The three witnesses today determine the financial futures of every American.

Equifax, Experian, and TransUnion are the biggest credit reporting agencies. You have tremendous power over people's lives.

The information you collect and put in people's credit reports determine whether people can get a mortgage or buy a car; what interest rate they pay; what credit cards they can get, at what rate; whether they'll get insurance and what they pay for it; whether they'll be able to rent an apartment; whether they'll be accepted for a job.

These companies are not just keepers of consumer data. They essentially manage – or mismanage, as the case may be – Americans' financial reputations.

When your reports matter this much, with consequences this drastic, it's important you get them right.

It is vital that these reports contain only information that's useful and fair and, above all, accurate.

In 2017 when Equifax experienced a massive data breach, the American public was shocked to find out exactly how much credit reporting agencies are involved in their lives. The company compromised the personal information of more than 147 million consumers—including their social security numbers.

Millions of people were forced into a crash course on how frustrating it can be to deal with credit reporting companies when they make a mistake.

They had to place a credit freeze, they had to request their credit report, they were told to constantly monitor their information for inaccuracies.

People are busy enough with their kids and their jobs and their lives – they shouldn't have to spend that kind of time, because some company they've never heard of screwed up.

The data breach affected millions of people at once and got a lot of attention. But that was far from the only case of costly mistakes by your companies.

Today, credit reports are riddled with errors.

According to a Federal Trade Commission study, 1-in-5 consumers had errors in at least one of their three credit reports, and 1-in-20 had errors that affected the likelihood of receiving credit or affected the credit rate.

More than 200 million Americans are in the Experian, Equifax, and TransUnion credit reporting system. That means that potentially 40 million consumers have errors on their credit reports.

In a 2022 report, the Consumer Financial Protection Bureau also found that Equifax, Experian, and TransUnion routinely failed to adequately respond to consumers with errors in their reports.

After this report, the three credit reporting agencies instituted some reforms to better respond to consumer complaints about errors on their credit reports.

It's an important, though long overdue, first step.

But errors like mixed files, where the information of a different consumer appears on a credit file, are still far too common.

Mixed files are such a pervasive problem that, in 2015, 30 Attorneys General settled a lawsuit with the three credit reporting agencies over this problem. Among other reforms, the credit reporting agencies were required to establish minimum standards for matching criteria and reducing mixed files.

And it's more than just mixed-up files. Some people – still very much alive – are declared dead. They have their identity stolen. The list goes on.

Errors are also introduced into this system by what are called "furnishers," companies supplying information to the credit reporting agencies.

Debt collectors are some of the worst offenders when it comes to supplying wrong information.

The CFPB found that, even though debt collectors supply just 13 percent of the accounts to credit reports, they are responsible for 40 percent of the disputes on credit reports.

Americans can be dinged on their reports for debts they do not even owe.

It's not just errors that do not belong on credit reports.

Medical debt in particular has absolutely no place on credit reports.

In 2022, in the United States, an estimated 43 million Americans held $88 billion dollars of medical debt on their credit reports.

Low-income families, Black and Hispanic households, veterans, and older Americans are hit particularly hard.

But medical debt can happen to anyone. It doesn't matter if you do everything right.

Anyone can get sick. Anyone can get in a car accident. It has nothing to do with your ability to pay your bills – or it shouldn't.

Medical debt does not correlate with credit risk – it correlates with illness.

No one should have their financial future destroyed because of a medical emergency, or a sick family member.

It's why I am asking your companies to stop putting medical debt on these reports. And after increasing scrutiny and pressure, one year ago, Equifax, Experian, and TransUnion all announced they would significantly change how medical collection debt is reported.

One of the major reforms announced is the removal of all medical debts of $500 or below from credit reports.

This is a positive first step, but it is not enough.

If you have $1,000 in medical debt, you're no less credit-worthy than someone with $500. It stems from the same problem – someone in your family or you got sick.

The CFPB found that the remaining medical debt on credit reports will disproportionately belong to consumers living in majority minority and lower-income neighborhoods.

Your companies also provide tenant screening services – another way you have tremendous power over people's lives… and another way your errors can have disastrous consequences.

When tenant screening turns-up erroneous eviction filings, people can't rent a home.

And because tenant screening reports aren't as available as regular credit reports, renters may cycle through rejection after rejection, without ever knowing there's an error.

After pressing the CFPB to address these errors in tenant screening reports, I was glad to see the CFPB and Federal Trade Commission announce a Request for Information on how background screening, like tenant screening reports, affect renters' ability to obtain housing.

Just yesterday, this Committee held a hearing about the challenges Americans face affording housing. In a highly competitive housing market, inaccurate data mean renters lose out on a home.

It's hard enough for Americans to get a foothold in the middle class. The last thing workers should have to contend with are careless mistakes from companies that have too much power over some of the most important aspects of their lives.

It is vital that the reports that your companies issue be accurate, not include medical debts, and that errors be fewer and correctable.

I don't think it's a lot to ask.