

116TH CONGRESS  
1ST SESSION

# H. R. 3622

To amend the Fair Credit Reporting act to restore the impaired credit of victims of predatory activities and unfair consumer reporting practices, to expand access to tools to protect vulnerable consumers from identity theft, fraud, or a related crime, and protect victims from further harm, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 5, 2019

Ms. TLAIB introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Fair Credit Reporting act to restore the impaired credit of victims of predatory activities and unfair consumer reporting practices, to expand access to tools to protect vulnerable consumers from identity theft, fraud, or a related crime, and protect victims from further harm, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Restoring Unfairly Impaired Credit and Protecting Con-  
6 sumers Act”.

- 1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Effective date.
- Sec. 4. General Bureau rulemaking.

#### TITLE I—RESTORING THE IMPAIRED CREDIT OF VICTIMS OF PREDATORY ACTIVITIES AND UNFAIR CONSUMER REPORTING PRACTICES

- Sec. 101. Shortens the time period that most adverse credit information stays on consumer reports.
- Sec. 102. Mandates the expedited removal of fully paid or settled debt from consumer reports.
- Sec. 103. Imposes restrictions on the appearance of medical collections on consumer reports and requires the expedited removal of fully paid or settled medical collections from consumer reports.
- Sec. 104. Provides credit restoration for victims of predatory mortgage lending and servicing.
- Sec. 105. Provides credit relief for private education loans borrowers who were defrauded or misled by proprietary education institution or career education programs.
- Sec. 106. Establishes right for victims of financial abuse to have adverse information associated with an abuser's fraudulent activity removed from their consumer reports.
- Sec. 107. Prohibits treatment of credit restoration or rehabilitation as adverse information.

#### TITLE II—EXPANDING ACCESS TO TOOLS TO PROTECT VULNER- ABLE CONSUMERS FROM IDENTITY THEFT, FRAUD, OR A RE- LATED CRIME, AND PROTECT VICTIMS FROM FURTHER HARM

- Sec. 201. Identity theft report definition.
- Sec. 202. Amendment to protection for files and credit records of protected consumers.
- Sec. 203. Enhances fraud alert protections.
- Sec. 204. Amendment to security freezes for consumer reports.
- Sec. 205. Clarification of information to be included with agency disclosures.
- Sec. 206. Provides access to fraud records for victims.
- Sec. 207. Required Bureau to set procedures for reporting identity theft, fraud, and other related crime.
- Sec. 208. Establishes the right to free credit monitoring and identity theft protection services for certain consumers.
- Sec. 209. Ensures removal of inquiries resulting from identity theft, fraud, or other related crime from consumer reports.

#### TITLE III—MISCELLANEOUS

- Sec. 301. Definitions related to days.
- Sec. 302. Technical correction related to risk-based pricing notices.
- Sec. 303. FCRA findings and purpose; voids certain contracts not in the public interest.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) GENERAL FINDINGS.—

4 (A) Consumer reporting agencies  
5 (“CRAs”) are companies that collect, compile,  
6 and provide information about consumers in the  
7 form of consumer reports for certain permis-  
8 sible statutory purposes under the Fair Credit  
9 Reporting Act (15 U.S.C. 1681 et seq.)  
10 (“FCRA”). The three largest CRAs in this  
11 country are Equifax, TransUnion, and  
12 Experian. These CRAs are referred to as na-  
13 tionwide CRAs and the reports that they pre-  
14 pare are commonly referred to as credit reports.  
15 Furnishers, such as creditors, lenders, and debt  
16 collection agencies, voluntarily submit informa-  
17 tion to CRAs about their accounts such as the  
18 total amount for each loan or credit limit for  
19 each credit card and the consumer’s payment  
20 history on these products. Reports also include  
21 identifying information about a consumer, such  
22 as their birthdate, previous mailing addresses,  
23 and current and previous employers.

24 (B) In a December 2012 paper, “Key Di-  
25 mensions and Processes in the U.S. Credit Re-  
26 porting System: A review for how the nation’s

1 largest credit bureaus manage consumer data”,  
2 the Bureau of Consumer Financial Protection  
3 (“Consumer Bureau”) noted that the three na-  
4 tionwide CRAs maintain credit files on approxi-  
5 mately 200 million adults and receive informa-  
6 tion from about 10,000 furnishers. On a  
7 monthly basis, these furnishers provide infor-  
8 mation on over 1.3 billion consumer credit ac-  
9 counts or other trade lines.

10 (C) The 10 largest institutions furnishing  
11 credit information to each of the nationwide  
12 CRAs account for more than half of all ac-  
13 counts reflected in consumers’ credit files.

14 (D) Consumer reports play an increasingly  
15 important role in the lives of American con-  
16 sumers. Most creditors, for example, review  
17 these reports to make decisions about whether  
18 to extend credit to consumers and what terms  
19 and conditions to offer them. As such, informa-  
20 tion contained in these reports affects whether  
21 a person is able to get a private education loan  
22 to pay for college costs, to secure a mortgage  
23 loan to buy a home, or to obtain a credit card,  
24 as well as the terms and conditions under which

1 consumer credit products or services are offered  
2 to them.

3 (E) Credit reports are also increasingly  
4 used for many noncredit decisions, including by  
5 landlords to determine whether to rent an  
6 apartment to a prospective tenant and by em-  
7 ployers to decide whether to hire potential job  
8 applicants or to offer a promotion to existing  
9 employees.

10 (F) CRAs have a statutory obligation to  
11 verify independently the accuracy and complete-  
12 ness of information included on the reports that  
13 they provide.

14 (G) The nationwide CRAs have failed to  
15 establish and follow reasonable procedures, as  
16 required by existing law, to establish the max-  
17 imum level of accuracy of information contained  
18 on consumer reports. Given the repeated fail-  
19 ures of these CRAs to comply with accuracy re-  
20 quirements on their own, legislation is intended  
21 to provide them with detailed guidance improv-  
22 ing the accuracy and completeness of informa-  
23 tion contained in consumer reports, including  
24 procedures, policies, and practices that these

1 CRAs should already be following to ensure full  
2 compliance with their existing obligations.

3 (H) The presence of inaccurate or incom-  
4 plete information on these reports can result in  
5 substantial financial and emotional harm to  
6 consumers. Credit reporting errors can lead to  
7 the loss of a new employment opportunity or a  
8 denial of a promotion in an existing job, stop  
9 someone from being able to access credit on fa-  
10 vorable terms, prevent a person from obtaining  
11 rental housing, or even trigger mental distress.

12 (I) Current industry practices impose an  
13 unfair burden of proof on consumers trying to  
14 fix errors on their reports.

15 (J) Consumer reports containing inac-  
16 curate or incomplete credit information also un-  
17 dermine the ability of creditors and lenders to  
18 effectively and accurately underwrite and price  
19 credit.

20 (K) Recognizing that credit reporting af-  
21 fects the lives of almost all consumers in this  
22 country and that the consequences of errors on  
23 a consumer report can be catastrophic for a  
24 consumer, the Consumer Bureau began accept-

1           ing consumer complaints about credit reporting  
2           in October 2012.

3           (L) As of February 2017, the Consumer  
4           Bureau has handled approximately 185,717  
5           credit reporting complaints, making credit re-  
6           porting consistently the third most-complained-  
7           about subject matter on which the Consumer  
8           Bureau accepts consumer complaints.

9           (M) In the “Monthly Complaint Report  
10          Volume 20”, released in February 2017, the  
11          Consumer Bureau noted that 76 percent of  
12          credit reporting complaints involved incorrect  
13          information on reports, with consumers fre-  
14          quently expressing their frustrations about the  
15          burdensome and time-consuming process to dis-  
16          puting items.

17          (N) Other common types of credit report-  
18          ing complaints submitted to the Consumer Bu-  
19          reau related to the improper use of a report,  
20          trouble obtaining a report or credit score,  
21          CRAs’ investigations, and credit monitoring or  
22          identity protection.

23          (O) In the summer 2015 “Supervisory  
24          Highlights”, the Consumer Bureau noted that  
25          one or more of the largest CRAs failed to ade-

1           quately oversee furnishers to ensure that they  
2           were adhering to the CRA’s vetting policies and  
3           to establish proper procedures to verify public  
4           record information.

5           (P) According to the fall 2016 “Super-  
6           visory Highlights”, Consumer Bureau exam-  
7           iners determined that one or more debt collec-  
8           tors never investigated indirect disputes that  
9           lacked detail or were not accompanied by at-  
10          tachments with relevant information from the  
11          consumer. Examiners also found that notifica-  
12          tions sent to consumers about disputes consid-  
13          ered frivolous failed to identify for the con-  
14          sumers the type of material that they could pro-  
15          vide in order for the debt collector to complete  
16          the investigation of the disputed item.

17          (Q) A February 2014 Consumer Bureau  
18          report titled “Credit Reporting Complaint  
19          Snapshot” found that consumers are confused  
20          about the extent to which the nationwide CRAs  
21          are required to provide them with validation  
22          and documentation of a debt that appears on  
23          their credit report.

