

115TH CONGRESS  
1ST SESSION

# H. R. 3755

To amend the Fair Credit Reporting Act to improve the consumer reporting system, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2017

Ms. MAXINE WATERS of California 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 improve the consumer reporting system, 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.**

4 This Act may be cited as the “Comprehensive Con-  
5 sumer Credit Reporting Reform Act of 2017”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Congressional findings.
- Sec. 4. Effective date.

TITLE I—FIXING THE DISPUTE PROCESS

- Sec. 101. Establishes a new right to appeal disputes completed by consumer reporting agencies and furnishers.
- Sec. 102. Creates reasonable dispute procedures for furnishers of information and meaningful disclosures to consumers about investigations; notices by furnishers to consumers of reporting of negative items to consumer reporting agencies.
- Sec. 103. Creates reasonable dispute procedures for consumer reporting agencies and meaningful disclosures to consumers about reinvestigations.
- Sec. 104. Increases consumers' awareness of dispute rights and tools for challenging errors.
- Sec. 105. Enhances accuracy and completeness duties for consumer reporting agencies and furnishers.
- Sec. 106. Requires furnishers to maintain records necessary to verify accuracy of disputes.
- Sec. 107. Establishes new requirements on consumer reporting agencies when notified of inaccurate or incomplete information from furnishers.
- Sec. 108. Indication of dispute by consumers and use of disputed information.
- Sec. 109. Inclusion of public record data sources in consumer reports.
- Sec. 110. Injunctive relief for victims.

## TITLE II—RESTRICTING THE USE OF CREDIT CHECKS FOR EMPLOYMENT DECISIONS

- Sec. 201. Bans the use of credit information for most employment decisions.

## TITLE III—REHABILITATING THE CREDIT STANDING OF STRUGGLING PRIVATE EDUCATION LOAN BORROWERS

- Sec. 301. Removes adverse information for certain defaulted or delinquent private education loan borrowers who demonstrate a history of loan repayment.
- Sec. 302. Private education loan definitions.

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

- Sec. 401. Shortens the time period that most adverse credit information stays on consumer reports.
- Sec. 402. Mandates the expedited removal of fully paid or settled debt from consumer reports.
- Sec. 403. 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. 404. Provides credit restoration for victims of predatory mortgage lending and servicing.
- Sec. 405. Provides credit relief for private education loans borrowers who were defrauded or misled by proprietary education institution or career education programs.
- Sec. 406. Establishes right for victims of financial abuse to have adverse information associated with an abuser's fraudulent activity removed from their consumer reports.
- Sec. 407. Prohibits treatment of credit restoration or rehabilitation as adverse information.

## TITLE V—MONITORING THE DEVELOPMENT AND USE OF CREDIT SCORES

- Sec. 501. Establishes clear Federal oversight of the development of credit scoring models by the Bureau.
- Sec. 502. Mandates ongoing review and reports to Congress by the Federal Housing Finance Agency on using additional, alternative, and updated credit scoring models as part of the criteria for loans purchased by Fannie Mae and Freddie Mac.
- Sec. 503. Requires a Bureau study and report to Congress on the impact of using non-traditional data.

## TITLE VI—PROVIDING GREATER CONSUMER ACCESS TO AND UNDERSTANDING OF CONSUMER REPORTS AND CREDIT SCORES

- Sec. 601. Credit score and educational credit score definitions.
- Sec. 602. Expands explanatory information given to consumers about how scores are calculated.
- Sec. 603. Requires consumer reporting agencies to disclose prominently the differences between and limitations of credit scores and educational credit scores required prior to a consumer obtaining such scores.
- Sec. 604. Provides consumers with free credit score disclosures with their free annual consumer reports upon request and creates instances when consumers automatically receive free consumer reports and credit scores.
- Sec. 605. Requires private educational lenders to provide consumers with free copies of any consumer reports and credit scores that they used for underwriting before consumers sign loan agreements.
- Sec. 606. Requires motor vehicle lenders or indirect auto lenders to provide consumers with free copies of any consumer reports and credit scores that they used for underwriting before consumers sign lease or loan agreements.
- Sec. 607. Requires residential mortgage lenders to provide consumers with free copies of any consumer reports and credit scores that they used for underwriting before consumers sign loan agreements.

## TITLE VII—BANNING MISLEADING AND UNFAIR CONSUMER REPORTING PRACTICES

- Sec. 701. Prohibits automatic renewals for consumer reporting and credit scoring products and services offered under promotional terms.
- Sec. 702. Bans misleading and deceptive marketing related to the provision of consumer reporting and credit scoring products and services.
- Sec. 703. Ends excessive direct-to-consumer sales by giving the Bureau authority to set fair and reasonable fees on consumer reporting and credit scoring products and services sold by consumer reporting agencies to consumers.
- Sec. 704. Promotes access to consumer reporting and credit scoring disclosures for consumers with limited English proficiency and visual and hearing impairments to enhance their ability to exercise their rights.
- Sec. 705. Establishes consumers' right to shop for the best deal on certain large dollar loans without harming their credit standing.

Sec. 706. Ends confusion about whether entities are engaged in consumer reporting practices by creating a nationwide consumer reporting agencies registry.

**TITLE VIII—EXPANDING ACCESS TO TOOLS TO PROTECT VULNERABLE CONSUMERS FROM IDENTITY THEFT, FRAUD, OR A RELATED CRIME, AND PROTECT VICTIMS FROM FURTHER HARM**

Sec. 801. Identity theft report definition.

Sec. 802. Credit freeze definition.

Sec. 803. Credit freezes for minors and other vulnerable consumers.

Sec. 804. Enhances fraud alert protections.

Sec. 805. Enhances access to credit freezes, limits the cost of such freezes, and provides access to free credit freezes for vulnerable consumers.

Sec. 806. Requires disclosure of consumer rights related to credit freezes.

Sec. 807. Provides access to fraud records for victims.

Sec. 808. Required Bureau to set procedures for reporting identity theft, fraud, and other related crime.

Sec. 809. Establishes the right to free credit monitoring and identity theft protection services for certain consumers.

Sec. 810. Ensures removal of inquiries resulting from identity theft, fraud, or other related crime from consumer reports.

**TITLE IX—MISCELLANEOUS**

Sec. 901. Definitions related to days.

Sec. 902. Technical correction related to risk-based pricing notices.

Sec. 903. FCRA findings and purpose; voids certain contracts not in the public interest.

Sec. 904. General Bureau rulemaking.

**1 SEC. 3. CONGRESSIONAL 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

1 Experian. These CRAs are referred to as na-  
2 tionwide CRAs and the reports that they pre-  
3 pare are commonly referred to as credit reports.  
4 Furnishers, such as creditors, lenders, and debt  
5 collection agencies, voluntarily submit informa-  
6 tion to CRAs about their accounts such as the  
7 total amount for each loan or credit limit for  
8 each credit card and the consumer's payment  
9 history on these products. Reports also include  
10 identifying information about a consumer, such  
11 as their birthdate, previous mailing addresses,  
12 and current and previous employers.

13 (B) In a December 2012 paper, "Key Di-  
14 mensions and Processes in the U.S. Credit Re-  
15 porting System: A review for how the nation's  
16 largest credit bureaus manage consumer data",  
17 the Bureau of Consumer Financial Protection  
18 ("Consumer Bureau") noted that the three na-  
19 tionwide CRAs maintain credit files on approxi-  
20 mately 200 million adults and receive informa-  
21 tion from about 10,000 furnishers. On a  
22 monthly basis, these furnishers provide infor-  
23 mation on over 1.3 billion consumer credit ac-  
24 counts or other trade lines.

1           (C) The 10 largest institutions furnishing  
2           credit information to each of the nationwide  
3           CRAs account for more than half of all ac-  
4           counts reflected in consumers' credit files.

5           (D) Consumer reports play an increasingly  
6           important role in the lives of American con-  
7           sumers. Most creditors, for example, review  
8           these reports to make decisions about whether  
9           to extend credit to consumers and what terms  
10          and conditions to offer them. As such, informa-  
11          tion contained in these reports affects whether  
12          a person is able to get a private education loan  
13          to pay for college costs, to secure a mortgage  
14          loan to buy a home, or to obtain a credit card,  
15          as well as the terms and conditions under which  
16          consumer credit products or services are offered  
17          to them.

18          (E) Credit reports are also increasingly  
19          used for many noncredit decisions, including by  
20          landlords to determine whether to rent an  
21          apartment to a prospective tenant and by em-  
22          ployers to decide whether to hire potential job  
23          applicants or to offer a promotion to existing  
24          employees.

1           (F) CRAs have a statutory obligation to  
2           verify independently the accuracy and complete-  
3           ness of information included on the reports that  
4           they provide.

5           (G) The nationwide CRAs have failed to  
6           establish and follow reasonable procedures, as  
7           required by existing law, to establish the max-  
8           imum level of accuracy of information contained  
9           on consumer reports. Given the repeated fail-  
10          ures of these CRAs to comply with accuracy re-  
11          quirements on their own, legislation is intended  
12          to provide them with detailed guidance improv-  
13          ing the accuracy and completeness of informa-  
14          tion contained in consumer reports, including  
15          procedures, policies, and practices that these  
16          CRAs should already be following to ensure full  
17          compliance with their existing obligations.

18          (H) The presence of inaccurate or incom-  
19          plete information on these reports can result in  
20          substantial financial and emotional harm to  
21          consumers. Credit reporting errors can lead to  
22          the loss of a new employment opportunity or a  
23          denial of a promotion in an existing job, stop  
24          someone from being able to access credit on fa-

1           vorable terms, prevent a person from obtaining  
2           rental housing, or even trigger mental distress.

3           (I) Current industry practices impose an  
4           unfair burden of proof on consumers trying to  
5           fix errors on their reports.

6           (J) Consumer reports containing inac-  
7           curate or incomplete credit information also un-  
8           dermine the ability of creditors and lenders to  
9           effectively and accurately underwrite and price  
10          credit.

11          (K) Recognizing that credit reporting af-  
12          fects the lives of almost all consumers in this  
13          country and that the consequences of errors on  
14          a consumer report can be catastrophic for a  
15          consumer, the Consumer Bureau began accept-  
16          ing consumer complaints about credit reporting  
17          in October 2012.

18          (L) As of February 2017, the Consumer  
19          Bureau has handled approximately 185,717  
20          credit reporting complaints, making credit re-  
21          porting consistently the third most-complained-  
22          about subject matter on which the Consumer  
23          Bureau accepts consumer complaints.

24          (M) In the “Monthly Complaint Report  
25          Volume 20”, released in February 2017, the



1       Consumer Bureau noted that 76 percent of  
2       credit reporting complaints involved incorrect  
3       information on reports, with consumers fre-  
4       quently expressing their frustrations about the  
5       burdensome and time-consuming process to dis-  
6       puting items.

7               (N) Other common types of credit report-  
8       ing complaints submitted to the Consumer Bu-  
9       reau related to the improper use of a report,  
10      trouble obtaining a report or credit score,  
11      CRAs' investigations, and credit monitoring or  
12      identity protection.

13             (O) In the summer 2015 "Supervisory  
14      Highlights", the Consumer Bureau noted that  
15      one or more of the largest CRAs failed to ade-  
16      quately oversee furnishers to ensure that they  
17      were adhering to the CRA's vetting policies and  
18      to establish proper procedures to verify public  
19      record information.

20             (P) According to the fall 2016 "Super-  
21      visory Highlights", Consumer Bureau exam-  
22      iners determined that one or more debt collec-  
23      tors never investigated indirect disputes that  
24      lacked detail or were not accompanied by at-  
25      tachments with relevant information from the

1 consumer. Examiners also found that notifica-  
2 tions sent to consumers about disputes consid-  
3 ered frivolous failed to identify for the con-  
4 sumers the type of material that they could pro-  
5 vide in order for the debt collector to complete  
6 the investigation of the disputed item.

7 (Q) A February 2014 Consumer Bureau  
8 report titled “Credit Reporting Complaint  
9 Snapshot” found that consumers are confused  
10 about the extent to which the nationwide CRAs  
11 are required to provide them with validation  
12 and documentation of a debt that appears on  
13 their credit report.

