

Trouble in Texas and other States

The following quotes and statements were found at www.creditscoring.com, By Sen. Gallus.

2/9/05

- Texas
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 - **Senator Rodney Ellis Condemns Credit Scoring Decision - Insurance Commissioner "turned his back" on minority Texans:** "It doesn't matter if credit scoring is actuarially justifiable, it is morally unacceptable," said Senator Ellis."
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 - **Waco Tribune-Herald:** [Commissioner] "Montemayor, in a letter to Gov. Rick Perry and legislative leaders, wrote: "I do not have a legal basis to ban a practice that has a disproportionate impact if it produces an actuarially supported result and is not unfairly or intentionally discriminatory." (see "disparate impact")
- Michigan
 - "Inflating the base rates of home and automobile insurance and using insurance credit scoring is unfair to consumers and illegal under the Michigan Insurance Code," said [insurance commissioner] Watters."
 - "I'm so disgusted that they're allowed to use credit history to determine if I'm going to have an accident or not," she [consumer Sherry Lockett] said. "To me, it's another way of redlining."

1/05/05

- **The state of things in the State of Texas.** The Department of Insurance: "Furthermore, the study found that Black, Hispanic, young, and low-to-moderate income policyholders tend to have worse credit scores than White, Asian, older, and high income policyholders." (AP)
 - **Dallas Morning News:** "This study shows that credit scoring is nothing more than economic redlining," said Alex Winslow, executive director of the consumer-oriented group Texas Watch."

11/12/04

- **CBS Marketwatch.com:**
 - "One late payment -- say, you go on vacation and forget a bill -- is enough to topple your 800 score, where you are in the top 10 percent nationally, by as much as 160 points to a below-average 640."
 - "Consumers know all about the importance of checking their credit score regularly, but few realize not all scores are created equal."

3/29/04

- **Missouri, insurance scoring:** "It is a practice that is secretive, and there is no justification for it," [Governor] Holden told reporters at a news conference in St. Louis."