24          (R) As evidence that the current system  
25          lacks sufficient market incentives for CRAs to



1 develop more robust procedures to increase the  
2 accuracy and completeness of information on  
3 credit reports, litigation discovery documented  
4 by the National Consumer Law Center  
5 (“NCLC”), as part of a January 2009 report  
6 titled, “Automated Injustice: How a Mecha-  
7 nized Dispute System Frustrates Consumers  
8 Seeking to Fix Errors in Their Credit Re-  
9 ports”, showed that at least two of the three  
10 largest CRAs use quota systems to force em-  
11 ployees to process disputes hastily and without  
12 the opportunity for conducting meaningful in-  
13 vestigations. At least one nationwide CRA only  
14 allowed dispute resolution staff five minutes to  
15 handle a consumer’s call. Furthermore, these  
16 CRAs were found to have awarded bonuses for  
17 meeting quotas and punished those who didn’t  
18 meet production numbers with probation.

19 (S) Unlike most other business relation-  
20 ships, where consumers can register their satis-  
21 faction or unhappiness with a particular credit  
22 product or service simply by taking their busi-  
23 ness elsewhere, consumers have no say in  
24 whether their information is included in the  
25 CRAs databases and limited legal remedies to

1 hold the CRAs accountable for inaccuracies or  
2 poor service.

3 (T) Accordingly, despite the existing statu-  
4 tory mandate for CRAs to follow reasonable  
5 procedures to assure the maximum possible ac-  
6 curacy of the information whenever they pre-  
7 pare consumer reports, numerous studies, the  
8 high volume of consumer complaints submitted  
9 to the Consumer Bureau about incorrect infor-  
10 mation on consumer reports, and supervisory  
11 activities by the Consumer Bureau demonstrate  
12 that CRAs continue to skirt their obligations  
13 under the law.

14 (2) PRIVATE EDUCATION LOANS.—

15 (A) The Consumer Bureau’s October 2014  
16 report titled “Annual Report of the CFPB Stu-  
17 dent Loan Ombudsman” noted many private  
18 education loan borrowers, who sought to nego-  
19 tiate a modified repayment plan when they were  
20 experiencing a period of financial distress, were  
21 unable to get assistance from their loan holders,  
22 which often resulting in them defaulting on  
23 their loans. This pattern resembles the dif-  
24 ficulty that a significant number of mortgage  
25 loan borrowers experienced when they sought to

1 take responsible steps to work with their mort-  
2 gage loan servicer to avoid foreclosure during  
3 the Great Recession.

4 (B) Although private student loan holders  
5 may allow a borrower to postpone payments  
6 while enrolled in school full-time, many limit  
7 this option to a certain time period, usually 48  
8 to 66 months. This limited time period may not  
9 be sufficient for those who need additional time  
10 to obtain their degree or who want to continue  
11 their education by pursuing a graduate or profes-  
12 sional degree. The Consumer Bureau found  
13 that borrowers who were unable to make pay-  
14 ments often defaulted or had their accounts  
15 sent to collections before they were even able to  
16 graduate.

17 (3) DECEPTIVE PRACTICES AT CERTAIN PRO-  
18 PRIETARY EDUCATION INSTITUTIONS AND CAREER  
19 EDUCATION PROGRAMS.—

20 (A) NCLC cited the proliferation of law  
21 enforcement actions against many for-profit  
22 schools in its June 2014 report, titled “Ensuring  
23 Educational Integrity: 10 Steps to Improve  
24 State Oversight of For-profit Schools”, to dem-  
25 onstrate the pervasive problem in this sector of

1           targeting low-income students with deceptive  
2           high-pressure sales techniques involving inflated  
3           job placement rates and misleading data on  
4           graduate wages, and false representations about  
5           the transferability of credits and the employ-  
6           ability of graduates in occupations that require  
7           licensure. Student loan borrowers at these  
8           schools may be left with nothing but worthless  
9           credentials and large debt. Those who default  
10          on their student loans face years with damaged  
11          credit that will adversely impact their ability to  
12          rent or buy homes, purchase cars, and find em-  
13          ployment.

14                (B) The closure and bankruptcy of Corin-  
15          thian Colleges, which was found to have de-  
16          ceived students by steering them into high-in-  
17          terest student loans based on misleading grad-  
18          uation rates and employment data, is a good  
19          example of the problem. Even after its closure,  
20          many Corinthian students remained saddled  
21          with student loan debt, worthless degrees, and  
22          few prospects for employment.

23                (C) Attending a two-year, for-profit college  
24          costs, on average, four times as much as at-  
25          tending a community college. Students at for-

1 profit colleges represent only about 11 percent  
2 of the total higher education population but a  
3 startling 44 percent of all Federal student loan  
4 defaults, according to the United States De-  
5 partment of Education (“DOE”).

6 (D) According to NCLC, a dispropor-  
7 tionate number of for-profit students are low-in-  
8 come and people of color. These schools target  
9 veterans, working parents, first-generation stu-  
10 dents, and non-English speaking students, who  
11 may be more likely than their public or private  
12 nonprofit school counterparts to drop out, incur  
13 enormous student debt, and default on this  
14 debt. In the 2011–2012 school year, 28 percent  
15 of African Americans and 15 percent of Latinos  
16 attending four-year institutions were enrolled in  
17 a for-profit school, compared to 10 percent of  
18 Whites.

19 (E) As highlighted in a press release titled  
20 “Obama Administration Announces Final Rules  
21 to Protect Students from Poor-Performing Ca-  
22 reer College Programs”, that was issued by the  
23 DOE on October 30, 2014, “[t]oo often, stu-  
24 dents at career colleges—including thousands of  
25 veterans—are charged excessive costs, but don’t

1 get the education they paid for. Instead, stu-  
2 dents in such programs are provided with poor  
3 quality training, often for low-wage jobs or in  
4 occupations where there are simply no job op-  
5 portunities. They find themselves with large  
6 amounts of debt and, too often, end up in de-  
7 fault. In many cases, students are drawn into  
8 these programs with confusing or misleading in-  
9 formation.”.

10 (4) MEDICAL DEBT.—

11 (A) Research by the Consumer Bureau has  
12 found that the inclusion of medical collections  
13 on consumer reports has unfairly reduced con-  
14 sumers’ credit scores.

15 (B) The Consumer Bureau’s review of 5  
16 million anonymized credit files from September  
17 2011 to September 2013, for example, found  
18 that credit scores may underestimate a person’s  
19 creditworthiness by up to 10 points for those  
20 who owe medical debt, and may underestimate  
21 a person’s creditworthiness by up to 22 points  
22 after the medical debt has been paid. For con-  
23 sumers with lower credit scores, especially those  
24 on the brink of what is considered subprime, a  
25 10 to 22 point decrease in their credit scores

1 can have a significant impact on their lives, in-  
2 cluding by affecting whether they are able to  
3 qualify for credit and, if so, the terms and con-  
4 ditions under which it is extended to them.

5 (C) The Consumer Bureau found that half  
6 of all collections trade lines that appear on con-  
7 sumer reports are related to medical bills  
8 claimed to be owed to hospitals and other med-  
9 ical providers. These trade lines affect the re-  
10 ports of nearly  $\frac{1}{5}$  of all consumers in the credit  
11 reporting system.

12 (D) The Consumer Bureau has found that  
13 there are no objective or enforceable standards  
14 that determine when a debt can or should be  
15 reported as a collection trade line. Because debt  
16 buyers and collectors determine whether, when,  
17 and for how long to report a collection account,  
18 there is only a limited relationship between the  
19 time period reported, the severity of a delin-  
20 quency, and when or whether a collection trade  
21 line appears on a consumer's credit report.

22 (E) Medical bills can be complex and con-  
23 fusing for many consumers, which results in  
24 consumers' uncertainty about what they owe, to  
25 whom, when, or for what, that may cause some

1 people, who ordinarily pay their bills on time, to  
2 delay or withhold payments on their medical  
3 debts. This uncertainty can also result in med-  
4 ical collections appearing on consumer reports.  
5 In a December 2014 report titled “Consumer  
6 Credit Reports: A Study of Medical and Non-  
7 Medical Collections”, the Consumer Bureau  
8 found that a large portion of consumers with  
9 medical collections show no other evidence of fi-  
10 nancial distress and are consumers who ordi-  
11 narily pay their other financial obligations on  
12 time. Unlike with most credit products or serv-  
13 ices, such as credit cards, installment loans,  
14 utilities, or wireless or cable services that have  
15 contractual account disclosures describing the  
16 terms and conditions of use, most consumers  
17 are not told what their out-of-pocket medical  
18 costs will be in advance. Consumers needing ur-  
19 gent or emergency care rarely know, or are pro-  
20 vided, the cost of a medical treatment or proce-  
21 dure before the service is rendered.

22 (F) The Consumer Bureau concluded that  
23 the presence of medical collections is less pre-  
24 dictive of future defaults or serious delin-  
25 quencies than the presence of a nonmedical col-



1           lection in a study titled “Data Point: Medical  
2           Debt and Credit Scores”, issued in May 2014.

3           (G) FICO’s latest credit scoring model,  
4           “FICO 9”, changes the treatment of paid col-  
5           lections to disregard any collection matters that  
6           the consumer has paid in full. FICO 9, how-  
7           ever, is not yet widely used by lenders.