14 (R) As evidence that the current system  
15 lacks sufficient market incentives for CRAs to  
16 develop more robust procedures to increase the  
17 accuracy and completeness of information on  
18 credit reports, litigation discovery documented  
19 by the National Consumer Law Center  
20 (“NCLC”), as part of a January 2009 report  
21 titled, “Automated Injustice: How a Mecha-  
22 nized Dispute System Frustrates Consumers  
23 Seeking to Fix Errors in Their Credit Re-  
24 ports”, showed that at least two of the three  
25 largest CRAs use quota systems to force em-

1 employees to process disputes hastily and without  
2 the opportunity for conducting meaningful in-  
3 vestigations. At least one nationwide CRA only  
4 allowed dispute resolution staff five minutes to  
5 handle a consumer's call. Furthermore, these  
6 CRAs were found to have awarded bonuses for  
7 meeting quotas and punished those who didn't  
8 meet production numbers with probation.

9 (S) Unlike most other business relation-  
10 ships, where consumers can register their satis-  
11 faction or unhappiness with a particular credit  
12 product or service simply by taking their busi-  
13 ness elsewhere, consumers have no say in  
14 whether their information is included in the  
15 CRAs databases and limited legal remedies to  
16 hold the CRAs accountable for inaccuracies or  
17 poor service.

18 (T) Accordingly, despite the existing statu-  
19 tory mandate for CRAs to follow reasonable  
20 procedures to assure the maximum possible ac-  
21 curacy of the information whenever they pre-  
22 pare consumer reports, numerous studies, the  
23 high volume of consumer complaints submitted  
24 to the Consumer Bureau about incorrect infor-  
25 mation on consumer reports, and supervisory

1 activities by the Consumer Bureau demonstrate  
2 that CRAs continue to skirt their obligations  
3 under the law.

4 (2) INCORRECT INFORMATION ON CONSUMER  
5 REPORTS.—

6 (A) Consumers are entitled to dispute er-  
7 rors on their consumer reports with either the  
8 CRA, who issued the report, or directly with  
9 furnishers, who supplied the account informa-  
10 tion to the CRA, and request that mistakes be  
11 deleted or removed. Consumers, who believe an  
12 investigation has not correctly resolved their  
13 dispute, however, have few options, other than  
14 requesting that a statement about the dispute  
15 be included with their future reports.

16 (B) CRAs have a statutory obligation  
17 under the FCRA to perform a reasonable inves-  
18 tigation by conducting a substantive and  
19 searching inquiry when a consumer disputes an  
20 item on their report. In doing so, CRAs must  
21 conduct an independent review about the accu-  
22 racy of any disputed item and cannot merely  
23 rely on a furnisher’s “rubber-stamp”  
24 verification of the integrity of the information  
25 they have provided to CRAs.

1 (C) The Federal Trade Commission  
2 (“FTC”), in a “Report to Congress Under Sec-  
3 tion 319 of the Fair and Accurate Credit  
4 Transactions Act of 2003” released in Decem-  
5 ber 2012, found that 26 percent of survey par-  
6 ticipants identified at least one potentially ma-  
7 terial error on their consumer reports, and 13  
8 percent experienced a change in their credit  
9 score once the error was fixed.

10 (D) Consumer Bureau examiners have  
11 identified repeated deficiencies with the nation-  
12 wide CRAs’ information collection. In the sum-  
13 mer 2015 “Supervisory Highlights” released in  
14 June 2015, the Consumer Bureau noted contin-  
15 ued weaknesses with CRAs’ methods and proc-  
16 esses for assuring maximum possible accuracy  
17 in their reports. Examiners also found, with  
18 certain exceptions, no quality control policies  
19 and procedures in place to test consumer re-  
20 ports for accuracy.

21 (E) In its “Credit Reporting Complaint  
22 Snapshot” released in February 2014, the Con-  
23 sumer Bureau found that consumers were un-  
24 certain about the depth and validity of the in-  
25 vestigations performed about a disputed item.

1 Consumers also expressed frustration that, even  
2 though they provided supporting materials that  
3 they believed demonstrated the inaccuracy of  
4 the information provided by furnishers, errors  
5 continued to remain on their reports.

6 (F) In the winter 2015 “Supervisory High-  
7 lights” released in March 2015, the Consumer  
8 Bureau reported that one or more nationwide  
9 CRAs failed to adequately fulfill their dispute-  
10 handling obligations, including by not for-  
11 warding to furnishers all relevant information  
12 found in letters and supporting documents sup-  
13 plied by consumers when they submitted dis-  
14 putes failing to notify consumers that they had  
15 completed investigations, and not providing con-  
16 sumers with the results of the CRAs’ reviews  
17 about their disputes.

18 (G) Consumer Bureau examiners also  
19 noted in the fall 2016 “Supervisory Highlights”  
20 released in October 2016 that one or more enti-  
21 ties failed to provide adequate guidance and  
22 training to staff about how to differentiate  
23 FCRA disputes from general customer inquir-  
24 ies, complaints, or debt validation requests.  
25 Consumer Bureau supervisors also directed one

1 or more entities to develop and implement rea-  
2 sonable procedures to ensure that direct and in-  
3 direct disputes are appropriately logged, cat-  
4 egorized, and resolved.

5 (H) Consumers’ increasing frustration  
6 about the difficulties of trying to fix credit re-  
7 porting errors, evidenced through the volume of  
8 consumer complaints related to errors sub-  
9 mitted to the Consumer Bureau, are also  
10 echoed in another FTC study issued in January  
11 2015. In the “Report to Congress under Sec-  
12 tion 319 for the Fair and Accurate Credit  
13 Transactions Act of 2003”, the FTC found that  
14 nearly 70 percent (84 people) of participants  
15 from a previous survey that had filed disputes  
16 with CRAs continued to believe that at least  
17 some of the disputed information remained in-  
18 accurate at the time of the follow-up survey.  
19 Despite these views, 50 percent (42 people) of  
20 the survey participants decided to just give up  
21 trying to fix the errors, with only 45 percent  
22 (38 people) of them planning to continue to try  
23 to resolve their disputes.

24 (I) The consistently high volume of con-  
25 sumer complaints submitted to the Consumer

1 Bureau about credit reporting errors, coupled  
2 with the largest CRAs' repeated quality control  
3 weaknesses found by Consumer Bureau exam-  
4 iners, show that the nationwide CRAs have  
5 failed to establish and follow reasonable proce-  
6 dures to assure maximum accuracy of informa-  
7 tion and to conduct independent investigations  
8 of consumers' disputes. These ongoing problems  
9 demonstrate the need for legislation to—

10 (i) enhance obligations on furnishers  
11 to substantiate information and require  
12 furnishers to keep records for the same  
13 amount of time that adverse information  
14 about these accounts may appear on a per-  
15 son's consumer report;

16 (ii) eliminate CRAs' discretion to de-  
17 termine the relevancy of materials provided  
18 by consumers to support their dispute  
19 claims by instead requiring them to pass  
20 all material onto furnishers and elimi-  
21 nating CRA's discretion to deem some dis-  
22 putes frivolous or irrelevant when a con-  
23 sumer resubmits a claim that they believe  
24 has been inadequately resolved;



1 (iii) enhance educational content on  
2 CRAs' websites to improve consumers' un-  
3 derstanding of the dispute process and to  
4 make it easier for all consumers to initiate  
5 claims, including by providing these disclo-  
6 sures in other languages besides English;  
7 and

8 (iv) create a new consumer right to  
9 appeal reviews by CRAs and furnishers of  
10 the initial disputes.

11 (3) INJUNCTIVE RELIEF.—

12 (A) Despite the fact that the FCRA cur-  
13 rently provides implicit authority for injunctive  
14 relief, consumers have been prevented from ex-  
15 ercising this right. Legislation explicitly clari-  
16 fying this right is intended to underscore con-  
17 gressional intent that injunctive relief should be  
18 viewed as a remedy available to consumers.

19 (B) Myriad findings by the courts, regu-  
20 lators, consumers, and consumer advocates  
21 make clear that CRAs have failed to establish  
22 adequate standards for the accuracy and com-  
23 pleteness of consumer reports, yet the nation-  
24 wide CRAs have demonstrated little willingness

1 to voluntarily retool their policies and proce-  
2 dures to fix the problems.

3 (C) Providing courts with explicit authority  
4 to issue injunctive relief, by telling the CRAs to  
5 remedy unlawful practices and procedures,  
6 would further CRAs' mandate under the FCRA  
7 to assure the maximum possible accuracy and  
8 completeness of information contained on credit  
9 reports.

10 (D) Absent explicit authority to issue in-  
11 junctions, history suggests that the nationwide  
12 CRAs are likely to continue conducting business  
13 as usual in treating any monetary settlements  
14 with individual consumers and fines imposed by  
15 State attorneys general and Federal regulators,  
16 simply as the "cost of doing business".

17 (4) USE OF CREDIT REPORTS FOR EMPLOY-  
18 MENT PURPOSES.—

19 (A) The use of credit reports as a factor  
20 in making hiring decisions has been found to be  
21 prevalent in a diverse array of occupations, and  
22 is not limited to certain high-level management  
23 or executive positions.

24 (B) According to the California Labor  
25 Federation, only 25 percent of employers re-

1 searched the credit history of job applicants in  
2 1998. However, this practice had increased to  
3 43 percent by 2006 and to 60 percent by 2011.

4 (C) A study titled “Do Job Applicant  
5 Credit Histories Predict Job Performance Ap-  
6 praisal Ratings or Termination Decisions?”,  
7 published in 2012, found that, while credit his-  
8 tory might conceptually measure a person’s  
9 level of responsibility, ability to meet deadlines,  
10 dependability, or integrity, it does not, in prac-  
11 tice, actually predict an employee’s performance  
12 or likelihood to quit. Credit reports contain  
13 many inaccuracies and credit history can be  
14 contaminated by events that are sometimes out-  
15 side a person’s control, such as a sudden med-  
16 ical expense after an accident or the loss of a  
17 job during an economic downturn. The study  
18 found that there is no benefit from using credit  
19 history to predict job performance or turnover.

20 (D) Despite the absence of data showing a  
21 correlation between job performance and credit-  
22 worthiness, employers continue to use credit  
23 checks as a proxy for assessing character and  
24 integrity. According to a 2012 Society for  
25 Human Resource Management survey, organi-

1           zations indicated that they used credit checks  
2           on job candidates primarily to reduce or prevent  
3           theft and embezzlement and to minimize legal  
4           liability for negligent hiring.

5           (E) The use of credit checks for employ-  
6           ment purposes creates a true “catch-22” for  
7           unemployed people with impaired credit. For  
8           example, the financial hardship caused by losing  
9           a job may cause some unemployed individuals  
10          to make late or partial payments on their bills,  
11          but their poor credit standing caused by this  
12          negative information on their consumer report  
13          can also impede their chances of obtaining a  
14          new job to end their financial distress.

15          (F) A September 2014 report by the New  
16          York City Council’s Committee on Civil Rights  
17          noted that, for those who have been unemployed  
18          for an extended period of time and whose credit  
19          has suffered as they fell behind on bills, the use  
20          of credit reports in the hiring process can exac-  
21          erbate and perpetuate an already precarious sit-  
22          uation.

23          (G) In a March 2013 Demos report titled  
24          “Discredited: How Employment Credit Checks  
25          Keep Out Qualified Workers Out of a Job”, one

1 in four survey participants who were unem-  
2 ployed said that a potential employer had re-  
3 quested to check their credit report as part of  
4 a job application. Among job applicants with  
5 blemished credit histories in the survey, one in  
6 seven had been told that they were not being  
7 hired because of their credit history.

8 (H) While job applicants must give prior  
9 approval for a prospective employer to pull their  
10 credit reports under the FCRA, this authoriza-  
11 tion, as a practical matter, does not constitute  
12 an effective consumer protection because an  
13 employer may reject any job applicant who re-  
14 fuses a credit check.

15 (I) Some negative information on a report  
16 may stem from uncontrollable circumstances, or  
17 significant life events in a consumer's life, such  
18 as a medical crisis or a divorce. Demos found  
19 that poor credit is associated with household  
20 unemployment, lack of health coverage, and  
21 medical debt, which are factors that reflect eco-  
22 nomic conditions in the country and personal  
23 misfortune that have little relationship with how  
24 well a job applicant would perform at work.

1           (J) In October 2011, FICO noted that  
2           from 2008 to 2009 approximately 50 million  
3           people experienced a 20-point drop in their  
4           credit scores and about 21 million saw their  
5           scores decline by more than 50 points. While  
6           the Great Recession reduced many consumers'  
7           credit scores due to foreclosures and other fi-  
8           nancial hardships, the financial crisis had a  
9           particularly harsh impact on African Americans  
10          and Latinos, as racial and ethnic minorities and  
11          communities of color were frequently targeted  
12          by predatory mortgage lenders who steered bor-  
13          rowers into high-cost subprime loans, even when  
14          these borrowers would have qualified for less  
15          costly prime credit.

