

Legislative Accomplishments: Financial Services

- Mahoney introduced H.R. 4008, the Credit and Debit Card Receipt Clarification Act of 2007, a bi-partisan bill which is intended to address abusive lawsuits.

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In 2003, Congress passed the Fair and Accurate Credit Transactions Act (FACTA). This legislation was intended to improve and strengthen various protections against identity theft. One of the key provisions in the bill requires businesses to limit the amount of information printed on receipts. Unfortunately, the way in which Congress drafted the provision has led to confusion and expensive litigation.

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In response to the enactment of FACTA, businesses began complying with the law by truncating the credit and debit card number down to the appropriate number of digits. Shortly thereafter, hundreds of lawsuits were filed against these businesses alleging that the failure to truncate both the card number and redact the expiration date on a receipt was a willful violation of the law. Because FACTA was incorporated into the Fair Credit Reporting Act (FCRA), the statutory damages provisions of the law (between \$100 and \$1000 per consumer) meant that a company that had printed a million transactions was facing a minimum of \$100 million and as much as \$1 billion in damages.

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It is important to note that there is no evidence that the failure to redact an expiration date has ever resulted in a consumer being harmed. In fact, not one of the lawsuits alleges any actual harm to an individual's account or identity.

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H.R. 4008 removes the incentive for attorneys to file these suits, while simultaneously preserving a consumer's right to sue in the event a business's negligence causes identity theft.

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Signed into law by the President on June 3, 2008.