8           (H) VantageScore’s latest credit scoring  
9           model, “VantageScore 4.0”, will be available in  
10          the fall of 2017. This model will penalize med-  
11          ical collections less than non-medical ones.

12          (I) The three nationwide CRAs entered  
13          into a settlement agreement with the New York  
14          State attorney general in 2015 to address defi-  
15          ciencies in their dispute resolution process and  
16          enhance the accuracy of items on reports. These  
17          policy changes will be implemented in a three-  
18          phrased rollout, culminating by June 2018.  
19          Subsequently, these CRAs entered into a coop-  
20          erative agreement with 31 State Attorneys Gen-  
21          eral, which was the basis of the creation of the  
22          National Consumer Assistance Plan (“NCAP”)  
23          to change some of their business practices.

24          (J) While the CRAs appear to be volun-  
25          tarily adopting policy changes on a nationwide

1 basis, they are not obligated to do so for con-  
2 sumers who reside in States that are not party  
3 to any of the consent orders.

4 (K) As a result of the settlement agree-  
5 ments, the three nationwide CRAs will set a  
6 180-day waiting period before including medical  
7 collections on a report and will remove a med-  
8 ical collection from a report once it is paid by  
9 an insurance company. While this change will  
10 benefit many, once a medical collection appears  
11 on a report, it will only be deleted or suppressed  
12 if it is found to have been the insurance com-  
13 pany's obligation to pay and the insurer pays it.  
14 Given the research showing there is little pre-  
15 dictive value in medical debt information, med-  
16 ical collections that are paid or settled should  
17 quickly be removed from a report, regardless of  
18 who pays or settles this debt.

19 (5) FINANCIAL ABUSE BY KNOWN PERSONS.—

20 (A) Financial abuse and exploitation are  
21 frequently associated with domestic violence.  
22 This type of abuse may result in fraudulent  
23 charges to a credit card or having fraudulent  
24 accounts created by the abuser in the survivor's  
25 name. Financial abuse may also result in the

1 survivor's inability to make timely payments on  
2 their valid obligations due to loss or changes in  
3 income that can occur when their abuser steals  
4 from or coerces the survivor to relinquish their  
5 paychecks or savings.

6 (B) By racking up substantial debts in the  
7 survivor's name, abusers are able to exercise fi-  
8 nancial control over their survivors to make it  
9 economically difficult for the survivor, whose  
10 credit is often destroyed, to escape the situa-  
11 tion.

12 (C) Domestic abuse survivors with poor  
13 credit are likely to face significant obstacles in  
14 establishing financial independence from their  
15 abusers. This can be due, in part, because con-  
16 sumer reports may be used when a person at-  
17 tempts to obtain a checking account, housing,  
18 insurance, utilities, employment, and even a se-  
19 curity clearance as required for certain jobs.

20 (D) Providing documentation of identity  
21 ("ID") theft in order to dispute information on  
22 one's consumer report can be particularly chal-  
23 lenging for those who know their financial  
24 abuser.

1 (E) While it is easier for consumers who  
2 obtain a police report to remove fraudulent in-  
3 formation from their consumer report and pre-  
4 vent it from reappearing in the future, accord-  
5 ing to the Empire Justice Center, safety and  
6 other noncredit concerns may impact the capac-  
7 ity of a survivor of financial abuse committed  
8 by a known person to turn to law enforcement  
9 to get a police report.

10 (F) According to the Legal Aid Society in  
11 New York, domestic abuse survivors, seeking to  
12 remove adverse information stemming from fi-  
13 nancial abuse by contacting their furnishers di-  
14 rectly, are likely to face skepticism about claims  
15 of ID theft perpetrated by a partner because of  
16 an assumption that they are aware of, and may  
17 have been complicit in, the activity which the  
18 survivor alleges stems from financial abuse.

19 (6) DECEPTIVE AND MISLEADING MARKETING  
20 PRACTICES.—

21 (A) The Consumer Bureau’s February  
22 2015 report titled “Consumer Voices on Credit  
23 Reports and Scores” found that some con-  
24 sumers did not obtain a copy of their consumer  
25 report due to concerns about security or of

1           being trapped into purchasing unwanted prod-  
2           ucts like an additional report or a credit moni-  
3           toring service.

4           (B) In January 2017, the Consumer Bu-  
5           reau fined TransUnion and Equifax for decep-  
6           tively marketing credit scores for purchase by  
7           consumers as the same credit scores typically  
8           used by lenders to determine creditworthiness  
9           and for luring consumers into costly subscrip-  
10          tion services that were advertised as “free” or  
11          “\$1” that automatically charged recurring fees  
12          unless cancelled by consumers. The Consumer  
13          Bureau also found that Equifax was illegally  
14          advertising its products on webpages that con-  
15          sumers                   accessed                   through  
16          AnnualCreditReport.com before consumers ob-  
17          tained their free disclosures. Because of these  
18          troubling practices, TransUnion was ordered to  
19          pay \$13.9 million in restitution to harmed con-  
20          sumers and a civil penalty of \$3 million to the  
21          Consumer Bureau. Equifax was ordered to pay  
22          more than \$3.7 million to affected consumers  
23          as well as a civil money penalty of \$2.5 million  
24          to the Consumer Bureau. As part of the con-  
25          sent orders, the CRAs are also supposed to

1 change the way that they sell their products to  
2 consumers. The CRAs must also obtain con-  
3 sumers' express consent before enrolling them  
4 into subscription services as well as make it  
5 easier for consumers to cancel these programs.

6 (C) The Consumer Bureau fined the other  
7 nationwide CRA—Experian—in March 2017  
8 for deceiving consumers about the use of credit  
9 scores that it marketed and sold to consumers  
10 as credit scores that were used by lenders and  
11 for illegally advertising its products on web  
12 pages that consumers accessed through  
13 AnnualCreditReport.com before they obtained  
14 their free annual disclosures. Experian was or-  
15 dered to pay more than \$3.7 million in restitu-  
16 tion to harmed consumers and a civil monetary  
17 penalty of \$2.5 million to the Consumer Bu-  
18 reau.

19 (D) The Consumer Bureau's January and  
20 March 2017 consent orders with the three na-  
21 tionwide CRAs show that these CRAs have en-  
22 ticed consumers into purchasing products and  
23 services that they may not want or need, in  
24 some instances by advertising products or serv-  
25 ices “free” that automatically converted into an

1 ongoing subscription service at the regular price  
2 unless cancelled by the consumer. Although  
3 these CRAs must now change their deceptive  
4 marketing practices, codifying these duties is an  
5 appropriate way to ensure that these companies  
6 never revert back to such misleading tactics.

7 (E) Given the ubiquitous use of consumer  
8 reports in consumers' lives and the fact that  
9 consumers' participation in the credit reporting  
10 system is involuntary, CRAs should also  
11 prioritize providing consumers with the effective  
12 means to safeguard their personal and financial  
13 information and improve their credit standing,  
14 rather than seeking to exploit consumers' con-  
15 cerns and confusion about credit reporting and  
16 scoring, to boost their companies' profits.

17 (F) Vulnerable consumers, who have legiti-  
18 mate concerns about the security of their per-  
19 sonal and financial information, deserve clear,  
20 accurate, and transparent information about  
21 the credit reporting tools that may be available  
22 to them, such as fraud alerts and freezes.

23 (7) PROTECTIONS FOR CONSUMERS' CREDIT IN-  
24 FORMATION.—

1 (A) Despite heightened awareness, inci-  
2 dents of ID theft continue to rise. In February  
3 2015, the FTC reported that ID theft was the  
4 top consumer complaint that it received for the  
5 15th consecutive year. As these incidents in-  
6 crease, consumers experience significant finan-  
7 cial loss and emotional distress from the inabil-  
8 ity to safeguard effectively and inexpensively  
9 their credit information from bad actors.

10 (B) According to a Carnegie Mellon study,  
11 children are 50 times more likely than adults to  
12 have their identities stolen. Child identities are  
13 valuable to thieves because most children do not  
14 have existing files, and their parents may not  
15 notice fraudulent activity until their child ap-  
16 plies for a student loan, a job, or a credit card.  
17 As a result, the fraudulent activity of the bad  
18 actors may go undetected for years.

19 (C) Despite the increasing incidents of  
20 children's ID theft, parents who want to  
21 proactively prevent their children from having  
22 their identity stolen, may not be able to do so.  
23 Only one of the three nationwide CRAs cur-  
24 rently allows parents from any State to set up  
25 a freeze for a minor child. At the other two na-



tionwide CRAs, parents can only obtain a freeze after a child has become an ID theft victim because, it is only at this point, that these CRAs have an existing credit file for the child. While many States have enacted laws to address this problem, there is no existing Federal law.

(D) According to Javelin Strategy & Research's 2015 Identity Fraud study, \$16 billion was stolen by fraudsters from 12.7 million American consumers in 2014. Similarly, the United States Department of Justice found an estimated 7 percent of all residents age 16 or older (about 17.6 million persons) in this country were victims of one or more incidents of ID theft in 2014, and the number of elderly victims age 65 or older (about 86 percent) increased from 2.1 million in 2012 to 2.6 million in 2014.