16          (K) A May 2006 Brookings Institution re-  
17          port titled "Credit Scores, Reports, and Getting  
18          Ahead in America" found that counties with a  
19          relatively higher proportion of racial and ethnic  
20          minorities in the United States tended to have  
21          lower credit scores compared with counties that  
22          had a lower concentration of communities of  
23          color.

24          (L) Studies have consistently found that  
25          African American and Latino households tend,

1 on average, to have lower credit scores than  
2 White households. The growing use of credit  
3 checks, therefore, may disproportionately screen  
4 otherwise qualified racial and ethnic minorities  
5 out of jobs, leading to discriminatory hiring  
6 practices, and further exacerbating the trend  
7 where unemployment for African American and  
8 Latino communities is elevated well above the  
9 rate of Whites.

10 (M) A 2012 Demos survey found that 65  
11 percent of White respondents reported having  
12 good or excellent credit scores while over half of  
13 African American households reported only hav-  
14 ing fair or bad credit.

15 (5) PRIVATE EDUCATION LOANS.—

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

1 loan borrowers experienced when they sought to  
2 take responsible steps to work with their mort-  
3 gage loan servicer to avoid foreclosure during  
4 the Great Recession.

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

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

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



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

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

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

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

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

20          (E) As highlighted in a press release titled  
21          “Obama Administration Announces Final Rules  
22          to Protect Students from Poor-Performing Ca-  
23          reer College Programs”, that was issued by the  
24          DOE on October 30, 2014, “[t]oo often, stu-  
25          dents at career colleges—including thousands of

1 veterans—are charged excessive costs, but don’t  
2 get the education they paid for. Instead, stu-  
3 dents in such programs are provided with poor  
4 quality training, often for low-wage jobs or in  
5 occupations where there are simply no job op-  
6 portunities. They find themselves with large  
7 amounts of debt and, too often, end up in de-  
8 fault. In many cases, students are drawn into  
9 these programs with confusing or misleading in-  
10 formation.”.

11 (7) MEDICAL DEBT.—

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

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

1           10 to 22 point decrease in their credit scores  
2           can have a significant impact on their lives, in-  
3           cluding by affecting whether they are able to  
4           qualify for credit and, if so, the terms and con-  
5           ditions under which it is extended to them.

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

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

23          (E) Medical bills can be complex and con-  
24          fusing for many consumers, which results in  
25          consumers' uncertainty about what they owe, to

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

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

1           quencies than the presence of a nonmedical col-  
2           lection in a study titled “Data Point: Medical  
3           Debt and Credit Scores”, issued in May 2014.

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

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

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

1           (J) While the CRAs appear to be volun-  
2           tarily adopting policy changes on a nationwide  
3           basis, they are not obligated to do so for con-  
4           sumers who reside in States that are not party  
5           to any of the consent orders.

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

21          (8) FINANCIAL ABUSE BY KNOWN PERSONS.—

22                (A) Financial abuse and exploitation are  
23                frequently associated with domestic violence.  
24                This type of abuse may result in fraudulent  
25                charges to a credit card or having fraudulent

1 accounts created by the abuser in the survivor's  
2 name. Financial abuse may also result in the  
3 survivor's inability to make timely payments on  
4 their valid obligations due to loss or changes in  
5 income that can occur when their abuser steals  
6 from or coerces the survivor to relinquish their  
7 paychecks or savings.

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

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

22 (D) Providing documentation of identity  
23 ("ID") theft in order to dispute information on  
24 one's consumer report can be particularly chal-



1           lenging for those who know their financial  
2           abuser.

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

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

21          (9) GOVERNMENT SPONSORED ENTERPRISES'  
22          ("GSE") IMPACT ON THE USE OF UPDATED  
23          VERSIONS OR ADDITIONAL CREDIT SCORING MODELS  
24          BY MORTGAGE LENDERS.—

1           (A) Despite innovation in understanding  
2           consumer behavior and credit scoring analytics,  
3           many creditors, particularly mortgage lenders,  
4           continue to use older versions of credit scoring  
5           models and algorithms.

6           (B) Lenders that originate residential  
7           mortgage loans generally adhere to the under-  
8           writing guidelines set by Fannie Mae and  
9           Freddie Mac, which reference the 2004 FICO  
10          credit scoring model (developed more than a  
11          decade ago), not the most recent versions.

12          (C) Despite changes to credit scoring mod-  
13          els offered by FICO and VantageScore in re-  
14          cent years to reflect current research about con-  
15          sumer behavior and creditworthiness, it is likely  
16          that paid collections will continue to be factored  
17          into the risk level for many consumers applying  
18          for credit because there is no requirement that  
19          creditors or lenders adopt the most up-to-date  
20          credit scoring models.

21          (10) CONSUMERS' CONFUSION ABOUT CON-  
22          SUMER REPORTS AND CREDIT SCORES.—

23                (A) While nationwide CRAs are required  
24                by law to supply consumers with a free copy of

1           their credit report annually, they can charge  
2           consumers to obtain a credit score disclosure.

3                   (B) A July 2011 Consumer Bureau report  
4           titled “The Impact of Differences between  
5           Consumer- and Creditor-Purchased Credit  
6           Scores” found that the credit scores made avail-  
7           able to and purchased by consumers from CRAs  
8           are unlikely to be the same credit scores used  
9           by creditors and lenders to evaluate consumers’  
10          creditworthiness.

11                   (C) That report found that the scarcity of  
12          public educational tools to inform consumers of  
13          the differences among credit scores, the large  
14          combined market share and brand recognition  
15          of FICO credit scores, and the marketing prac-  
16          tices of some credit score sellers may perpetuate  
17          consumers’ confusion about credit scores. As a  
18          result, some consumers may be purchasing an  
19          educational credit score or subscribing to a  
20          credit monitoring service sold by a CRA, with-  
21          out realizing the limitations and usefulness of  
22          these products and services.

23                   (D) Similarly, a September 2012 Con-  
24          sumer Bureau report titled “Analysis of Dif-  
25          ferences between Consumer- and Creditor-Pur-

1        chased Credit Scores” found that consumers do  
2        not know before they purchase a credit score  
3        from a CRA whether this credit score will close-  
4        ly track or vary significantly from the credit  
5        score sold to creditors or lenders. Given the lack  
6        of transparency about the usefulness of credit  
7        scores that are marketed for purchase by con-  
8        sumers from CRAs and the resulting consumer  
9        confusion, the Consumer Bureau recommended  
10       that companies selling scores to consumers  
11       clearly inform consumers that the scores mar-  
12       keted to consumers for purchase by CRAs can  
13       vary, sometimes substantially, from the scores  
14       that are actually sold to and used by creditors  
15       and lenders.

16                (E) A February 2011 study by Consumer  
17       Federation of America and VantageScore also  
18       found that half of the consumers surveyed did  
19       not know that a credit score is designed to indi-  
20       cate the risk of not repaying a credit obligation.  
21       Consumers also did not know who makes credit  
22       scores available, what numerical range con-  
23       stitutes excellent credit standing, or the finan-  
24       cial implications of having a low credit score.

1           (F) Many consumers do not realize that  
2           they have more than just “one” credit score.  
3           Because the submission of credit information to  
4           CRAs is voluntary and not all furnishers submit  
5           information to every CRA, the information con-  
6           tained in a report also varies among CRAs. As  
7           a result, the credit score generated by each  
8           CRA is also likely to vary, resulting in poten-  
9           tially different credit decisions based on an  
10          evaluation of different credit reports obtained  
11          from different CRAs.

12          (G) A February 2015 Consumer Bureau  
13          report titled “Consumer Voices on Credit Re-  
14          ports and Scores” found that consumers had  
15          questions about what actions to take to improve  
16          their scores once they had seen them, sug-  
17          gesting that additional disclosures and edu-  
18          cational content would be helpful to consumers.  
19          The Consumer Bureau found that consumers  
20          were confused by conflicting advice on how to  
21          improve their scores.

22          (H) That report also noted that consumers  
23          found the process for obtaining consumer re-  
24          ports and credit scores confusing. Consumers  
25          also were uncertain about whether, and under

1           what circumstances, they could obtain a con-  
2           sumer report for free.

3           (11) DECEPTIVE AND MISLEADING MARKETING  
4           PRACTICES.—

5                   (A) The Consumer Bureau’s February  
6           2015 report titled “Consumer Voices on Credit  
7           Reports and Scores” found that some con-  
8           sumers did not obtain a copy of their consumer  
9           report due to concerns about security or of  
10          being trapped into purchasing unwanted prod-  
11          ucts like an additional report or a credit moni-  
12          toring service.

13                   (B) In January 2017, the Consumer Bu-  
14          reau fined TransUnion and Equifax for decep-  
15          tively marketing credit scores for purchase by  
16          consumers as the same credit scores typically  
17          used by lenders to determine creditworthiness  
18          and for luring consumers into costly subscrip-  
19          tion services that were advertised as “free” or  
20          “\$1” that automatically charged recurring fees  
21          unless cancelled by consumers. The Consumer  
22          Bureau also found that Equifax was illegally  
23          advertising its products on webpages that con-  
24          sumers                   accessed                   through  
25          AnnualCreditReport.com before consumers ob-

1           tained their free disclosures. Because of these  
2           troubling practices, TransUnion was ordered to  
3           pay \$13.9 million in restitution to harmed con-  
4           sumers and a civil penalty of \$3 million to the  
5           Consumer Bureau. Equifax was ordered to pay  
6           more than \$3.7 million to affected consumers  
7           as well as a civil money penalty of \$2.5 million  
8           to the Consumer Bureau. As part of the con-  
9           sent orders, the CRAs are also supposed to  
10          change the way that they sell their products to  
11          consumers. The CRAs must also obtain con-  
12          sumers' express consent before enrolling them  
13          into subscription services as well as make it  
14          easier for consumers to cancel these programs.

15                (C) The Consumer Bureau fined the other  
16          nationwide CRA—Experian—in March 2017  
17          for deceiving consumers about the use of credit  
18          scores that it marketed and sold to consumers  
19          as credit scores that were used by lenders and  
20          for illegally advertising its products on web  
21          pages that consumers accessed through  
22          AnnualCreditReport.com before they obtained  
23          their free annual disclosures. Experian was or-  
24          dered to pay more than \$3.7 million in restitu-  
25          tion to harmed consumers and a civil monetary

1 penalty of \$2.5 million to the Consumer Bu-  
2 reau.

3 (D) The Consumer Bureau’s January and  
4 March 2017 consent orders with the three na-  
5 tionwide CRAs show that these CRAs have en-  
6 ticed consumers into purchasing products and  
7 services that they may not want or need, in  
8 some instances by advertising products or serv-  
9 ices “free” that automatically converted into an  
10 ongoing subscription service at the regular price  
11 unless cancelled by the consumer. Although  
12 these CRAs must now change their deceptive  
13 marketing practices, codifying these duties is an  
14 appropriate way to ensure that these companies  
15 never revert back to such misleading tactics.

16 (E) Given the ubiquitous use of consumer  
17 reports in consumers’ lives and the fact that  
18 consumers’ participation in the credit reporting  
19 system is involuntary, CRAs should also  
20 prioritize providing consumers with the effective  
21 means to safeguard their personal and financial  
22 information and improve their credit standing,  
23 rather than seeking to exploit consumers’ con-  
24 cerns and confusion about credit reporting and  
25 scoring, to boost their companies’ profits.



1 (F) Vulnerable consumers, who have legiti-  
2 mate concerns about the security of their per-  
3 sonal and financial information, deserve clear,  
4 accurate, and transparent information about  
5 the credit reporting tools that may be available  
6 to them, such as fraud alerts and freezes.

7 (12) LOAN COMPARISON SHOPPING.—

8 (A) The Consumer Bureau’s February  
9 2015 report titled “Consumer Voices on Credit  
10 Reports and Scores” found that some con-  
11 sumers are reluctant to comparison shop for  
12 loans and other types of consumer credit prod-  
13 ucts out of fear that they will lower their credit  
14 scores by doing so.

