

Credit repair organizations (CROs) often claim they can improve a consumer's credit score by disputing negative information on credit reports or negotiating with creditors. While some legitimate counselors help consumers navigate credit issues, too many bad actors charge upfront fees, promise results they cannot deliver, and take advantage of people already facing financial hardship.

The Ending Scam Credit Repair Act would strengthen protections for consumers by prohibiting CROs from collecting payment until six months after they have provided proof that a consumer's credit score has improved. The bill would also require CROs to register with a state, increase civil penalties for violations, require stronger disclosures to consumers, and prohibit "jamming," a tactic in which CROs flood financial institutions with duplicative disputes that can prevent legitimate credit report issues from being addressed.

Companion legislation was introduced in the House by U.S. Representatives Sarah McBride (D-Del.) and Young Kim (R-Calif.).

"Americans are already stretched thin. Improving a low credit score is hard enough without having to navigate predatory companies seeking to lie to you and rip you off," said **Senator Coons**. "The Ending Scam Credit Repair Act would

protect Americans trying to restore their financial foundation while making it easier for honest businesses to succeed.”

“There are too many predatory operators in the credit repair industry exploiting financially vulnerable Americans with deceptive practices and exorbitant fees,” **said Senator Murkowski**. “Rebuilding financial stability and improving one’s credit score is often a grueling, time-consuming process. This legislation establishes long-overdue guardrails and accountability to stop bad actors from profiting off those trying to get back on their feet.”

“The credit repair industry is full of many bad actors who prey on Delawareans with low credit scores, offering quick fixes and delivering nothing but empty promises,” **said Rep. McBride**. “Our bipartisan, now bicameral, Ending Scam Credit Repair Act would stop these scammers from taking advantage of consumers when they are most vulnerable while increasing transparency and accountability. I’m grateful to Senators Coons and Murkowski for introducing the Senate companion bill, and I look forward to working across our respective chambers to get this commonsense solution over the finish line and protect consumers from these harmful practices.”

“Fraudulent credit repair organizations, or CROs, should not get away with scamming hardworking Americans seeking to improve their scores and unlock their American dream,” **said Congresswoman Young Kim**. “The Ending Scam Credit Repair Act helps consumers and hikes penalties for scammers. I’m thrilled to introduce the bipartisan Ending Scam Credit Repair Act and will continue to work on commonsense policies that empower Americans of all backgrounds to grow their wealth and achieve their dream.”

The legislation responds to widespread abuse in the credit repair industry, where some companies exploit loopholes in current law to charge consumers without delivering any meaningful results. A common warning sign of a scam is when a company asks for payment before providing services or guarantees that it can remove accurate information from a credit report or raise a credit score by a specific amount. Under ESCRA, credit repair organizations

would be required to disclose that they do not provide any service that a consumer could not do themselves for free. The bill also creates new standards for communications with furnishers of consumer information in order to streamline legitimate credit repair efforts and reduce abuse.

Additionally, ESCRA would:

- Prohibit CROs from requesting or receiving payment until they provide documentation from a consumer reporting agency issued at least six months after completing their service showing that the consumer has been successfully represented
- Prohibit CROs from “jamming” financial institutions with duplicative disputes
- Require all CROs to register with a state
- Increase civil liability to \$500 per violation, if greater than the consumer’s actual damages or the amount paid to the CRO
- Require CROs to disclose that they do not provide services that consumers could not do themselves for free
- Establish requirements for CRO communications with furnishers of consumer information

The Ending Scam Credit Repair is endorsed by the National Consumer Law Center, the American Financial Services Association, National Association of Consumer Bankruptcy Attorneys, the American Bankers Association, National Association of Consumer Advocates, the Consumer Bankers Association, Delaware Community Legal Aid Society, the Delaware Community Reinvestment Action Council, American Fintech Council, Consumer Action, and the AARP.

“Banks help customers build credit every day through transparent products, financial education and long-term support, and this important legislation reinforces those responsible pathways by targeting deceptive credit repair schemes,” said Kirsten Sutton, **Executive Vice President of Congressional Relations and Legislative Affairs at the American Bankers Association**. “ABA has consistently supported efforts to strengthen consumer confidence in the

credit system, and we applaud Senators Coons and Murkowski, and Representatives McBride and Kim, for their leadership in working to ensure consumers are protected.”

“As financial fraud becomes more sophisticated, AFSA supports bipartisan legislation from Senators Chris Coons and Lisa Murkowski to combat credit-repair organization scams, which increasingly harm consumers by charging hundreds of dollars with no positive results. This bipartisan effort will prohibit credit repair organizations from jamming financial institutions with duplicate requests and prevent these entities from taking advantage of consumers who are seeking better financial footing,” **said Michael Grimes, Vice President of Congressional Affairs at the American Financial Services Association.**

“AARP is committed to ensuring older Americans are financially secure in retirement so they may retire with dignity. Unfortunately, older Americans who have errors or negative marks on their credit report are often locked out of access to credit as they try to address these issues on their credit reports. Making matters worse, credit repair organizations (CROs) may claim to help them erase or fix items on people’s credit reports but instead exploit customers with the promise of a quick credit fix... AARP is pleased to support [this] legislation, which would introduce new rules to shield consumers from misleading and fraudulent practices,” **said the AARP.**

Read the one-pager [here](https://www.coons.senate.gov/wp-content/uploads/2026/03/ESCRA-One-Pager.pdf) (https://www.coons.senate.gov/wp-content/uploads/2026/03/ESCRA-One-Pager.pdf).

Read the full bill text [here](https://www.coons.senate.gov/wp-content/uploads/2026/03/SIL26442.pdf) (https://www.coons.senate.gov/wp-content/uploads/2026/03/SIL26442.pdf).