(E) Consumers frequently express concern about the security of their financial information. According to a 2015 MasterCard survey, a majority of consumers (77 percent) have anxiety about the possibility that their financial information and Social Security numbers may be stolen or compromised, with about 55 percent of consumers indicating that they would rather

1 have naked pictures of themselves leaked online  
2 than have their financial information stolen.

3 (F) That survey also revealed that con-  
4 sumers' fears about the online security of their  
5 financial information even outweighed con-  
6 sumers' worries about other physical security  
7 dangers such as having their houses robbed (59  
8 percent) or being pickpocketed (46 percent).

9 (G) According to Consumer Reports,  
10 roughly 50 million American consumers spent  
11 about \$3.5 billion in 2010 to purchase products  
12 aimed at protecting their identity, with the an-  
13 nual cost of these services ranging from \$120  
14 to \$300. As risks to consumers' personal and fi-  
15 nancial information continue to grow, con-  
16 sumers need additional protections to ensure  
17 that they have fair and reasonable access to the  
18 full suite of ID theft and fraud prevention  
19 measures that may be right for them.

20 **SEC. 3. EFFECTIVE DATE.**

21 Except as otherwise specified, the amendments made  
22 by this Act shall take effect 2 years after the date of the  
23 enactment of this Act.

1 **SEC. 4. GENERAL BUREAU RULEMAKING.**

2 Except as otherwise provided, not later than the end  
3 of the 2-year period beginning on the date of the enact-  
4 ment of this Act, the Bureau of Consumer Financial Pro-  
5 tection shall issue final rules to implement the amend-  
6 ments made by this Act.

7 **TITLE I—RESTORING THE IM-**  
8 **PAIRED CREDIT OF VICTIMS**  
9 **OF PREDATORY ACTIVITIES**  
10 **AND UNFAIR CONSUMER RE-**  
11 **PORTING PRACTICES**

12 **SEC. 101. SHORTENS THE TIME PERIOD THAT MOST AD-**  
13 **VERSE CREDIT INFORMATION STAYS ON CON-**  
14 **SUMER REPORTS.**

15 (a) IN GENERAL.—Section 605 of the Fair Credit  
16 Reporting Act (15 U.S.C. 1681c) is amended—

17 (1) in subsection (a)—

18 (A) by striking “Except as authorized  
19 under subsection (b), no” and inserting “No”;

20 (B) in paragraph (1), by striking “10  
21 years” and inserting “7 years”;

22 (C) in paragraph (2), by striking “Civil  
23 suits, civil judgments, and records” and insert-  
24 ing “Records”;

25 (D) in paragraph (3), by striking “seven  
26 years” and inserting “4 years”;

1 (E) in paragraph (4), by striking “seven  
2 years” and inserting “4 years, except as pro-  
3 vided in paragraph (8), (10), (11), (12), or  
4 (13), or as required by section 605C, 605D,  
5 605E, or 605F”;

6 (F) in paragraph (5)—

7 (i) by striking “, other than records of  
8 convictions of crimes”; and

9 (ii) by striking “seven years” and in-  
10 sserting “4 years, except as required by sec-  
11 tion 605C, 605D, 605E, or 605F”; and

12 (G) by adding at the end the following new  
13 paragraphs:

14 “(9) Civil suits and civil judgments (except as  
15 provided in paragraph (8)) that, from date of entry,  
16 antedate the report by more than 4 years or until  
17 the governing statute of limitations has expired,  
18 whichever is the longer period.

19 “(10) A civil suit or civil judgment—

20 “(A) brought by a private education loan  
21 holder that, from the date of successful comple-  
22 tion of credit restoration or rehabilitation in ac-  
23 cordance with the requirements of section 605D  
24 or 605E, antedates the report by 45 calendar  
25 days; or

1           “(B) brought by a lender with respect to  
2           a covered residential mortgage loan that ante-  
3           dates the report by 45 calendar days.

4           “(11) Records of convictions of crimes which  
5           antedate the report by more than 7 years.

6           “(12) Any other adverse item of information re-  
7           lating to the collection of debt that did not arise  
8           from a contract or an agreement to pay by a con-  
9           sumer, including fines, tickets, and other assess-  
10          ments, as determined by the Bureau, excluding tax  
11          liability.”;

12          (2) by striking subsection (b) and redesignating  
13          subsections (c) through (h) as subsections (b)  
14          through (g), respectively; and

15          (3) in subsection (b) (as so redesignated), by  
16          striking “7-year period referred to in paragraphs (4)  
17          and (6)” and inserting “4-year period referred to in  
18          paragraphs (4) and (5)”.

19          (b) CONFORMING AMENDMENTS.—The Fair Credit  
20          Reporting Act (15 U.S.C. 1681) is amended—

21          (1) in section 616(d), by striking “section  
22          605(g)” each place that term appears and inserting  
23          “section 605(f)”; and

24          (2) in section 625(b)(5)(A), by striking “section  
25          605(g)” and inserting “section 605(f)”.

1 **SEC. 102. MANDATES THE EXPEDITED REMOVAL OF FULLY**  
2 **PAID OR SETTLED DEBT FROM CONSUMER**  
3 **REPORTS.**

4 Section 605(a) of the Fair Credit Reporting Act (15  
5 U.S.C. 1681c(a)), as amended by section 101(a)(1), is fur-  
6 ther amended by adding at the end the following new para-  
7 graph:

8 “(13) Any other adverse item of information re-  
9 lated to a fully paid or settled debt that had been  
10 characterized as delinquent, charged off, or in collec-  
11 tion which, from the date of payment or settlement,  
12 antedates the report by more than 45 calendar  
13 days.”.

14 **SEC. 103. IMPOSES RESTRICTIONS ON THE APPEARANCE**  
15 **OF MEDICAL COLLECTIONS ON CONSUMER**  
16 **REPORTS AND REQUIRES THE EXPEDITED**  
17 **REMOVAL OF FULLY PAID OR SETTLED MED-**  
18 **ICAL COLLECTIONS FROM CONSUMER RE-**  
19 **PORTS.**

20 (a) REMOVAL OF FULLY PAID OR SETTLED MED-  
21 ICAL DEBT FROM CONSUMER REPORTS.—Section 605(a)  
22 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)),  
23 as amended by section 102, is further amended by adding  
24 at the end the following new paragraph:

25 “(14) Any other adverse item of information re-  
26 lated to a fully paid or settled debt arising from the

1 receipt of medical services, products, or devices that  
2 had been characterized as delinquent, charged off, or  
3 in collection which, from the date of payment or set-  
4 tlement, antedates the report by more than 45 cal-  
5 endar days.”.

6 (b) ESTABLISHING AN EXTENDED TIME PERIOD BE-  
7 FORE CERTAIN MEDICAL DEBT INFORMATION MAY BE  
8 REPORTED.—Section 605(a) of such Act is further  
9 amended by adding at the end the following new para-  
10 graph:

11 “(15) Any information related to a debt arising  
12 from the receipt of medical services, products, or de-  
13 vices, if the date on which such debt was placed for  
14 collection, charged to profit or loss, or subjected to  
15 any similar action antedates the report by less than  
16 365 calendar days.”.

17 (c) PROHIBITION ON REPORTING MEDICALLY NEC-  
18 ESSARY PROCEDURES.—Section 605(a) of such Act is fur-  
19 ther amended by adding at the end the following new para-  
20 graph:

21 “(16) Any information related to a debt arising  
22 from a medically necessary procedure.”.

23 (d) TECHNICAL AMENDMENT.—Section 604(g)(1)(C)  
24 of the Fair Credit Reporting Act (15 U.S.C.

1 1681b(g)(1)(C)) is further amended by striking “devises”  
2 and inserting “devices”.

3 **SEC. 104. PROVIDES CREDIT RESTORATION FOR VICTIMS**  
4 **OF PREDATORY MORTGAGE LENDING AND**  
5 **SERVICING.**

6 (a) IN GENERAL.—The Fair Credit Reporting Act  
7 (15 U.S.C. 1681 et seq.) is amended by inserting after  
8 section 605B the following new section:

9 **“§ 605C. Credit restoration for victims of predatory**  
10 **mortgage lending**

11 “(a) IN GENERAL.—A consumer reporting agency  
12 may not furnish any consumer report containing any ad-  
13 verse item of information relating to a covered residential  
14 mortgage loan (including the origination and servicing of  
15 such a loan, any loss mitigation activities related to such  
16 a loan, and any foreclosure, deed in lieu of foreclosure,  
17 or short sale related to such a loan), if the action or inac-  
18 tion to which the item of information relates—

19 “(1) resulted from an unfair, deceptive, or abu-  
20 sive act or practice, or a fraudulent, discriminatory,  
21 or illegal activity of a financial institution, as deter-  
22 mined by the Bureau or a court of competent juris-  
23 diction; or

24 “(2) is related to an unfair, deceptive, or abu-  
25 sive act, practice, or a fraudulent, discriminatory, or



1        illegal activity of a financial institution that is the  
 2        subject of a settlement agreement initiated on behalf  
 3        of a consumer or consumers and that is between the  
 4        financial institution and an agency or department of  
 5        a local, State, or Federal Government, regardless of  
 6        whether such settlement includes an admission of  
 7        wrongdoing.