15 (B) The Consumer Bureau found that one  
16 of the most common barriers for people in re-  
17 viewing their own credit reports and shopping  
18 for the best credit terms was a lack of under-  
19 standing of the differences between “soft” and  
20 “hard” inquiries and whether requesting a copy  
21 of their own report would adversely impact their  
22 credit standing.

23 (C) The Consumer Bureau revealed that  
24 consumers with accurate perceptions of their

1 creditworthiness may be better equipped to  
2 shop for favorable credit terms.

3 (13) PROTECTIONS FOR CONSUMERS' CREDIT  
4 INFORMATION.—

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

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

23 (C) Despite the increasing incidents of  
24 children's ID theft, parents who want to  
25 proactively prevent their children from having

1           their identity stolen, may not be able to do so.  
2           Only one of the three nationwide CRAs cur-  
3           rently allows parents from any State to set up  
4           a freeze for a minor child. At the other two na-  
5           tionwide CRAs, parents can only obtain a freeze  
6           after a child has become an ID theft victim be-  
7           cause, it is only at this point, that these CRAs  
8           have an existing credit file for the child. While  
9           many States have enacted laws to address this  
10          problem, there is no existing Federal law.

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

22                 (E) Consumers frequently express concern  
23           about the security of their financial informa-  
24           tion. According to a 2015 MasterCard survey,  
25           a majority of consumers (77 percent) have anx-

1           iety about the possibility that their financial in-  
2           formation and Social Security numbers may be  
3           stolen or compromised, with about 55 percent  
4           of consumers indicating that they would rather  
5           have naked pictures of themselves leaked online  
6           than have their financial information stolen.

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

13          (G) Despite the increasing risks consumers  
14          face, there is no Federal requirement that en-  
15          sures victims and other vulnerable consumers  
16          can obtain credit freezes, the best tool for pro-  
17          tecting against new account fraud, free of  
18          charge. Nor is there a Federal requirement to  
19          ensure that consumers, regardless of the State  
20          they reside in, can proactively get a credit  
21          freeze, particularly if they do not have an exist-  
22          ing credit file, to guard against the risk of ID  
23          theft and fraud for a fair and reasonable fee.

24          (H) As a result of varying State laws,  
25          many consumers may be unable to quickly lift

1 a credit freeze that they place on their con-  
2 sumer report, either for a specific creditor or  
3 category of creditors when they want or need  
4 credit. Indeed, many consumers may not be  
5 taking advantage of existing credit freeze rights  
6 provided at the State level, if they perceive the  
7 benefits of this protection are outweighed by  
8 the disadvantages associated with it.

9 (I) According to Consumer Reports, rough-  
10 ly 50 million American consumers spent about  
11 \$3.5 billion in 2010 to purchase products aimed  
12 at protecting their identity, with the annual  
13 cost of these services ranging from \$120 to  
14 \$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. 4. 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     **TITLE I—FIXING THE DISPUTE**  
2                     **PROCESS**

3     **SEC. 101. ESTABLISHES A NEW RIGHT TO APPEAL DIS-**  
4                     **PUTES COMPLETED BY CONSUMER REPORT-**  
5                     **ING AGENCIES AND FURNISHERS.**

6             (a) IN GENERAL.—Section 611(a) of the Fair Credit  
7     Reporting Act (15 U.S.C. 1681i(a)) is amended to read  
8     as follows:

9             “(a) REINVESTIGATIONS OF DISPUTED INFORMA-  
10     TION BY A CONSUMER REPORTING AGENCY.—

11             “(1) REINVESTIGATIONS REQUIRED.—

12             “(A) IN GENERAL.—Subject to subsection  
13             (f), if the completeness or accuracy of any item  
14             of information contained in a consumer’s file at  
15             a consumer reporting agency is disputed by the  
16             consumer and the consumer notifies the agency  
17             (either directly or indirectly through a reseller  
18             or an authorized third party) of such dispute,  
19             the agency shall, free of charge—

20             “(i) conduct a reasonable reinvestiga-  
21             tion using the process described in para-  
22             graph (3) to determine whether the dis-  
23             puted information is inaccurate, incom-  
24             plete, or cannot be verified;

1 “(ii) notify the consumer that a nota-  
2 tion described in section 605(e) will be  
3 added to the consumer’s file until the re-  
4 investigation has been completed and that  
5 such notation can be removed at the re-  
6 quest of the consumer; and

7 “(iii) before the end of the 30-day pe-  
8 riod beginning on the date on which the  
9 consumer reporting agency receives the no-  
10 tice of the dispute from the consumer or  
11 the reseller—

12 “(I) record the current status of  
13 the disputed information; or

14 “(II) delete or modify the item in  
15 accordance with paragraph (3)(D).

16 “(B) EXTENSION OF PERIOD TO REINVES-  
17 TIGATE.—Except as provided in subparagraph  
18 (C), the 30-day period described in subpara-  
19 graph (A) may be extended for period not to ex-  
20 ceed 15 days if the consumer reporting agency  
21 receives additional information from the con-  
22 sumer or the reseller regarding the dispute  
23 after the date on which the consumer reporting  
24 agency notified any person who provided any

1 item of information in dispute under paragraph  
2 (2)(A).

3 “(C) LIMITATIONS ON EXTENSION OF PE-  
4 RIOD TO REINVESTIGATE.—Subparagraph (B)  
5 shall not apply to any reinvestigation in which,  
6 during the 30-day period described in subpara-  
7 graph (A), the disputed information is found to  
8 be inaccurate or incomplete, or the consumer  
9 reporting agency determines that the disputed  
10 information cannot be verified.

11 “(2) PROMPT NOTICE OF DISPUTE TO FUR-  
12 NISHER OF INFORMATION; PROVISION OF INFORMA-  
13 TION REGARDING DISPUTE PROVIDED BY THE CON-  
14 SUMER OR RESELLER.—

15 “(A) IN GENERAL.—Before the end of the  
16 period of 5 business days beginning on the date  
17 on which a consumer reporting agency receives  
18 notice of a dispute from any consumer or re-  
19 seller under paragraph (1)(A), the consumer re-  
20 porting agency shall provide notification of the  
21 dispute to any person who provided any item of  
22 information in dispute, at the address and in  
23 the manner established with such person. The  
24 notice shall include all information, including  
25 substantiating documents, regarding the dispute



1           that was submitted to the consumer reporting  
2           agency.

3           “(B) PROVISION OF ADDITIONAL INFORMA-  
4           TION REGARDING DISPUTE AFTER NOTIFICA-  
5           TION TO THE FURNISHER OF INFORMATION.—  
6           If a consumer reporting agency receives addi-  
7           tional information regarding the dispute from  
8           the consumer or reseller after the agency pro-  
9           vides the notification described under subpara-  
10          graph (A) and before the end of the 30-day pe-  
11          riod described in paragraph (1)(A), the con-  
12          sumer reporting agency shall, not later than 3  
13          business days after receiving such information,  
14          provide such information to the person who pro-  
15          vided the information in dispute.

16          “(3) REASONABLE STANDARDS FOR CONSUMER  
17          REPORTING AGENCIES FOR CONDUCTING REINVES-  
18          TIGATIONS AND RESOLVING DISPUTES SUBMITTED  
19          BY CONSUMERS.—

20                 “(A) IN GENERAL.—In conducting a re-  
21                 investigation of disputed information, a con-  
22                 sumer reporting agency shall, at a minimum—

23                         “(i) maintain sufficient resources and  
24                         trained staff, commensurate with the vol-  
25                         ume and complexity of disputes received or

1 reasonably anticipated to be received, to  
2 determine whether the disputed informa-  
3 tion is accurate, complete, or can be  
4 verified by the person who provided the in-  
5 formation;

6 “(ii) ensure that all staff involved at  
7 any level of the reinvestigation process, in-  
8 cluding any individual with ultimate au-  
9 thority over determining whether the dis-  
10 puted information is inaccurate, incom-  
11 plete, or cannot be verified, are located  
12 within the United States;

13 “(iii) verify that the personally identi-  
14 fiable information of the consumer submit-  
15 ting the dispute matches the personally  
16 identifiable information contained in the  
17 consumer’s file, and that such information  
18 is accurate and complete;

19 “(iv) verify that the consumer report-  
20 ing agency has a record of the information  
21 being disputed; and

22 “(v) conduct a reasonable review that  
23 considers all information, including sub-  
24 stantiating documents, provided by the  
25 consumer or reseller.

1           “(B) CONSUMER REPORTING.—The con-  
2           sumer reporting agency shall not impose any  
3           limitation or otherwise impede the ability of a  
4           consumer to submit information about the dis-  
5           puted item.

6           “(C) INDEPENDENT ANALYSIS.—The re-  
7           investigation conducted under subparagraph  
8           (A) shall be an independent analysis, separate  
9           from any investigation by a reseller or a person  
10          who provided the disputed information.

11          “(D) DELETION OR MODIFICATION OF IN-  
12          FORMATION CONTAINED IN A CONSUMER  
13          FILE.—If the disputed information is found to  
14          be inaccurate, incomplete, or cannot be verified,  
15          the dispute resolution staff of the consumer re-  
16          porting agency shall have the direct authority to  
17          delete or modify such information in the con-  
18          sumer’s file, as appropriate, during the 30-day  
19          period described in paragraph (1)(A), shall  
20          promptly notify the consumer of the results of  
21          the reinvestigation as described in paragraph  
22          (4), and shall promptly notify any person who  
23          provided such information to the consumer re-  
24          porting agency of the modification or deletion  
25          made to the consumer’s file.

1           “(4) NOTICE TO CONSUMER OF RESULTS OF  
2 REINVESTIGATION.—

3           “(A) IN GENERAL.—Not later than 5 busi-  
4 ness days after the conclusion of a reinvestiga-  
5 tion conducted under this subsection, the con-  
6 sumer reporting agency shall provide written  
7 notice to the consumer of the results of the re-  
8 investigation by postal mail or, if authorized by  
9 the consumer for that purpose, by other means  
10 available to the agency.

11           “(B) CONTENTS OF NOTICE TO CONSUMER  
12 OF RESULTS OF REINVESTIGATION.—The notice  
13 described in subparagraph (A) shall include—

14           “(i) a statement that the reinvestiga-  
15 tion of the disputed information has been  
16 completed;

17           “(ii) a statement informing the con-  
18 sumer as to whether the disputed informa-  
19 tion was determined to be inaccurate, in-  
20 complete, or unverifiable, including a state-  
21 ment of the specific reasons supporting the  
22 determination;

23           “(iii) if information in the consumer’s  
24 file has been deleted or modified as a re-  
25 sult of the reinvestigation—

1           “(I) a copy of the consumer re-  
2           port and credit score or educational  
3           score (if applicable) that is based  
4           upon the consumer’s revised file;

5           “(II) a statement identifying the  
6           specific information from the con-  
7           sumer’s file that was deleted or modi-  
8           fied because such information was de-  
9           termined to be inaccurate, incomplete,  
10          or unverifiable by the consumer re-  
11          porting agency;

12          “(III) a statement that the con-  
13          sumer has the right, free of charge, to  
14          obtain an additional consumer report  
15          and credit score or educational credit  
16          score (if applicable) within the 12-  
17          month period following the date of the  
18          conclusion of the reinvestigation, re-  
19          gardless of whether the consumer ob-  
20          tained or will obtain a free annual  
21          consumer report and credit score or  
22          educational score (if applicable) under  
23          section 612; and

24          “(IV) a statement that the con-  
25          sumer has the right, free of charge, to

1 request under subsection (d) that the  
2 consumer reporting agency furnish  
3 notifications of the consumer's revised  
4 report;

5 “(iv) a description of the procedure  
6 used by the dispute resolution staff of the  
7 consumer reporting agency to determine  
8 the accuracy or completeness of the infor-  
9 mation, including the business name, mail-  
10 ing address, telephone number, and Inter-  
11 net website address (if available) of any  
12 person who provided information who was  
13 contacted by the staff in connection with  
14 the determination;

15 “(v) a statement that the consumer  
16 has the right, free of charge, to add a nar-  
17 rative statement to the consumer's file dis-  
18 puting the accuracy or completeness of the  
19 information, regardless of the results of  
20 the reinvestigation by the agency, and the  
21 process for submitting such a narrative  
22 pursuant to subsection (b);

23 “(vi) a copy of all information relating  
24 to the consumer that was used by the con-  
25 sumer reporting agency in carrying out the

1 reinvestigation and relied upon as the basis  
2 for the determination about the accuracy  
3 and completeness of the disputed informa-  
4 tion;

5 “(vii) a statement that a consumer  
6 may, free of charge, challenge the results  
7 of the reinvestigation by appeal within 120  
8 days after the date the notice of the results  
9 of the reinvestigation was provided to the  
10 consumer and the process for submitting  
11 an appeal;

12 “(viii) a statement informing the con-  
13 sumer that a notation described in section  
14 605(e) will be added to the file of the con-  
15 sumer during the period in which the con-  
16 sumer appeals the results of a reinvestiga-  
17 tion and that such notation can be re-  
18 moved at the request of the consumer; and

19 “(ix) any other information, as deter-  
20 mined by the Bureau.

