# Research Shows Over-regulation of Credit Decreases the Availability of Affordable Credit

We find consistent evidence that restricting collection activities leads to a decrease in access to credit and a deterioration in indicators of financial health, with effects concentrated primarily among borrowers with the lowest credit scores.

– "Access to Credit and Financial Health: Evaluating the Impact of Debt Collection"
**Julia Fonseca, Katherine Strair, and Basit Zafar,**
**Federal Reserve Bank of New York Staff Reports, no. 814. May 2017**

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**250%** surge in credit card-related restrictions by regulators since 2007 has contributed to a **50%** drop in annual credit originations to lower-risk-score Americans.

– "Out of Reach: Regressive Trends in Credit Card Access"
**Marshall Lux and Robert Greene, Harvard Kennedy School of Government. April 2016**

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Cumbersome regulation has restricted the availability of financial products and credit, particularly for low-income borrowers, young people, and minorities.

– "Dodd-Frank At 5: Higher Costs, Uncertain Benefits"
**American Action Forum. July 2015**

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Placing more restrictions on the collection of validly owed debt causes the availability of credit to decrease.

– "Debt Collection Agencies and the Supply of Consumer Credit"
**Philadelphia Federal Reserve Working Paper 15-23. June 2015.**

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Greater restraints on creditor's remedies will reduce the supply of lending and raise prices, at the expense of other consumers who may end up paying more or obtaining less access to credit.

– "The Law and Economics of Consumer Debt Collection and Its Regulation"
**Todd J. Zywicki, Mercatus Center at George Mason University. September 2015.**