8        “(b) COVERED RESIDENTIAL MORTGAGE LOAN DE-  
 9        FINED.—In this section, the term ‘covered residential  
 10       mortgage loan’ means any loan primarily for personal,  
 11       family, or household use that is secured by a mortgage,  
 12       deed of trust, or other equivalent consensual security in-  
 13       terest on a dwelling (as defined in section 103(w) of the  
 14       Truth in Lending Act), including a loan in which the pro-  
 15       ceeds will be used for—

16                “(1) a manufactured home (as defined in sec-  
 17                tion 603 of the Housing and Community Develop-  
 18                ment Act of 1974 (42 U.S.C. 5402));

19                “(2) any installment sales contract, land con-  
 20                tract, or contract for deed on a residential property;  
 21                or

22                “(3) a reverse mortgage transaction (as defined  
 23                in section 103 of the Truth in Lending Act).”.

24        (b) TABLE OF CONTENTS AMENDMENT.—The table  
 25        of contents of the Fair Credit Reporting Act is amended

1 by inserting after the item relating to section 605B the  
 2 following new item:

“605C. Credit restoration for victims of predatory mortgage lending.”.

3       (c) EFFECTIVE DATE.—The amendments made by  
 4 this section shall take effect at the end of the 18-month  
 5 period beginning on the date of the enactment of this Act.  
 6 **SEC. 105. PROVIDES CREDIT RELIEF FOR PRIVATE EDU-**  
 7 **CATION LOANS BORROWERS WHO WERE DE-**  
 8 **FRAUDED OR MISLEAD BY PROPRIETARY**  
 9 **EDUCATION INSTITUTION OR CAREER EDU-**  
 10 **CATION PROGRAMS.**

11       (a) IN GENERAL.—The Fair Credit Reporting Act  
 12 (15 U.S.C. 1681 et seq.), as amended by section 104, is  
 13 further amended by inserting after section 605C the fol-  
 14 lowing new section:

15 **“§ 605D. Private education loan credit restoration for**  
 16 **defrauded student borrowers who attend**  
 17 **certain proprietary educational institu-**  
 18 **tion or career education programs**

19       “(a) PROCESS FOR CERTIFICATION AS A QUALIFYING  
 20 PRIVATE EDUCATION LOAN BORROWER.—

21       “(1) IN GENERAL.—A consumer may submit a  
 22 request to the Bureau, along with a defraudment  
 23 claim, to be certified as a qualifying private edu-  
 24 cation loan borrower with respect to a private edu-  
 25 cation loan.

1           “(2) CERTIFICATION.—The Bureau shall certify  
2           a consumer described in paragraph (1) as a quali-  
3           fying private education loan borrower with respect to  
4           a private education loan if the Bureau or a court of  
5           competent jurisdiction determines that the consumer  
6           has a valid defraudment claim with respect to such  
7           loan.

8           “(b) REMOVAL OF ADVERSE INFORMATION.—Upon  
9           receipt of a notice described in subsection (d)(5), a con-  
10          sumer reporting agency shall remove any adverse informa-  
11          tion relating to any private education loan with respect  
12          to which a consumer is a qualifying private education loan  
13          borrower from any consumer report within 45 calendar  
14          days of receipt of such notification.

15          “(c) DISCLOSURE.—The Bureau shall disclose the re-  
16          sults of a certification determination in writing to the con-  
17          sumer that provides a clear and concise explanation of the  
18          basis for the determination of whether such consumer is  
19          a qualifying private education loan borrower with respect  
20          to a private education loan and, as applicable, an expla-  
21          nation of the consumer’s right to have adverse information  
22          relating to such loan removed from their consumer report  
23          by a consumer reporting agency.

24          “(d) PROCEDURES.—The Bureau shall—

1           “(1) establish procedures for a consumer to  
2       submit a request described in subsection (a);

3           “(2) establish procedures to efficiently review,  
4       accept, and process such a request;

5           “(3) develop ongoing outreach initiatives and  
6       education programs to inform consumers of the cir-  
7       cumstances under which such consumer may be eli-  
8       gible to be certified as a qualifying private education  
9       loan borrower with respect to a private education  
10      loan;

11          “(4) establish procedures, including the man-  
12      ner, form, and content of the notice informing a pri-  
13      vate educational loan holder of the prohibition on re-  
14      porting any adverse information relating to a private  
15      education loan with respect to which a consumer is  
16      a qualifying private education loan borrower; and

17          “(5) establish procedures, including the man-  
18      ner, form, and content of the notice informing a con-  
19      sumer reporting agency of the obligation to remove  
20      any adverse information as described in subsection  
21      (c).

22          “(e) STANDARDIZED REPORTING CODES.—A con-  
23      sumer reporting agency shall develop standardized report-  
24      ing codes for use by private education loan holders to iden-  
25      tify and report a qualifying private education loan bor-

1   rower’s status of a request to remove any adverse informa-  
2   tion relating to any private education loan with respect  
3   to which such consumer is a qualifying private education  
4   loan borrower. A consumer report in which a person fur-  
5   nishes such codes shall be deemed to comply with the re-  
6   quirements for accuracy and completeness required under  
7   sections 623(a)(1) and 630. Such codes shall not appear  
8   on any report provided to a third party, and shall be re-  
9   moved from the consumer’s credit report upon the success-  
10  ful restoration of the consumer’s credit under this section.

11       “(f) DEFRAUDMENT CLAIM DEFINED.—For pur-  
12  poses of this section, the term ‘defraudment claim’ means  
13  a claim made with respect to a consumer who is a bor-  
14  rower of a private education loan with respect to a propri-  
15  etary educational institution or career education program  
16  in which the consumer alleges that—

17               “(1) the proprietary educational institution or  
18       career education program—

19                       “(A) engaged in an unfair, deceptive, or  
20       abusive act or practice, or a fraudulent, dis-  
21       criminatory, or illegal activity—

22                               “(i) as defined by State law of the  
23       State in which the proprietary educational  
24       institution or career education program is

1           headquartered or maintains or maintained  
2           significant operations; or

3           “(ii) under Federal law;

4           “(B) is the subject of an enforcement  
5           order, a settlement agreement, a memorandum  
6           of understanding, a suspension of tuition assist-  
7           ance, or any other action relating to an unfair,  
8           deceptive, or abusive act or practice that is be-  
9           tween the proprietary educational institution or  
10          career education program and an agency or de-  
11          partment of a local, State, or Federal Govern-  
12          ment; or

13          “(C) misrepresented facts to students or  
14          accrediting agencies or associations about grad-  
15          uation or gainful employment rates in recog-  
16          nized occupations or failed to provide the  
17          coursework necessary for students to success-  
18          fully obtain a professional certification or de-  
19          gree from the proprietary educational institu-  
20          tion or career education program; or

21          “(2) the consumer has submitted a valid de-  
22          fense to repayment claim with respect to such loan,  
23          as determined by the Secretary of Education.”.

24          (b) TABLE OF CONTENTS AMENDMENT.—The table  
25 of contents of the Fair Credit Reporting Act is amended

1 by inserting after the item relating to section 605C (as  
 2 added by section 104) the following new item:

“605D. Private education loan credit restoration for defrauded student borrowers who attend certain proprietary educational institution or career education programs.”.

3 **SEC. 106. ESTABLISHES RIGHT FOR VICTIMS OF FINANCIAL**  
 4 **ABUSE TO HAVE ADVERSE INFORMATION AS-**  
 5 **SOCIATED WITH AN ABUSER’S FRAUDULENT**  
 6 **ACTIVITY REMOVED FROM THEIR CONSUMER**  
 7 **REPORTS.**

8 (a) IN GENERAL.—The Fair Credit Reporting Act  
 9 (15 U.S.C. 1681 et seq.), as amended by section 105, is  
 10 further amended by inserting after section 605D the fol-  
 11 lowing new section:

12 **“§ 605E. Financial abuse prevention**

13 “For a consumer who is the victim of intentionally  
 14 abusive or harmful financial behavior, as determined by  
 15 a court of competent jurisdiction including a family court,  
 16 juvenile court, or other court with personal jurisdiction,  
 17 that was conducted by a spouse, family or household mem-  
 18 ber, caregiver, or person with whom such consumer had  
 19 a dating relationship in a manner which resulted in the  
 20 inclusion of an adverse item of information on the con-  
 21 sumer report of the consumer, and the consumer did not  
 22 participate in or consent to such behavior, the consumer  
 23 may apply to a court of competent jurisdiction, including  
 24 a family court, juvenile court, or other court with personal

1 jurisdiction, for an order to require the removal of such  
 2 adverse information from the consumer’s file maintained  
 3 by any consumer reporting agency.”.

4 (b) TABLE OF CONTENTS AMENDMENT.—The table  
 5 of contents of the Fair Credit Reporting Act is amended  
 6 by inserting after the item relating to section 605D the  
 7 following new item:

“605E. Financial abuse prevention.”.