21 “(5) REQUIREMENTS RELATING TO REINSER-  
22 TION OF PREVIOUSLY DELETED OR MODIFIED MATE-  
23 RIAL.—

24 “(A) CERTIFICATION OF NEW DETERMINA-  
25 TION THAT ITEM IS ACCURATE OR COM-

1           LETE.—A consumer reporting agency may not  
2           reinsert into a consumer’s file any information  
3           that was previously deleted or modified pursu-  
4           ant to paragraph (3)(D), unless the person who  
5           provided the information—

6                   “(i) requests that the consumer re-  
7                   porting agency reinsert such information;

8                   “(ii) submits a written certification  
9                   that the information is accurate and com-  
10                  plete; and

11                  “(iii) provides a statement describing  
12                  the specific reasons why the information  
13                  should be inserted.

14           “(B) NOTICE TO CONSUMER BEFORE RE-  
15           INSERTION CAN OCCUR.—Upon receipt of a re-  
16           quest for reinsertion of disputed information  
17           under subparagraph (A), the consumer report-  
18           ing agency shall, not later than 5 business days  
19           before the consumer reporting agency reinserts  
20           the information into the consumer’s file, notify  
21           the consumer in writing of such request for re-  
22           insertion. Such notice shall include—

23                   “(i) the business name, mailing ad-  
24                   dress, telephone number, and Internet  
25                   website address (if available) of any person



1 who provided information to or contacted  
2 the consumer reporting agency in connec-  
3 tion with the reinsertion;

4 “(ii) a copy of the information relat-  
5 ing to the consumer, the certification that  
6 the information is accurate or complete,  
7 and the statement of the reasons sup-  
8 porting reinsertion provided by the person  
9 who provided the information to the con-  
10 sumer reporting agency under subpara-  
11 graph (A);

12 “(iii) a statement that the consumer  
13 may obtain, free of charge and within the  
14 12-month period following the date the no-  
15 tice under this subparagraph was issued, a  
16 consumer report and credit score or edu-  
17 cational score (if applicable) from the con-  
18 sumer reporting agency that includes the  
19 reinserted information, regardless of  
20 whether the consumer obtained or will ob-  
21 tain a free annual consumer report and  
22 credit score or educational credit score (if  
23 applicable) under section 612;

24 “(iv) a statement that the consumer  
25 may appeal the determination that the pre-

1 viously deleted or modified information is  
2 accurate or complete and a description of  
3 the procedure for the consumer to make  
4 such an appeal pursuant to subsection (h);  
5 and

6 “(v) a statement that the consumer  
7 has the right to add a narrative statement,  
8 free of charge, to the consumer’s file dis-  
9 puting the accuracy or completeness of the  
10 disputed information and a description of  
11 the process to add such a narrative state-  
12 ment pursuant to subsection (b).

13 “(6) EXPEDITED DISPUTE RESOLUTION.—If a  
14 consumer reporting agency determines that the in-  
15 formation provided by the consumer is sufficient to  
16 substantiate that the item of information is inac-  
17 curate, incomplete, or cannot be verified by the per-  
18 son who furnished such information, and the con-  
19 sumer reporting agency deletes or modifies such in-  
20 formation within 3 business days of receiving notice  
21 of the dispute, the consumer reporting agency shall  
22 be exempt from the requirements of paragraph (4),  
23 if the consumer reporting agency provides to the  
24 consumer—

1           “(A) prompt notice confirming the deletion  
2           or modification of the information from the con-  
3           sumer’s file in writing or by other means, if  
4           agreed to by the consumer when the informa-  
5           tion is disputed;

6           “(B) a statement of the consumer’s right  
7           to request that the consumer reporting agency  
8           furnish notifications of a revised consumer re-  
9           port pursuant to subsection (d);

10          “(C) not later than 5 business days after  
11          deleting or modifying the information, a copy of  
12          the consumer report and credit score or edu-  
13          cational score (if applicable) that is based upon  
14          the consumer’s revised file; and

15          “(D) a statement that the consumer may  
16          obtain, free of charge and within the 12-month  
17          period following the date the notice under this  
18          paragraph was sent to the consumer, a con-  
19          sumer report and credit score or educational  
20          score (if applicable) from the consumer report-  
21          ing agency, regardless of whether the consumer  
22          obtained or will obtain their free annual con-  
23          sumer report and credit score or educational  
24          score (if applicable) under section 612.

1           “(7) NO EXCUSE FOR FAILURE TO CONDUCT  
2 REINVESTIGATION.—A consumer reporting agency  
3 may not refuse to conduct a reinvestigation under  
4 this subsection because the agency determines that  
5 the dispute was submitted by an authorized third  
6 party, unless the agency has clear and convincing  
7 evidence that the third party is not authorized to  
8 submit the dispute on the consumer’s behalf. If the  
9 consumer reporting agency refuses to reinvestigate a  
10 dispute for these reasons, it shall provide a clear and  
11 conspicuous notice to the consumer explaining the  
12 reasons for the refusal and describing the specific in-  
13 formation the consumer is required to provide for  
14 the agency to conduct the reinvestigation.”.

15       (b) ENSURING CONSUMER REPORTING AGENCIES  
16 FURNISH CERTAIN NOTIFICATIONS WITHOUT CHARGE.—  
17 Section 611(d) of the Fair Credit Reporting Act (15  
18 U.S.C. 1681i(d)) is amended by inserting “and without  
19 charge” after “request of the consumer”.

20       (c) INCLUDING SPECIALTY CONSUMER REPORTING  
21 AGENCIES IN REPORTS.—

22           (1) IN GENERAL.—Section 611(e) of the Fair  
23 Credit Reporting Act (15 U.S.C. 1681i(e)) is  
24 amended by inserting “or 603(x)” after “section  
25 603(p)”.

1           (2) TECHNICAL AMENDMENT.—Paragraph (1)  
2           of such section (15 U.S.C. 1681i(e)(1)) is amended  
3           by striking “The Commission” and inserting “The  
4           Bureau”.

5           (d) CONFORMING AMENDMENTS.—Such Act is fur-  
6           ther amended—

7                 (1) in section 605B(c)(2), by striking “section  
8                 611(a)(5)(B)” and inserting “section 611(a)(5)”;

9                 (2) in section 611—

10                         (A) in subsection (c), by striking “unless  
11                         there is reasonable grounds to believe that it is  
12                         frivolous or irrevelant,”; and

13                         (B) in subsection (f)(3)—

14                                 (i) in subparagraph (A), by striking  
15                                 “paragraph (6), (7), or (8) of subsection  
16                                 (a)” and inserting “paragraph (4) or (5) of  
17                                 subsection (a)”;

18                                 (ii) in subparagraph (B), by striking  
19                                 “in the manner required under paragraph  
20                                 (8)(A)”;

21                 (3) in section 623(b)(1)(B), by striking “rel-  
22                 evant” before “information”.

23           (e) GLOBAL TECHNICAL CORRECTIONS TO REF-  
24           ERENCES TO NATIONWIDE SPECIALTY CONSUMER RE-  
25           PORTING AGENCY.—Such Act is further amended—

1           (1) by striking “section 603(w)” and inserting  
 2           “section 603(x)” each place such term appears; and  
 3           (2) in section 612(a)(1)(A), by striking “(w)”  
 4           and inserting “(x)”.

5 **SEC. 102. CREATES REASONABLE DISPUTE PROCEDURES**  
 6 **FOR FURNISHERS OF INFORMATION AND**  
 7 **MEANINGFUL DISCLOSURES TO CONSUMERS**  
 8 **ABOUT INVESTIGATIONS; NOTICES BY FUR-**  
 9 **NISHERS TO CONSUMERS OF REPORTING OF**  
 10 **NEGATIVE ITEMS TO CONSUMER REPORTING**  
 11 **AGENCIES.**

12       Section 611 of the Fair Credit Reporting Act (15  
 13 U.S.C. 1681i) is amended by adding at the end the fol-  
 14 lowing new subsection:

15       “(g) INCREASED CONSUMER AWARENESS OF DIS-  
 16 PUTE RIGHTS.—

17           “(1) IN GENERAL.—Not later than 180 days  
 18       after the date of enactment of this subsection, each  
 19       consumer reporting agency described under sub-  
 20       section (p) or (x) of section 603 shall—

21           “(A) establish an Internet website acces-  
 22       sible to consumers; and

23           “(B) post on the home page of such  
 24       website a hyperlink to a separate webpage es-  
 25       tablished and maintained solely for the purpose

1 of providing information to a consumer about  
2 how to dispute an item of information in the  
3 consumer report of the consumer.

4 “(2) DISPUTE WEBPAGE REQUIREMENTS.—For  
5 a consumer reporting agency described under sub-  
6 section (p) or (x) of section 603, the separate dis-  
7 pute webpage described in paragraph (1)(B)—

8 “(A) may not include any type or form of  
9 marketing, advertising, information, or material  
10 associated with any products or services offered  
11 or sold to consumers;

12 “(B) shall clearly and conspicuously dis-  
13 close a concise statement regarding how to file  
14 a dispute through the agency, free of charge, in  
15 the manner and format prescribed by the Bu-  
16 reau;

17 “(C) shall describe the types of documents  
18 that will be used by the agency in resolving the  
19 dispute, including the business name and mail-  
20 ing address to which a consumer may send such  
21 documents;

22 “(D) shall include a clear and concise ex-  
23 planation of and the process for using electronic  
24 or other means to submit such documents, free

1 of charge, and without any character or data  
2 limitation imposed by the agency;

3 “(E) shall include a statement that the  
4 consumer may submit information, free of  
5 charge, that the consumer believes will assist  
6 the consumer reporting agency in determining  
7 the results of the reinvestigation of the dispute;

8 “(F) shall clearly and conspicuously dis-  
9 close a statement describing the procedure like-  
10 ly to be used by the consumer reporting agency  
11 in carrying out a reinvestigation to determine  
12 the accuracy or completeness of the disputed  
13 item of information, including the time period  
14 in which the consumer will be notified of the re-  
15 sults of the reinvestigation, and a statement  
16 that the agency may extend the reinvestigation  
17 period by an additional 15 days if the consumer  
18 submits additional information after a certain  
19 date; and

20 “(G) shall provide translations of all infor-  
21 mation on the webpage in each of the 10 most  
22 commonly spoken languages, other than  
23 English, in the United States, as determined by  
24 the Bureau of the Census on an ongoing basis,



1           and in formats accessible to individuals with  
2           hearing or vision impairments.”.

3 **SEC. 103. CREATES REASONABLE DISPUTE PROCEDURES**  
4 **FOR CONSUMER REPORTING AGENCIES AND**  
5 **MEANINGFUL DISCLOSURES TO CONSUMERS**  
6 **ABOUT REINVESTIGATIONS.**

7       Section 623 of the Fair Credit Reporting Act (15  
8 U.S.C. 1681s–2) is amended by adding at the end the fol-  
9 lowing new subsection:

10       “(f) DUTY OF FURNISHERS TO MAINTAIN RECORDS  
11 OF CONSUMERS.—

12           “(1) IN GENERAL.—A person who furnishes in-  
13 formation to a consumer reporting agency relating  
14 to a consumer who has an account with that person  
15 shall maintain all information necessary to substan-  
16 tiate the accuracy and completeness of the informa-  
17 tion furnished, including any records establishing the  
18 liability and terms and conditions under which credit  
19 was extended to a consumer and any payment his-  
20 tory with respect to such credit.

21           “(2) RETENTION PERIOD.—Records described  
22 under paragraph (1) shall be maintained until the  
23 information with respect to which the records relate  
24 may no longer be included in a consumer report pur-  
25 suant to sections 605, 605C, 605D, and 605E.

