

115TH CONGRESS
1ST SESSION

S. 2181

To amend the Fair Credit Reporting Act to provide protections for active
duty military consumers.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 30, 2017

Mr. MENENDEZ (for himself, Mr. BOOKER, and Mr. BROWN) introduced the
following bill; which was read twice and referred to the Committee on
Banking, Housing, and Urban Affairs

A BILL

To amend the Fair Credit Reporting Act to provide
protections for active duty military consumers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Military Families
5 Credit Reporting Act of 2017”.

6 **SEC. 2. NOTICE OF STATUS AS AN ACTIVE DUTY MILITARY**
7 **CONSUMER.**

8 The Fair Credit Reporting Act (15 U.S.C. 1681 et
9 seq.) is amended—

1 (1) in section 605 (15 U.S.C. 1681e), by adding
2 at the end the following:

3 “(i) NOTICE OF STATUS AS AN ACTIVE DUTY MILI-
4 TARY CONSUMER.—

5 “(1) IN GENERAL.—With respect to an item of
6 adverse information about a consumer that arises
7 from the failure of the consumer to make any re-
8 quired payment on a debt or other obligation, if the
9 action or inaction that gave rise to the item occurred
10 while the consumer was an active duty military con-
11 sumer—

12 “(A) the consumer may provide appro-
13 priate proof, including official orders, to a con-
14 sumer reporting agency that the consumer was
15 an active duty military consumer at the time
16 the action or inaction occurred; and

17 “(B) any consumer report provided by the
18 consumer reporting agency that includes the
19 item shall clearly and conspicuously disclose
20 that the consumer was an active duty military
21 consumer when the action or inaction that gave
22 rise to the item occurred.

23 “(2) MODEL FORM.—The Bureau shall prepare
24 a model form, which shall be made publicly avail-

1 able, including in an electronic format, by which a
2 consumer may—

3 “(A) notify, and provide appropriate proof
4 to, a consumer reporting agency in a simple
5 and easy manner, including electronically, that
6 the consumer is or was an active duty military
7 consumer; and

8 “(B) provide contact information of the
9 consumer for the purpose of communicating
10 with the consumer while the consumer is an ac-
11 tive duty military consumer.

12 “(3) NO ADVERSE CONSEQUENCES.—Notice,
13 whether provided by the model form described in
14 paragraph (2) or otherwise, that a consumer is or
15 was an active duty military consumer may not pro-
16 vide the sole basis for—

17 “(A) with respect to a credit transaction
18 between the consumer and a creditor, a cred-
19 itor—

20 “(i) denying an application of credit
21 submitted by the consumer;

22 “(ii) revoking an offer of credit made
23 to the consumer by the creditor;

1 “(iii) changing the terms of an exist-
 2 ing credit arrangement with the consumer;
 3 or

4 “(iv) refusing to grant credit to the
 5 consumer in a substantially similar amount
 6 or on substantially similar terms requested
 7 by the consumer;

8 “(B) furnishing negative information relat-
 9 ing to the creditworthiness of the consumer by
 10 or to a consumer reporting agency; or

11 “(C) except as otherwise provided in this
 12 title, a creditor or consumer reporting agency
 13 noting in the file of the consumer that the con-
 14 sumer is or was an active duty military con-
 15 sumer.”;

16 (2) in section 605A (15 U.S.C. 1681c–1)—

17 (A) in subsection (c)—

18 (i) by redesignating paragraphs (1),
 19 (2), and (3) as subparagraphs (A), (B),
 20 and (C), respectively, and adjusting the
 21 margins accordingly;

22 (ii) in the matter preceding subpara-
 23 graph (A), as so redesignated, by striking
 24 “Upon” and inserting the following:

25 “(1) IN GENERAL.—Upon”; and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(2) NEGATIVE INFORMATION NOTIFICATION.—

4 If a consumer reporting agency receives an item of
5 adverse information about a consumer who has pro-
6 vided appropriate proof that the consumer is an ac-
7 tive duty military consumer, the consumer reporting
8 agency shall promptly notify the consumer, with a
9 frequency, in a manner, and according to a timeline
10 determined by the Bureau or specified by the con-
11 sumer—

12 “(A) that the consumer reporting agency
13 has received the item of adverse information,
14 along with a description of the item; and

15 “(B) the method by which the consumer
16 may dispute the validity of the item.

17 “(3) CONTACT INFORMATION FOR ACTIVE DUTY
18 MILITARY CONSUMERS.—

19 “(A) IN GENERAL.—If a consumer who
20 has provided appropriate proof to a consumer
21 reporting agency that the consumer is an active
22 duty military consumer provides the consumer
23 reporting agency with contact information for
24 the purpose of communicating with the con-
25 sumer while the consumer is an active duty

1 military consumer, the consumer reporting
 2 agency shall use that contact information for all
 3 communications with the consumer while the
 4 consumer is an active duty military consumer.

5 “(B) DIRECT REQUEST.—Unless a con-
 6 sumer directs otherwise, the provision of con-
 7 tact information by the consumer under sub-
 8 paragraph (A) shall be deemed to be a request
 9 for the consumer to receive an active duty alert
 10 under paragraph (1).

11 “(4) SENSE OF CONGRESS.—It is the sense of
 12 Congress that any person making use of a consumer
 13 report that contains an item of adverse information
 14 with respect to a consumer should, if the action or
 15 inaction that gave rise to the item occurred while the
 16 consumer was an active duty military consumer,
 17 take that fact into account when evaluating the cred-
 18 itworthiness of the consumer.”; and

19 (B) in subsection (e), by striking para-
 20 graph (3) and inserting the following:

21 “(3) subparagraphs (A) and (B) of subsection
 22 (c)(1), in the case of a referral under subsection
 23 (c)(1)(C).”; and

24 (3) in section 611(a)(1) (15 U.S.C.
 25 1681i(a)(1)), by adding at the end the following:

1 “(D) NOTICE OF DISPUTE RELATED TO
2 ACTIVE DUTY MILITARY CONSUMERS.—With re-
3 spect to an item of information described under
4 subparagraph (A) that is under dispute, if the
5 consumer to whom the item relates has notified
6 the consumer reporting agency conducting the
7 investigation described in that subparagraph,
8 and has provided appropriate proof, that the
9 consumer was an active duty military consumer
10 at the time the action or inaction that gave rise
11 to the disputed item occurred, the consumer re-
12 porting agency shall—

13 “(i) include that fact in the file of the
14 consumer; and

15 “(ii) indicate that fact in each con-
16 sumer report that includes the disputed
17 item.”.

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