8 **SEC. 107. PROHIBITS TREATMENT OF CREDIT RESTORA-**  
 9 **TION OR REHABILITATION AS ADVERSE IN-**  
 10 **FORMATION.**

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

13 (1) by adding at the end the following new sec-  
 14 tion:

15 **“§ 630. Prohibition of certain factors related to Fed-**  
 16 **eral credit restoration or rehabilitation**

17 **“(a) RESTRICTION ON CREDIT SCORING MODELS.—**  
 18 **A credit scoring model may not—**

19 **“(1) take into consideration, in a manner ad-**  
 20 **verse to a consumer’s credit score or educational**  
 21 **credit score, any information in a consumer report**  
 22 **concerning the consumer’s participation in credit**  
 23 **restoration or rehabilitation under section 605C,**  
 24 **605D, or 605E; or**



1           “(2) treat negatively, in a manner adverse to a  
2           consumer’s credit score or educational credit score,  
3           the absence of payment history data for an existing  
4           account, whether the account is open or closed,  
5           where the absence of such information is the result  
6           of a consumer’s participation in credit restoration or  
7           rehabilitation under section 605C, 605D, or 605E.

8           “(b) RESTRICTION ON PERSONS OBTAINING CON-  
9           SUMER REPORTS.—A person who obtains a consumer re-  
10          port may not—

11           “(1) take into consideration, in a manner ad-  
12          verse to a consumer, any information in a consumer  
13          report concerning the consumer’s participation in  
14          credit restoration or rehabilitation under section  
15          605C, 605D, or 605E; or

16           “(2) treat negatively the absence of payment  
17          history data for an existing account, whether the ac-  
18          count is open or closed, where the absence of such  
19          information is the result of a consumer’s participa-  
20          tion in credit restoration or rehabilitation under sec-  
21          tion 605C, 605D, or 605E.

22           “(c) ACCURACY AND COMPLETENESS.—If a person  
23          who furnishes information to a consumer reporting agency  
24          requests the removal of information from a consumer re-  
25          port or a consumer reporting agency removes information

1 from a consumer report in compliance with the require-  
 2 ments under section 605C, 605D, or 605E, or such infor-  
 3 mation was removed pursuant at section 605(a)(11), such  
 4 report shall be deemed to satisfy the requirements for ac-  
 5 curacy and completeness with respect to such information.

6 “(d) PROHIBITION RELATED TO ADVERSE ACTIONS  
 7 AND RISK-BASED PRICING DECISIONS.—No person shall  
 8 use information related to a consumer’s participation in  
 9 credit restoration or rehabilitation under section 605C,  
 10 605D, or 605E in connection with any determination of—

11 “(1) the consumer’s eligibility or continued eli-  
 12 gibility for an extension of credit;

13 “(2) the terms and conditions offered to a con-  
 14 sumer regarding an extension of credit; or

15 “(3) an adverse action made for employment  
 16 purposes.”; and

17 (2) in the table of contents for such Act, by  
 18 adding at the end the following new item:

“630. Prohibition of certain factors related to Federal credit restoration or reha-  
 bilitation.”.

1 **TITLE II—EXPANDING ACCESS**  
2 **TO TOOLS TO PROTECT VUL-**  
3 **NERABLE CONSUMERS FROM**  
4 **IDENTITY THEFT, FRAUD, OR**  
5 **A RELATED CRIME, AND PRO-**  
6 **TECT VICTIMS FROM FUR-**  
7 **THER HARM**

8 **SEC. 201. IDENTITY THEFT REPORT DEFINITION.**

9 Paragraph (4) of section 603(q) of the Fair Credit  
10 Reporting Act (15 U.S.C. 1681a(q)(4)) is amended to  
11 read as follows:

12 “(4) IDENTITY THEFT REPORT.—The term  
13 ‘identity theft report’ has the meaning given that  
14 term by rule of the Bureau, and means, at a min-  
15 imum, a report—

16 “(A) that is a standardized affidavit that  
17 alleges that a consumer has been a victim of  
18 identity theft, fraud, or a related crime, or has  
19 been harmed by the unauthorized disclosure of  
20 the consumer’s financial or personally identifi-  
21 able information, that was developed and made  
22 available by the Bureau; or

23 “(B)(i) that alleges an identity theft,  
24 fraud, or a related crime, or alleges harm from

1 the unauthorized disclosure of the consumer's  
 2 financial or personally identifiable information;

3 “(ii) that is a copy of an official, valid re-  
 4 port filed by a consumer with an appropriate  
 5 Federal, State, or local law enforcement agency,  
 6 including the United States Postal Inspection  
 7 Service, or such other government agency  
 8 deemed appropriate by the Bureau; and

9 “(iii) the filing of which subjects the per-  
 10 son filing the report to criminal penalties relat-  
 11 ing to the filing of false information if, in fact,  
 12 the information in the report is false.”.

13 **SEC. 202. AMENDMENT TO PROTECTION FOR FILES AND**  
 14 **CREDIT RECORDS OF PROTECTED CON-**  
 15 **SUMERS.**

16 (a) AMENDMENT TO DEFINITION OF “FILE”.—Sec-  
 17 tion 603(g) of the Fair Credit Reporting Act (15 U.S.C.  
 18 1681a(g)) is amended by inserting “, except that such  
 19 term excludes a record created pursuant to section  
 20 605A(j)” after “stored”.

21 (b) AMENDMENT TO PROTECTION FOR FILES AND  
 22 CREDIT RECORDS.—Section 605A(j) of the Fair Credit  
 23 Reporting Act (15 U.S.C. 1681c–1(j)) is amended—

24 (1) in paragraph (1)—

1 (A) in subparagraph (B)(ii), by striking  
2 “an incapacitated person or a protected person”  
3 and inserting “a person”; and

4 (B) by amending subparagraph (E) to read  
5 as follows:

6 “(E) The term ‘security freeze’—

7 “(i) has the meaning given in sub-  
8 section (i)(1)(C); and

9 “(ii) with respect to a protected con-  
10 sumer for whom the consumer reporting  
11 agency does not have a file, means a  
12 record that is subject to a security freeze  
13 that a consumer reporting agency is pro-  
14 hibited from disclosing to any person re-  
15 questing the consumer report for the pur-  
16 pose of opening a new account involving  
17 the extension of credit.”; and

18 (2) in paragraph (4)(D), by striking “a pro-  
19 tected consumer or a protected consumer’s rep-  
20 resentative under subparagraph (A)(i)” and insert-  
21 ing “a protected consumer described under subpara-  
22 graph (A)(ii) or a protected consumer’s representa-  
23 tive”.

1 **SEC. 203. ENHANCES FRAUD ALERT PROTECTIONS.**

2 Section 605A of the Fair Credit Reporting Act (15  
3 U.S.C. 1681c–1) is amended—

4 (1) in subsection (a)—

5 (A) in the subsection heading, by striking  
6 “ONE-CALL” and inserting “ONE-YEAR”;

7 (B) in paragraph (1)—

8 (i) in the paragraph heading, by strik-  
9 ing “INITIAL ALERTS” and inserting “IN  
10 GENERAL”;

11 (ii) by inserting “or harmed by the  
12 unauthorized disclosure of the consumer’s  
13 financial or personally identifiable informa-  
14 tion,” after “identity theft,”;

15 (iii) in subparagraph (A), by striking  
16 “and” at the end;

17 (iv) in subparagraph (B)—

18 (I) by inserting “1-year” before  
19 “fraud alert”; and

20 (II) by striking the period at the  
21 end and inserting “; and”; and

22 (v) by adding at the end the following  
23 new subparagraph:

24 “(C) upon the expiration of the 1-year pe-  
25 riod described in subparagraph (A) or a subse-  
26 quent 1-year period, and in response to a direct

request by the consumer or such representative,  
continue the fraud alert for a period of 1 additional year if the information asserted in this paragraph remains applicable.”; and

(C) in paragraph (2)—

(i) in the paragraph heading, by inserting “AND CREDIT OR EDUCATIONAL CREDIT SCORES” after “REPORTS”;

(ii) by inserting “1-year” before “fraud alert”;

(iii) in subparagraph (A), by inserting “and credit score or educational credit score” after “file”; and

(iv) in subparagraph (B), by striking “any request described in subparagraph (A)” and inserting “the consumer reporting agency includes the 1-year fraud alert in the file of a consumer”;

(2) in subsection (b)—

(A) in the subsection heading, by striking “EXTENDED” and inserting “SEVEN-YEAR”;

(B) in paragraph (1)—

(i) in subparagraph (B)—

(I) by striking “5-year period beginning on the date of such request”

1 and inserting “such 7-year period”;  
2 and

3 (II) by striking “and” at the end;  
4 (ii) in subparagraph (C)—

5 (I) by striking “extended” and  
6 inserting “7-year”; and

7 (II) by striking the period at the  
8 end and inserting “; and”; and

9 (iii) by adding at the end the fol-  
10 lowing new subparagraph:

11 “(D) upon the expiration of such 7-year  
12 period or a subsequent 7-year period, and in re-  
13 sponse to a direct request by the consumer or  
14 such representative, continue the fraud alert for  
15 a period of 7 additional years if the consumer  
16 or such representative submits an updated iden-  
17 tity theft report.”; and

18 (C) in paragraph (2)—

19 (i) in the paragraph heading, by in-  
20 serting “AND CREDIT OR EDUCATIONAL  
21 CREDIT SCORES” after “REPORTS”; and

22 (ii) by amending subparagraph (A) to  
23 read as follows:

24 “(A) disclose to the consumer that the con-  
25 sumer may request a free copy of the file and