1           “(3) TRANSFER OF OWNERSHIP.—If a person  
 2           providing information to a consumer reporting agen-  
 3           cy is acquired by another person, or if another per-  
 4           son acquires the right to repayment connected to  
 5           such information, the acquiring person shall be sub-  
 6           ject to the requirements of this subsection with re-  
 7           spect to such information to the same extent as the  
 8           person who initially provided such information to the  
 9           consumer reporting agency. The person selling or  
 10          transferring the right to repayment shall provide the  
 11          information described in paragraph (1) to the trans-  
 12          feree or the acquirer.”.

13 **SEC. 104. INCREASES CONSUMERS’ AWARENESS OF DIS-**  
 14 **PUTE RIGHTS AND TOOLS FOR CHAL-**  
 15 **LENGING ERRORS.**

16          (a) DUTY TO PROVIDE ACCURATE AND COMPLETE  
 17 INFORMATION.—Section 623(a) of the Fair Credit Re-  
 18 porting Act (15 U.S.C. 1681s–2(a)) is amended—

19           (1) in the subsection heading, by inserting  
 20           “AND COMPLETE” after “ACCURATE”;

21           (2) in paragraph (1)—

22                   (A) by inserting “or incomplete” after “in-  
 23                   accurate” each place that term appears; and

24                   (B) in subparagraph (D), by inserting “or  
 25                   completeness” after “accuracy”; and

1 (3) in paragraph (8)—

2 (A) in subparagraph (A), by inserting

3 “and completeness” after “accuracy”; and

4 (B) in subparagraph (D), by inserting “or

5 completeness” after “accuracy”.

6 (b) NEGATIVE INFORMATION NOTICES TO CON-

7 SUMERS.—Section 623(a)(7) (15 U.S.C. 1681s–2(a)(7))

8 of such Act is amended to read as follows:

9 “(7) DUTY OF FURNISHERS TO INFORM CON-

10 SUMERS ABOUT REPORTING NEGATIVE INFORMA-

11 TION.—

12 “(A) GENERAL NEGATIVE INFORMATION

13 WARNING NOTICE TO ALL CONSUMERS PRIOR

14 TO FURNISHING SUCH INFORMATION.—

15 “(i) IN GENERAL.—Any person that

16 regularly furnishes negative information to

17 a consumer reporting agency described in

18 subsection (p) or (x) of section 603 about

19 activity on any accounts of a consumer

20 held by such person or transactions associ-

21 ated with credit extended to a consumer by

22 such person shall provide a written general

23 negative information warning notice to

24 each such consumer before such person

1 may furnish any negative information re-  
2 lating to such a consumer.

3 “(ii) CONTENT.—Such notice shall—

4 “(I) be clear and conspicuous;

5 “(II) describe the types of activi-  
6 ties that constitute negative informa-  
7 tion;

8 “(III) inform the consumer that  
9 the person may report negative infor-  
10 mation relating to any such accounts  
11 or transactions to a consumer report-  
12 ing agency described in subsection (p)  
13 or (x) of section 603;

14 “(IV) state that the negative in-  
15 formation may appear on a consumer  
16 report of the consumer for the periods  
17 described in section 605 and that dur-  
18 ing such periods, the negative infor-  
19 mation may adversely impact the con-  
20 sumer’s credit score;

21 “(V) state that in some limited  
22 circumstances, the negative informa-  
23 tion may result in other adverse ac-  
24 tions, including a denial of a new job

1 or a promotion from existing employ-  
2 ment; and

3 “(VI) state that the consumer  
4 has right to—

5 “(aa) obtain a copy of their  
6 consumer report and credit score  
7 or educational score (if applica-  
8 ble), which in some instances can  
9 be obtained free of charge, from  
10 any consumer reporting agency  
11 to which negative information  
12 may be been sent; and

13 “(bb) dispute, free of  
14 charge, any errors on a consumer  
15 report relating to the consumer.

16 “(iii) TIMING OF NOTICE.—Such per-  
17 son shall provide such notice to a consumer  
18 not later than 90 days before the date on  
19 which the person furnishes negative infor-  
20 mation relating to such consumer.

21 “(B) SPECIFIC NEGATIVE INFORMATION  
22 NOTICE TO A CONSUMER.—

23 “(i) IN GENERAL.—Any person de-  
24 scribed in subparagraph (A) that has fur-  
25 nished negative information relating to ac-

1           tivity on any accounts of a consumer held  
2           by such person or transactions associated  
3           with credit extended to a consumer by such  
4           person to a consumer reporting agency de-  
5           scribed in subsection (p) or (x) of section  
6           603 shall send a written notice to each  
7           such consumer.

8           “(ii) CONTENT.—Such notice shall—

9                   “(I) be clear and conspicuous;

10                   “(II) inform the consumer that

11           the person has furnished negative in-  
12           formation relating to such accounts or  
13           transactions to a consumer reporting  
14           agency described in subsection (p) or  
15           (x) of section 603;

16                   “(III) identify any consumer re-

17           porting agency to which the negative  
18           information was furnished, including  
19           the name of the agency, mailing ad-  
20           dress, Internet website address, and  
21           toll-free telephone number; and

22                   “(IV) include the statements de-

23           scribed in subclauses (IV), (V), and  
24           (VI) of subparagraph (A)(ii).

1                   “(iii) TIME OF NOTICE.—Such person  
2                   shall provide such notice to a consumer not  
3                   later than 5 business days after the date  
4                   on which the person furnished negative in-  
5                   formation relating to such consumer.

6                   “(C) NOTICE EFFECTIVE FOR SUBSE-  
7                   QUENT SUBMISSIONS.—After providing the no-  
8                   tice described in subparagraph (B), the person  
9                   may submit additional negative information to  
10                  a consumer reporting agency described in sub-  
11                  section (p) or (x) of section 603 without pro-  
12                  viding additional notice to the consumer, unless  
13                  another person acquires the right to repayment  
14                  connected to the additional negative informa-  
15                  tion. The acquiring person shall be subject to  
16                  the requirements of this paragraph and shall be  
17                  required to send consumers the written notices  
18                  described in this paragraph, if applicable.

19                  “(D) NON-TRADITIONAL DATA FUR-  
20                  NISHERS.—Any person that furnishes negative  
21                  information to a consumer reporting agency de-  
22                  scribed in subsection (p) or (x) of section 603  
23                  relating to any accounts of, or transactions as-  
24                  sociated with, a consumer by such person in-  
25                  volving non-traditional data shall be subject to

1 the requirements described in subparagraphs  
2 (A), (B), and (C).

3 “(E) MODEL NOTICES.—

4 “(i) DUTY OF BUREAU.—Not later  
5 than 6 months after date of the enactment  
6 of this paragraph, the Bureau shall issue  
7 model forms for the notices described in  
8 subparagraphs (A) and (B) that a person  
9 may use to comply with the requirements  
10 of this paragraph.

11 “(ii) USE OF MODEL NOTICE NOT RE-  
12 QUIRED.—No provision of this paragraph  
13 may be construed to require a person to  
14 use the model notices prescribed by the  
15 Bureau.

16 “(iii) COMPLIANCE USING MODEL NO-  
17 TICES.—A person shall be deemed to be in  
18 compliance with the requirements of sub-  
19 paragraph (A)(ii) or (B)(ii) (as applicable)  
20 if the person uses the model notice pre-  
21 scribed by the Bureau.

22 “(F) ISSUANCE OF GENERAL NEGATIVE  
23 WARNING NOTICE WITHOUT SUBMITTING NEGA-  
24 TIVE INFORMATION.—No provision of this para-  
25 graph may be construed to require a person de-



1           scribed in subparagraph (A) or (D) to furnish  
2           negative information about a consumer to a  
3           consumer reporting agency described in sub-  
4           section (p) or (x) of section 603.

5           “(G) SAFE HARBOR.—A person shall not  
6           be liable for failure to perform the duties re-  
7           quired by this paragraph if the person reason-  
8           ably believes that the person is prohibited, by  
9           law, from contacting the consumer.

10          “(H) EFFECTIVE DATE.—The require-  
11          ments of subparagraphs (A), (B), (C), and (D)  
12          shall not take effect until the date that is 6  
13          months after the date of the issuance of model  
14          forms for notices under subparagraph (E).

15          “(I) DEFINITIONS.—In this paragraph, the  
16          following definitions shall apply:

17               “(i) NEGATIVE INFORMATION.—The  
18               term ‘negative information’ means infor-  
19               mation concerning a consumer’s delin-  
20               quencies, late payments, insolvency, or any  
21               form of default.

22               “(ii) NON-TRADITIONAL DATA.—The  
23               term ‘non-traditional data’ relates to tele-  
24               communications payments, utility pay-  
25               ments, rent payments, remittances, wire

1 transfers, and such other items as deter-  
2 mined by the Bureau.”.

3 (c) DUTIES OF FURNISHERS AFTER RECEIVING NO-  
4 TICE OF DISPUTE FROM A CONSUMER.—Section  
5 623(a)(8)(E) of the Fair Credit Reporting Act (15 U.S.C.  
6 1681s-2(a)(8)(E)) is amended to read as follows:

7 “(E) DUTIES OF FURNISHERS AFTER RE-  
8 CEIVING NOTICE OF DISPUTE FROM A CON-  
9 SUMER.—After receiving a notice of dispute  
10 from a consumer pursuant to subparagraph  
11 (D), the person that provided the information  
12 in dispute to a consumer reporting agency  
13 shall—

14 “(i) promptly provide to each con-  
15 sumer reporting agency to which the per-  
16 son furnished the disputed information the  
17 notice of dispute;

18 “(ii) review all information, including  
19 any substantiating documents, provided by  
20 the consumer about the disputed informa-  
21 tion and conduct an investigation, separate  
22 from any reinvestigation by a consumer re-  
23 porting agency or a reseller conducted with  
24 respect to the disputed information;

1 “(iii) before the expiration of the pe-  
2 riod under section 611(a)(1) within which  
3 a consumer reporting agency would be re-  
4 quired to complete its action if the con-  
5 sumer had elected to dispute the informa-  
6 tion under that section, complete an inves-  
7 tigation of the disputed information pursu-  
8 ant to the standards described in subpara-  
9 graph (G);

10 “(iv) notify the consumer, in writing,  
11 of the receipt of the dispute that in-  
12 cludes—

13 “(I) a statement about any infor-  
14 mation additional to the information  
15 that the person is required to main-  
16 tain under subsection (f) that would  
17 support the person’s ability to carry  
18 out an investigation to resolve the  
19 consumer’s dispute; and

20 “(II) a statement that the con-  
21 sumer reporting agency to which the  
22 disputed information was provided will  
23 include a notation described in section  
24 605(e) in the consumer’s file until the  
25 investigation has been completed, and

1 information about how a consumer  
 2 may request that such notation is re-  
 3 moved by the agency;

4 “(v) if the investigation determines  
 5 the disputed information is inaccurate, in-  
 6 complete, or unverifiable, promptly notify  
 7 each consumer reporting agency to which  
 8 the person furnished such information in  
 9 accordance with paragraph (2); and

10 “(vi) notify the consumer of the re-  
 11 sults of the investigation, in writing, in ac-  
 12 cordance with subparagraph (H).”.

13 (d) ELIMINATING FURNISHERS’ AUTHORITY TO DIS-  
 14 MISS DISPUTES AS FRIVOLOUS OR IRRELEVANT.—Section  
 15 623(a)(8) of such Act (15 U.S.C. 1681s–2(a)(8)) is  
 16 amended by striking subparagraph (F) and redesignating  
 17 subparagraph (G) as subparagraph (F).

18 (e) ADDITIONAL DUTIES.—Section 623(a)(8) of such  
 19 Act (15 U.S.C. 1681s–2(a)(8)) is further amended by add-  
 20 ing at the end the following new subparagraphs:

21 “(G) REASONABLE STANDARDS FOR FUR-  
 22 NISHERS FOR CONDUCTING INVESTIGATIONS  
 23 AND RESOLVING DISPUTES SUBMITTED BY CON-  
 24 SUMERS.—In any investigation conducted by a  
 25 person who furnishes information to a con-

1 consumer reporting agency of an item of informa-  
2 tion being disputed by a consumer, the person,  
3 at a minimum—

4 “(i) shall maintain sufficient resources  
5 and trained staff, commensurate with the  
6 volume and complexity of disputes received  
7 or reasonably anticipated to be received, to  
8 conduct investigations;

9 “(ii) shall verify that the person has a  
10 record of the particular information being  
11 disputed, consistent with the requirements  
12 of subsection (f);

13 “(iii) shall verify that the personally  
14 identifiable information of the consumer  
15 submitting the dispute matches the person-  
16 ally identifiable information contained on  
17 such records;

18 “(iv) shall conduct a reasonable re-  
19 view to determine whether the disputed in-  
20 formation is accurate, complete, and can  
21 be verified that considers all the informa-  
22 tion, including any substantiating docu-  
23 ments, provided by the consumer about the  
24 disputed information;

1 “(v) shall ensure that the investiga-  
2 tion is an independent analysis that is sep-  
3 arate from any reinvestigation by a con-  
4 sumer reporting agency or a reseller con-  
5 ducted with respect to the disputed infor-  
6 mation; and

7 “(vi) may not impose any limitations  
8 or otherwise impede the ability of a con-  
9 sumer to submit information, including  
10 any substantiating documents, about the  
11 disputed information.