1 credit score or educational credit score of the  
2 consumer pursuant to section 612(d) during  
3 each 12-month period beginning on the date on  
4 which the 7-year fraud alert was included in the  
5 file and ending on the date of the last day that  
6 the 7-year fraud alert applies to the consumer's  
7 file; and”;

8 (3) in subsection (c)—

9 (A) in paragraph (1), by inserting “or edu-  
10 cational credit score” after “credit score”;

11 (B) by redesignating paragraphs (1), (2),  
12 and (3), as subparagraphs (A), (B), and (C),  
13 respectively (and conforming the margins ac-  
14 cordingly);

15 (C) by striking “Upon the direct request”  
16 and inserting:

17 “(1) IN GENERAL.—Upon the direct request”;

18 and

19 (D) by adding at the end the following new  
20 paragraph:

21 “(2) ACCESS TO FREE REPORTS AND CREDIT  
22 OR EDUCATIONAL CREDIT SCORES.—If a consumer  
23 reporting agency includes an active duty alert in the  
24 file of an active duty military consumer, the con-  
25 sumer reporting agency shall—

1           “(A) disclose to the active duty military  
2           consumer that the active duty military con-  
3           sumer may request a free copy of the file and  
4           credit score or educational credit score of the  
5           active duty military consumer pursuant to sec-  
6           tion 612(d), during each 12-month period be-  
7           ginning on the date that the activity duty mili-  
8           tary alert is requested and ending on the date  
9           of the last day the active duty alert applies to  
10          the file of the active duty military consumer;  
11          and

12           “(B) provide to the active duty military  
13          consumer all disclosures required to be made  
14          under section 609, without charge to the con-  
15          sumer, not later than 3 business days after any  
16          request described in subparagraph (A).”;

17          (4) by amending subsection (d) to read as fol-  
18          lows:

19          “(d) PROCEDURES.—Each consumer reporting agen-  
20          cy described in section 603(p) shall include on the  
21          webpage required under subsection (i) policies and proce-  
22          dures to comply with this section, including policies and  
23          procedures—

1           “(1) that inform consumers of the availability  
2           of 1-year fraud alerts, 7-year fraud alerts, active  
3           duty alerts, and security freezes (as applicable);

4           “(2) that allow consumers to request 1-year  
5           fraud alerts, 7-year fraud alerts, and active duty  
6           alerts (as applicable) and to place, temporarily lift,  
7           or fully remove a security freeze in a simple and  
8           easy manner; and

9           “(3) for asserting in good faith a suspicion that  
10          the consumer has been or is about to become a vic-  
11          tim of identity theft, fraud, or a related crime, or  
12          harmed by the unauthorized disclosure of the con-  
13          sumer’s financial or personally identifiable informa-  
14          tion, for a consumer seeking a 1-year fraud alert or  
15          security freeze.”;

16          (5) in subsection (e), by inserting “1-year or 7-  
17          year” before “fraud alert”;

18          (6) in subsection (f), by striking “or active duty  
19          alert” and inserting “active duty alert, or security  
20          freeze (as applicable)”;

21          (7) in subsection (g)—

22                 (A) by inserting “or has been harmed by  
23                 the unauthorized disclosure of the consumer’s  
24                 financial or personally identifiable information,  
25                 or to inform such agency of the consumer’s par-

1           ticipation in credit restoration or rehabilitation  
 2           under section 605C, 605D, or 605E,” after  
 3           “identity theft,”; and

4                   (B) by inserting “or security freezes” after  
 5           “request alerts”;

6           (8) in subsection (h)—

7                   (A) in paragraph (1)—

8                           (i) in the paragraph heading, by strik-  
 9                           ing “INITIAL” and inserting “1-YEAR”; and

10                           (ii) by striking “initial” and inserting  
 11                           “1-year” each place such term appears;  
 12                           and

13                   (B) in paragraph (2)—

14                           (i) in the paragraph heading, by strik-  
 15                           ing “EXTENDED” and inserting “7-YEAR”;

16                           and

17                           (ii) by striking “extended” and insert-  
 18                           ing “7-year” each place such term appears;

19                           and

20           (9) in subsection (i)(4)—

21                   (A) by striking subparagraphs (E) and (I);

22                   and

23                   (B) by redesignating subparagraphs (F),  
 24                   (G), (H), and (J) as subparagraphs (E), (F),  
 25                   (G), and (H), respectively.

1 **SEC. 204. AMENDMENT TO SECURITY FREEZES FOR CON-**  
2 **SUMER REPORTS.**

3 (a) IN GENERAL.—Section 605A(i) of the Fair Credit  
4 Reporting Act (15 U.S.C. 1681c–1(i)) is amended—

5 (1) by amending the subsection heading to read  
6 as follows: “SECURITY FREEZES FOR CONSUMER  
7 REPORTS”;

8 (2) in subparagraph (E), by striking “Upon re-  
9 ceiving” and all that follows through “subparagraph  
10 (C),” and inserting “Upon receiving a direct request  
11 from a consumer for a temporary removal of a secu-  
12 rity freeze, a consumer reporting agency shall”;

13 (4) by adding at the end the following:

14 “(7) RELATION TO STATE LAW.—This sub-  
15 section does not modify or supersede the laws of any  
16 State relating to security freezes or other similar ac-  
17 tions, except to the extent those laws are incon-  
18 sistent with any provision of this title, and then only  
19 to the extent of the inconsistency. For purposes of  
20 this subsection, a term or provision of a State law  
21 is not inconsistent with the provisions of this sub-  
22 section if the term or provision affords greater pro-  
23 tection to the consumer than the protection provided  
24 under this subsection as determined by the Bu-  
25 reau.”.

1 (b) AMENDMENT TO WEBPAGE REQUIREMENTS.—  
2 Section 605A(i)(6)(A) of the Fair Credit Reporting Act  
3 (15 U.S.C. 1681c–1(i)(6)(A)) is amended—

4 (3) in clause (i), by striking “initial fraud  
5 alert” and inserting “1-year fraud alert”;

6 (4) in clause (iii), by striking “extended fraud  
7 alert” and inserting “7-year fraud alert”; and

8 (5) in clause (iv), by striking “fraud”.

9 (c) AMENDMENT TO EXCEPTIONS FOR CERTAIN  
10 PERSONS.—Section 605A(i)(4)(A) of the Consumer Cred-  
11 it Protection Act (15 U.S.C. 1681c–1(i)(4)(A)) is amend-  
12 ed to read as follows:

13 “(A) A person, or the person’s subsidiary,  
14 affiliate, agent, subcontractor, or assignee with  
15 whom the consumer has, or prior to assignment  
16 had, an authorized account, contract, or debtor-  
17 creditor relationship for the purposes of review-  
18 ing the active account or collecting the financial  
19 obligation owed on the account, contract, or  
20 debt.”.

21 (e) EFFECTIVE DATE.—The amendments made by  
22 subsection (a) shall take effect on the date of the enact-  
23 ment of this Act.

1 **SEC. 205. CLARIFICATION OF INFORMATION TO BE IN-**  
2 **CLUDED WITH AGENCY DISCLOSURES.**

3 Section 609(c)(2) of such Act (15 U.S.C.  
4 1681g(c)(2)) is amended—

5 (1) in subparagraph (B)—

6 (A) by striking “consumer reporting agen-  
7 cy described in section 603(p)” and inserting  
8 “consumer reporting agency described in sub-  
9 section (p) or (x) of section 603”;

10 (B) by striking “the agency” and inserting  
11 “such an agency”; and

12 (C) by inserting “and an Internet website  
13 address” after “hours”; and

14 (2) in subparagraph (E), by striking “outdated  
15 under section 605 or” and inserting “outdated, re-  
16 quired to be removed, or”.

17 **SEC. 206. PROVIDES ACCESS TO FRAUD RECORDS FOR VIC-**  
18 **TIMS.**

19 Section 609(e) of the Fair Credit Reporting Act (15  
20 U.S.C. 1681g(e)) is amended—

21 (1) in paragraph (1)—

22 (A) by striking “resulting from identity  
23 theft”;

24 (B) by striking “claim of identity theft”  
25 and inserting “claim of fraudulent activity”;  
26 and

1 (C) by striking “any transaction alleged to  
2 be a result of identity theft” and inserting “any  
3 fraudulent transaction”;

4 (2) in paragraph (2)(B)—

5 (A) by striking “identity theft, at the elec-  
6 tion of the business entity” and inserting  
7 “fraudulent activity”;

8 (B) by amending clause (i) to read as fol-  
9 lows:

10 “(i) a copy of an identity theft report;  
11 or”; and

12 (C) by amending clause (ii) to read as fol-  
13 lows:

14 “(ii) an affidavit of fact that is ac-  
15 ceptable to the business entity for that  
16 purpose.”;

17 (3) in paragraph (3), by striking “identity  
18 theft” and inserting “fraudulent activity”;

19 (4) by striking paragraph (8) and redesignating  
20 paragraphs (9) through (13) as paragraphs (8)  
21 through (12), respectively; and

22 (5) in paragraph (10) (as so redesignated), by  
23 striking “or a similar crime” and inserting “, fraud,  
24 or a related crime”.



1 **SEC. 207. REQUIRED BUREAU TO SET PROCEDURES FOR**  
 2 **REPORTING IDENTITY THEFT, FRAUD, AND**  
 3 **OTHER RELATED CRIME.**

4 Section 621(f)(2) of the Fair Credit Reporting Act  
 5 (15 U.S.C. 1681s(f)(2)) is amended—

6 (1) in the paragraph heading, by striking  
 7 “MODEL FORM” and inserting “STANDARDIZED AF-  
 8 FIDAVIT”;

9 (2) by striking “The Commission” and insert-  
 10 ing “The Bureau”;

11 (3) by striking “model form” and inserting  
 12 “standardized affidavit”;

13 (4) by inserting after “identity theft” the fol-  
 14 lowing: “, fraud, or a related crime, or otherwise are  
 15 harmed by the unauthorized disclosure of the con-  
 16 sumer’s financial or personally identifiable informa-  
 17 tion,”; and

18 (5) by striking “fraud.” and inserting “identity  
 19 theft, fraud, or other related crime. Such standard-  
 20 ized affidavit and procedures shall not include a re-  
 21 quirement that a consumer obtain a police report.”.

22 **SEC. 208. ESTABLISHES THE RIGHT TO FREE CREDIT MONI-**  
 23 **TORING AND IDENTITY THEFT PROTECTION**  
 24 **SERVICES FOR CERTAIN CONSUMERS.**

25 (a) ENFORCEMENT OF CREDIT MONITORING FOR  
 26 SERVICEMEMBERS.—

1           (1) IN GENERAL.—Subsection (k) of section  
2           605A (15 U.S.C. 1681c–1(a)) is amended by strik-  
3           ing paragraph (4).

4           (2) EFFECTIVE DATE.—This subsection and the  
5           amendments made by this subsection shall take ef-  
6           fect on the date of the enactment of this Act.

7           (b) FREE CREDIT MONITORING AND IDENTITY  
8 THEFT PROTECTION SERVICES FOR CERTAIN CON-  
9 SUMERS.—Subsection (k) of section 605A (15 U.S.C.  
10 1681c–1), is amended to read as follows:

11          “(k) CREDIT MONITORING AND IDENTITY THEFT  
12 PROTECTION SERVICES.—

13           “(1) IN GENERAL.—Upon the direct request of  
14           a consumer, a consumer reporting agency described  
15           in section 603(p) that maintains a file on the con-  
16           sumer and has received appropriate proof of the  
17           identity of the requester (as described in section  
18           1022.123 of title 12, Code of Federal Regulations)  
19           shall provide the consumer with credit monitoring  
20           and identity theft protection services not later than  
21           1 business day after receiving such request sent by  
22           postal mail, toll-free telephone, or secure electronic  
23           means as established by the agency.

24           “(2) FEES.—

1           “(A) CLASSES OF CONSUMERS.—The Bu-  
2           reau may establish classes of consumers eligible  
3           to receive credit monitoring and identity theft  
4           protection services free of charge.

5           “(B) NO FEE.—A consumer reporting  
6           agency described in section 603(p) may not  
7           charge a consumer a fee to receive credit moni-  
8           toring and identity theft protection services if  
9           the consumer or a representative of the con-  
10          sumer—

11           “(i) asserts in good faith a suspicion  
12           that the consumer has been or is about to  
13           become a victim of identity theft, fraud, or  
14           a related crime, or harmed by the unau-  
15           thorized disclosure of the consumer’s fi-  
16           nancial or personally identifiable informa-  
17           tion;

18           “(ii) is unemployed and intends to  
19           apply for employment in the 60-day period  
20           beginning on the date on which the request  
21           is made;

22           “(iii) is a recipient of public welfare  
23           assistance;

24           “(iv) is an active duty military con-  
25           sumer or a member of the National Guard

1 (as defined in section 101(c) of title 10,  
2 United States Code);

3 “(v) is 65 years of age or older; or

4 “(vi) is a member of a class estab-  
5 lished by the Bureau under subparagraph  
6 (A).

7 “(3) BUREAU RULEMAKING.—The Bureau shall  
8 issue regulations—

9 “(A) to define the scope of credit moni-  
10 toring and identity theft protection services re-  
11 quired under this subsection; and

12 “(B) to set a fair and reasonable fee that  
13 a consumer reporting agency may charge a con-  
14 sumer (other than a consumer described under  
15 paragraph (2)(B)) for such credit monitoring  
16 and identity theft protection services.

17 “(4) RELATION TO STATE LAW.—This sub-  
18 section does not modify or supersede of the laws of  
19 any State relating to credit monitoring and identity  
20 theft protection services or other similar actions, ex-  
21 cept to the extent those laws are inconsistent with  
22 any provision of this title, and then only to the ex-  
23 tent of the inconsistency. For purposes of this sub-  
24 section, a term or provision of a State law is not in-  
25 consistent with the provisions of this subsection if

1 the term or provision affords greater protection to  
 2 the consumer than the protection provided under  
 3 this subsection as determined by the Bureau.”.

4 **SEC. 209. ENSURES REMOVAL OF INQUIRIES RESULTING**  
 5 **FROM IDENTITY THEFT, FRAUD, OR OTHER**  
 6 **RELATED CRIME FROM CONSUMER REPORTS.**

7 Section 605(a) of the Fair Credit Reporting Act (15  
 8 U.S.C. 1681c(a)), as amended by section 102, is further  
 9 amended by adding at the end the following:

10 “(14) Information about inquiries made for a  
 11 credit report based on requests that the consumer  
 12 reporting agency verifies were initiated as the result  
 13 of identity theft, fraud, or other related crime.”.

14 **TITLE III—MISCELLANEOUS**

15 **SEC. 301. DEFINITIONS RELATED TO DAYS.**

16 Section 603 of the Fair Credit Reporting Act (15  
 17 U.S.C. 1681a) is further amended by adding at the end  
 18 the following:

19 “(bb) DEFINITIONS RELATED TO DAYS.—

20 “(1) CALENDAR DAY; DAY.—The term ‘calendar  
 21 day’ or ‘day’ means a calendar day, excluding any  
 22 federally recognized holiday.

23 “(2) BUSINESS DAY.—The term ‘business day’  
 24 means a day between and including Monday to Fri-

1 day, and excluding any federally recognized holi-  
 2 day.”.

3 **SEC. 302. TECHNICAL CORRECTION RELATED TO RISK-**  
 4 **BASED PRICING NOTICES.**

5 Section 615(h)(8) of the Fair Credit Reporting Act  
 6 (15 U.S.C. 1681m) is amended—

7 (1) in subparagraph (A), by striking “this sec-  
 8 tion” and inserting “this subsection”; and

9 (2) in subparagraph (B), by striking “This sec-  
 10 tion” and inserting “This subsection”.

11 **SEC. 303. FCRA FINDINGS AND PURPOSE; VOIDS CERTAIN**  
 12 **CONTRACTS NOT IN THE PUBLIC INTEREST.**

13 (a) FCRA FINDINGS AND PURPOSE.—Section 602 of  
 14 the Fair Credit Reporting Act (15 U.S.C. 1681(a)) is  
 15 amended—

16 (1) in subsection (a)—

17 (A) by amending paragraph (1) to read as  
 18 follows:

19 “(1) Many financial and non-financial decisions  
 20 affecting consumers’ lives depend upon fair, com-  
 21 plete, and accurate credit reporting. Inaccurate and  
 22 incomplete credit reports directly impair the effi-  
 23 ciency of the financial system and undermine the in-  
 24 tegrity of using credit reports in other cir-  
 25 cumstances, and unfair credit reporting and credit

1       scoring methods undermine the public confidence  
2       which is essential to the continued functioning of the  
3       financial services system and the provision of many  
4       other consumer products and services.”; and

5               (B) in paragraph (4), by inserting after  
6       “agencies” the following: “, furnishers, and  
7       credit scoring developers”; and  
8       (2) in subsection (b)—

9               (A) by striking “It is the purpose of this  
10       title to require” and inserting the following:  
11       “The purpose of this title is the following:  
12       “(1) To require”; and

13              (B) by adding at the end the following:  
14       “(2) To prohibit any practices and procedures  
15       with respect to credit reports and credit scores that  
16       are not in the public interest.”.

17       (b) VOIDING OF CERTAIN CONTRACTS NOT IN THE  
18       PUBLIC INTEREST.—The Fair Credit Reporting Act (15  
19       U.S.C. 1681 et seq.), as amended by section 107, is fur-  
20       ther amended—

21              (1) by adding at the end the following new sec-  
22       tion:

1 **“§ 631. Voiding of certain contracts not in the public**  
2 **interest**

3 “(a) IN GENERAL.—Any provision contained in a  
4 contract that requires a person to not follow a provision  
5 of this title, that is against the public interest, or that  
6 otherwise circumvents the purposes of this title shall be  
7 null and void.

8 “(b) RULE OF CONSTRUCTION.—Nothing in sub-  
9 section (a) shall be construed as affecting other provisions  
10 of a contract that are not described under subsection  
11 (a).”; and

12 (2) in the table of contents for such Act, by  
13 adding at the end the following new item:

“631. Voiding of certain contracts not in the public interest.”.