12 “(H) CONTENTS OF THE NOTICE TO THE  
13 CONSUMER ABOUT THE RESULTS OF THE IN-  
14 VESTIGATION BY THE FURNISHER.—The notice  
15 of the results of the investigation described in  
16 subparagraph (E) shall include—

17 “(i) a statement informing the con-  
18 sumer as to whether the disputed informa-  
19 tion was determined to be inaccurate, in-  
20 complete, or unverifiable;

21 “(ii) a statement of the specific rea-  
22 sons supporting the results of the inves-  
23 tigation;

24 “(iii) a description of the procedure  
25 used by the dispute resolution staff of the

1 person who furnishes information to a con-  
2 sumer reporting agency to determine the  
3 accuracy or completeness of the informa-  
4 tion, including the business name, mailing  
5 address, telephone number, and Internet  
6 website address (if available) of any person  
7 who was contacted by the staff in connec-  
8 tion with the determination;

9 “(iv) a copy of all information relating  
10 to the consumer that was used in carrying  
11 out the investigation and was the basis for  
12 any determination about the accuracy or  
13 completeness of the disputed information;

14 “(v) a statement that consumer will  
15 receive, free of charge, a copy of their con-  
16 sumer report and credit score or edu-  
17 cational credit score (if applicable), from  
18 any consumer reporting agency to which  
19 the disputed information had been pro-  
20 vided, regardless of whether the consumer  
21 obtained or will obtain a free consumer re-  
22 port and credit score or educational credit  
23 score (if applicable) in the 12-month period  
24 preceding receipt of the notice described in

1           this subparagraph pursuant to section  
2           612(a)(1);

3           “(vi) if the disputed information was  
4           found to be inaccurate, incomplete, or un-  
5           verifiable, a statement that the consumer  
6           report of the consumer shall be revised to  
7           reflect the change to the consumer’s file as  
8           a result of the investigation;

9           “(vii) a statement that the consumer  
10          has the right to appeal the results of the  
11          investigation under paragraph (10), free of  
12          charge, within 120 days after the date of  
13          the notice of the results of the investiga-  
14          tion was provided to the consumer and the  
15          process for submitting an appeal;

16          “(viii) a statement that the consumer  
17          may add a narrative statement, free of  
18          charge, to the consumer’s file held by the  
19          consumer reporting agency to which the in-  
20          formation has been furnished disputing the  
21          accuracy or completeness of the informa-  
22          tion, regardless of the results of the inves-  
23          tigation by the person, and the process for  
24          contacting any agency that received the



1 consumer's information from the person to  
2 submit a narrative statement;

3 “(ix) a statement informing the con-  
4 sumer that a notation described in section  
5 605(e) will be added to the consumer's file  
6 during the period in which the consumer  
7 appeals the results of an investigation and  
8 that such notation can be removed at the  
9 request of the consumer; and

10 “(x) a statement that the consumer  
11 has the right to request a copy of their  
12 consumer report and credit score or edu-  
13 cational credit score (if applicable), free of  
14 charge, within the 12-month period fol-  
15 lowing the date of the conclusion of the in-  
16 vestigation from any consumer reporting  
17 agency in which the disputed information  
18 had been provided, regardless of whether  
19 the consumer obtained or will obtain a free  
20 annual consumer report and credit score or  
21 educational credit score (if applicable)  
22 under this subparagraph or section  
23 612(a)(1).”.

24 (f) CONFORMING AMENDMENT.—Section  
25 615(a)(4)(B) is amended—

1 (1) by striking “, under section 611, with a  
2 consumer reporting agency”; and

3 (2) by striking “furnished by the agency” and  
4 inserting “to a consumer reporting agency under  
5 section 611 or to a person who furnished informa-  
6 tion to an agency under section 623”.

7 **SEC. 105. ENHANCES ACCURACY AND COMPLETENESS DU-**  
8 **TIES FOR CONSUMER REPORTING AGENCIES**  
9 **AND FURNISHERS.**

10 (a) APPEALS OF REINVESTIGATIONS CONDUCTED BY  
11 A CONSUMER REPORTING AGENCY.—Section 611 of the  
12 Fair Credit Reporting Act (15 U.S.C. 1681i) is amend-  
13 ed—

14 (1) in subsection (b), by inserting “or if the  
15 consumer is unsatisfied with the results of an appeal  
16 conducted under subsection (h),” after “resolve the  
17 dispute,”; and

18 (2) by inserting after subsection (g) (as added  
19 by section 102) the following new subsection:

20 “(h) CONSUMER RIGHT TO APPEAL RESULTS OF A  
21 CONSUMER REPORTING AGENCY REINVESTIGATION.—

22 “(1) IN GENERAL.—Within 120 days after the  
23 date of receipt of the results of a reinvestigation  
24 conducted under subsection (a), a consumer (or au-  
25 thorized third party) may, free of charge, appeal the

1 results of such reinvestigation by submitting a notice  
2 of appeal to the consumer reporting agency.

3 “(2) NOTICE OF APPEAL.—

4 “(A) REQUIREMENTS.—A notice of appeal  
5 described in paragraph (1) may be submitted in  
6 writing, or through a toll-free telephone number  
7 or other electronic means established by the  
8 consumer reporting agency (including on the  
9 Internet website described in subsection (g)),  
10 and—

11 “(i) shall identify the information con-  
12 tained in the consumer’s file that is the  
13 subject of the appeal;

14 “(ii) shall describe the specific reasons  
15 for submitting the notice of appeal; and

16 “(iii) may provide any information the  
17 consumer believes is relevant to substan-  
18 tiate the validity of the dispute.

19 “(B) CONSUMER REPORTING AGENCY NO-  
20 TICE TO CONSUMER.—Upon receipt of such no-  
21 tice of appeal, the consumer reporting agency  
22 shall promptly provide to the consumer a state-  
23 ment confirming the receipt of the consumer’s  
24 notice of appeal that shall include—

1 “(i) an approximate date on which the  
2 consumer’s appeal review will be com-  
3 pleted;

4 “(ii) the process and procedures by  
5 which such review will be conducted; and

6 “(iii) an employee reference number  
7 or other employee identifier for each of the  
8 specific individuals designated by the con-  
9 sumer reporting agency who, upon the re-  
10 quest of the consumer, may discuss the  
11 substance and status of the appeal.

12 “(3) CONSUMER REPORTING AGENCY REQUIRE-  
13 MENTS UPON RECEIPT OF NOTICE OF APPEAL.—

14 “(A) IN GENERAL.—Not later than 20  
15 days after receiving a notice of appeal, the con-  
16 sumer reporting agency shall review the appeal.  
17 If the consumer reporting agency determines  
18 the information is inaccurate, incomplete, or  
19 cannot be verified, the consumer reporting  
20 agency shall delete or modify the item of infor-  
21 mation being disputed by the consumer from  
22 the file of the consumer before the end of the  
23 20-day period beginning on the date on which  
24 the consumer reporting agency receives a notice  
25 of an appeal from the consumer.

1           “(B) NOTICE OF APPEAL TO FURNISHER;  
2 INFORMATION REGARDING DISPUTE PROVIDED  
3 BY THE CONSUMER.—

4           “(i) IN GENERAL.—Before the end of  
5 the period of 3 business days beginning on  
6 the date on which a consumer reporting  
7 agency receives a notice of appeal, the con-  
8 sumer reporting agency shall provide no-  
9 tice of the appeal, including all information  
10 relating to the specific appeal that the con-  
11 sumer reporting agency has received from  
12 the consumer, to any person who provided  
13 any information in dispute.

14           “(ii) PROVISION OF ADDITIONAL IN-  
15 FORMATION REGARDING THE DISPUTE.—If  
16 the consumer reporting agency receives ad-  
17 ditional information from the consumer  
18 after the agency provides the notice re-  
19 quired under clause (i) and before the end  
20 of the 20-day period described in subpara-  
21 graph (A), the consumer reporting agency  
22 shall, not later than 3 business days after  
23 receiving such information, provide such  
24 information to any person who provided  
25 the information in dispute and shall have

1 an additional 10 business days to complete  
2 the appeal review.

3 “(C) MINIMUM STANDARDS FOR APPEALS  
4 EMPLOYEES.—

5 “(i) DESIGNATION.—Upon receipt of  
6 a notice of appeal under paragraph (1), a  
7 consumer reporting agency shall designate  
8 one or more specific employees who—

9 “(I) shall be assigned an em-  
10 ployee reference number or other em-  
11 ployee identifier that can be used by  
12 the consumer to discuss the appeal  
13 with the specific individuals handling  
14 the appeal;

15 “(II) shall have direct authority  
16 to resolve the dispute that is the sub-  
17 ject of the notice of appeal from the  
18 review stage to its completion;

19 “(III) shall meet minimum train-  
20 ing and ongoing certification require-  
21 ments at regular intervals, as estab-  
22 lished by the Bureau;

23 “(IV) shall be located within the  
24 United States;

1 “(V) may not have been involved  
2 in the reinvestigation conducted or  
3 terminated pursuant to subsection (a);  
4 and

5 “(VI) may not be subject to any  
6 requirements linking incentives, in-  
7 cluding promotion, to the number of  
8 appeals processed within a certain  
9 time period.

10 “(ii) REQUIREMENTS.—Such employ-  
11 ees shall conduct a robust review of the ap-  
12 peal and make a determination regarding  
13 the accuracy and completeness of the dis-  
14 puted information by—

15 “(I) conducting an independent  
16 analysis, separate from any investiga-  
17 tion by a reseller or person who pro-  
18 vided the disputed information, and  
19 separate from any prior reinvestiga-  
20 tion conducted by the consumer re-  
21 porting agency of the disputed infor-  
22 mation;

23 “(II) verifying that the personally  
24 identifiable information of the con-  
25 sumer submitting the dispute matches

1 the personally identifiable information  
2 contained on the consumer's file;

3 “(III) analyzing the notice of ap-  
4 peal and all information, including  
5 any substantiating documents, pro-  
6 vided by the consumer with the notice  
7 of appeal;

8 “(IV) evaluating the validity of  
9 any information submitted by any  
10 person that was used by the consumer  
11 reporting agency in the reinvestigation  
12 of the initial dispute;

13 “(V) verifying that the consumer  
14 reporting agency has a record of the  
15 information being disputed; and

16 “(VI) applying any additional  
17 factors or investigative processes, as  
18 specified by the Bureau.

19 “(D) NOTICE OF APPEAL RESULTS.—Not  
20 later than 5 days after the end of the 20-day  
21 period described under subparagraph (A) (or  
22 the 10-day extension period, as applicable) the  
23 consumer reporting agency shall provide the  
24 consumer with written notice of the results of  
25 the appeal by postal mail or, if requested by the



1 consumer, by other means. The contents of  
2 such notice shall include—

3 “(i) a statement that the appeal is  
4 completed and the date on which it was  
5 completed, the results of the appeal, and  
6 the specific reasons supporting the results  
7 of the appeal;

8 “(ii) a copy of all information relating  
9 to the consumer that was used as a basis  
10 for deciding the results of the appeal;

11 “(iii) a consumer report that is based  
12 upon the consumer’s file as that file may  
13 have been revised as a result of the appeal;

14 “(iv) a description of the procedure  
15 used to determine the accuracy and com-  
16 pleteness of the information, including the  
17 business name, telephone number, mailing  
18 address, and Internet website address (if  
19 applicable) of any person who provided in-  
20 formation that was contacted in connection  
21 with such information, if reasonably avail-  
22 able;

23 “(v) information describing that the  
24 consumer may submit a statement, without  
25 charge, disputing the accuracy or com-

1           pleteness of information in the consumer’s  
2           file that was the subject of an appeal  
3           under this subsection by submitting a  
4           statement directly to each consumer re-  
5           porting agency that received the informa-  
6           tion;

7           “(vi) a description of the consumer’s  
8           rights pursuant to subsection (d) (relating  
9           to furnishing notifications to certain users  
10          of consumer reports); and

11          “(vii) any other information, as deter-  
12          mined by the Bureau.

13          “(E) NO EXCUSE FOR FAILURE TO CON-  
14          DUCT APPEAL.—A consumer reporting agency  
15          may not refuse to conduct a review of an appeal  
16          under this subsection because the agency deter-  
17          mines that the notice of appeal was submitted  
18          by an authorized third party, unless the agency  
19          has clear and convincing evidence that the third  
20          party is not authorized to submit the notice of  
21          appeal on the consumer’s behalf. If the con-  
22          sumer reporting agency refuses to conduct a re-  
23          view of the appeal for these reasons, it shall  
24          provide a clear and conspicuous written notice  
25          to the consumer explaining the reasons for the

1 refusal and describing any information the con-  
2 sumer is required to provide for the agency to  
3 conduct a review of the appeal.”.

4 (b) APPEALS OF INVESTIGATIONS CONDUCTED BY  
5 FURNISHERS OF INFORMATION.—Section 623(a) of the  
6 Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)) is  
7 amended by adding at the end the following new para-  
8 graph:

9 “(10) DUTY OF FURNISHERS OF INFORMATION  
10 UPON NOTICE OF APPEAL OF INVESTIGATION.—

11 “(A) IN GENERAL.—Within 120 days of  
12 the date of receipt of the results of an inves-  
13 tigation conducted under paragraph (8)(E), a  
14 consumer may, free of charge, appeal such re-  
15 sults by submitting a notice of appeal to the  
16 person who provided the information in the dis-  
17 pute to a consumer reporting agency (hereafter  
18 in this paragraph referred to as the ‘furnisher’).

19 “(B) NOTICE OF APPEAL.—A notice of ap-  
20 peal described in subparagraph (A) may be sub-  
21 mitted in writing, through a toll-free telephone  
22 number, or by other electronic means estab-  
23 lished by the furnisher, and—

1 “(i) shall identify the information con-  
2 tained in the consumer’s file that is the  
3 subject of the appeal;

4 “(ii) shall describe the specific reasons  
5 for submitting the notice of appeal; and

6 “(iii) may include any information, in-  
7 cluding substantiating documents, the con-  
8 sumer believes is relevant to the appeal.

9 “(C) FURNISHER ACTIONS.—Upon receipt  
10 of such notice of appeal, the furnisher shall—

11 “(i) before the end of the period of 3  
12 business days beginning on the date on  
13 which the furnisher receives the notice of  
14 appeal, notify each consumer reporting  
15 agency to which the person furnished such  
16 information a statement identifying the  
17 items of information that a consumer is  
18 appealing; and

19 “(ii) notify the consumer confirming  
20 the receipt of the consumer’s notice of ap-  
21 peal, including an approximate date when  
22 the consumer’s appeal will be completed,  
23 the process and procedures by which a re-  
24 view of the appeal will be conducted, and  
25 the specific individual designated by the

1 consumer reporting agency who, upon the  
2 request of the consumer, may discuss the  
3 substance and status of the appeal.

4 “(D) FURNISHER REQUIREMENTS UPON  
5 RECEIPT OF NOTICE OF APPEAL.—Not later  
6 than 20 days after receiving a notice of appeal,  
7 the furnisher shall determine whether the item  
8 of information being disputed by the consumer  
9 is inaccurate, incomplete, or cannot be verified,  
10 and shall notify the consumer reporting agency  
11 of the determination. If the furnisher cannot  
12 verify the accuracy or completeness of the dis-  
13 puted information, the furnisher shall, before  
14 the end of the 20-day period beginning on the  
15 date on which the furnisher receives notice of  
16 an appeal from the consumer, submit instruc-  
17 tions to the consumer reporting agency that the  
18 item of information being disputed by the con-  
19 sumer should be deleted from the file of the  
20 consumer.

21 “(E) MINIMUM STANDARDS FOR APPEALS  
22 EMPLOYEES.—Upon receipt of a notice of ap-  
23 peal under subparagraph (A), a furnisher shall  
24 designate one or more specific employees who—

1 “(i) shall be assigned an employee ref-  
2 erence number or other employee identifier  
3 that can be used by the consumer to dis-  
4 cuss the appeal with the specific individ-  
5 uals handling the appeal;

6 “(ii) shall have direct authority to re-  
7 solve the dispute that is the subject of the  
8 notice of appeal on behalf of the furnisher  
9 from the review stage to its completion;

10 “(iii) shall meet minimum training  
11 and ongoing certification requirements at  
12 regular intervals, as established by the Bu-  
13 reau;

14 “(iv) may not have been involved in  
15 an investigation conducted pursuant to  
16 paragraph (8); and

17 “(v) may not be subject to any re-  
18 quirements linking incentives, including  
19 promotion, to the number of appeals proc-  
20 essed within a certain time period.

21 “(F) REQUIREMENTS FOR APPEALS PROC-  
22 ESS.—Such employees shall conduct a robust  
23 review of the appeal and make a determination  
24 regarding the accuracy and completeness of the  
25 disputed information by—

1 “(i) conducting an independent anal-  
2 ysis, separate from any reinvestigation by  
3 a reseller or consumer reporting agency, of  
4 the disputed information;

5 “(ii) verifying that the personally  
6 identifiable information related to the dis-  
7 pute is accurate and complete;

8 “(iii) analyzing the notice of appeal  
9 and all information, including substan-  
10 tiating documents, provided by the con-  
11 sumer with the notice of appeal;

12 “(iv) evaluating the validity of any in-  
13 formation submitted by any person that  
14 was used by the furnisher in the initial in-  
15 vestigation into the dispute;

16 “(v) verifying that the information  
17 being disputed relates to the consumer in  
18 whose file the information is located;

19 “(vi) verifying that the furnisher has  
20 a record of the information being disputed;  
21 and

22 “(vii) applying any additional factors  
23 or investigative processes, as specified by  
24 the Bureau.

1           “(G) EXTENSION OF REVIEW PERIOD.—If  
2           a consumer submits additional information re-  
3           lated to the appeal after the period of 3 busi-  
4           ness days described in subparagraph (C)(i) and  
5           before the end of the 20-day period described in  
6           subparagraph (D), the furnisher shall have an  
7           additional 10 business days to complete the re-  
8           view of the appeal.

9           “(H) NOTICE OF APPEAL RESULTS.—Not  
10          later than 5 days after the end of the 20-day  
11          period described in subparagraph (D) (or the  
12          10 business day extension described under sub-  
13          paragraph (G), as applicable) the furnisher  
14          shall provide the consumer with written notice  
15          of the results of the appeal by mail or, if re-  
16          quested by the consumer, by other means. The  
17          contents of such notice shall include—

18               “(i) a statement that the appeal is  
19               completed and the date on which it was  
20               completed, the results of the appeal, and  
21               the specific reasons supporting the results  
22               of the appeal;

23               “(ii) a copy of all information relating  
24               to the consumer that was used as a basis  
25               for deciding the results of the appeal;



1           “(iii) if the appeal results in any  
2           change to the consumer report, a notifica-  
3           tion that the consumer shall receive a copy,  
4           free of charge, of a revised consumer re-  
5           port (based upon the consumer’s file as  
6           that file was changed as a result of the ap-  
7           peal) and a credit score or educational  
8           credit score (if applicable) from each con-  
9           sumer reporting agency that had been fur-  
10          nished incorrect information;

11          “(iv) a description of the procedure  
12          used to determine the accuracy and com-  
13          pleteness of the information, including the  
14          business name, telephone number, mailing  
15          address, and Internet website address (if  
16          applicable), of any person who provided in-  
17          formation that was contacted in connection  
18          with such information, if reasonably avail-  
19          able;

20          “(v) information describing that the  
21          consumer may submit a statement, without  
22          charge, disputing the accuracy or com-  
23          pleteness of information in the consumer’s  
24          file that was the subject of an appeal  
25          under this paragraph by submitting a

statement directly to each consumer reporting agency that received the information; and

“(vi) a notification that the consumer may request the furnisher to submit to each consumer reporting agency the consumer’s request to furnish notifications pursuant to section 611(d) (relating to furnishing notifications to certain users of consumer reports).”.

(c) TECHNICAL AMENDMENT.—Section 623(a)(8)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(8)(A)) is amended by striking “reinvestigate” and inserting “investigate”.

(d) CONFORMING AMENDMENTS.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended—

(1) in subsection (c)—

(A) by striking “Commission” and inserting “Bureau” each place that term appears;

(B) in the subsection heading, by striking “RIGHTS TO OBTAIN AND DISPUTE INFORMATION IN CONSUMER REPORTS AND TO OBTAIN CREDIT SCORES” and inserting “KEY CONSUMER REPORTING RIGHTS”; and

1 (C) in paragraph (1)—

2 (i) in the heading, by striking “COM-  
3 MISSION” and inserting “BUREAU”;

4 (ii) in subparagraph (B)—

5 (I) in clause (ii), by striking “a  
6 consumer report without charge under  
7 section 612” and inserting “consumer  
8 reports and credit scores or edu-  
9 cational credit scores (as applicable)  
10 without charge under subsections (f),  
11 (g), (i), or (j) or section 612”;

12 (II) in clause (iii), by inserting  
13 “or section 623” after “section 611”;

14 (III) by striking clauses (iv) and  
15 (vi);

16 (IV) in clause (v), by striking  
17 “and” at the end;

18 (V) by inserting after clause (iii)  
19 the following new clause:

20 “(iv) the right of a consumer to ap-  
21 peal a determination of a reinvestigation  
22 conducted by a consumer reporting agency  
23 under section 611(h) or an investigation  
24 conducted by a furnisher of information  
25 under section 623(a)(10);” and

1 (VI) by adding at the end the fol-  
2 lowing new clauses:

3 “(vi) the method and circumstances  
4 under which certain consumers can partici-  
5 pate in credit rehabilitation or restoration  
6 under section 605C, 605D, or 605E; and

7 “(vii) the method and circumstances  
8 under which consumers can obtain a 1-  
9 year fraud alert, 7-year fraud alert, active  
10 duty alert, or credit freeze as described in  
11 section 605A through a consumer report-  
12 ing agency described under section  
13 603(p).”;

14 (iii) in subparagraph (C), by inserting  
15 “and the Commission” after “Bureau”;  
16 and

17 (iv) by adding at the end the following  
18 new subparagraph:

19 “(D) PUBLICATION OF SUMMARY  
20 RIGHTS.—A consumer reporting agency de-  
21 scribed under subsection (p) or (x) of section  
22 603 shall display in a clear and conspicuous  
23 manner, including on the Internet website of  
24 the consumer reporting agency, the summary of

1 rights prepared by the Bureau under this para-  
2 graph.”; and

3 (2) in subsection (d), by inserting “Bureau and  
4 the” before “Commission”.

5 **SEC. 106. REQUIRES FURNISHERS TO MAINTAIN RECORDS**  
6 **NECESSARY TO VERIFY ACCURACY OF DIS-**  
7 **PUTES.**

8 Section 611 of the Fair Credit Reporting Act (15  
9 U.S.C. 1681i), as amended by section 105(a)(2), is further  
10 amended by adding at the end the following new sub-  
11 section:

12 “(i) **REQUIREMENT TO SEND REVISED CONSUMER**  
13 **REPORT TO CONSUMER.**—Upon receiving a notice de-  
14 scribed in section 623(a)(8)(E)(iv), each consumer report-  
15 ing agency shall send to the consumer a revised consumer  
16 report and credit score or education credit score (if appli-  
17 cable) based upon the consumer’s file as that file was  
18 changed as a result of the investigation.”.

19 **SEC. 107. ESTABLISHES NEW REQUIREMENTS ON CON-**  
20 **SUMER REPORTING AGENCIES WHEN NOTI-**  
21 **FIED OF INACCURATE OR INCOMPLETE IN-**  
22 **FORMATION FROM FURNISHERS.**

23 Section 605(e) of the Fair Credit Reporting Act (15  
24 U.S.C. 1681e) (as so redesignated by section 401(a)(2))  
25 is amended to read as follows:

1 “(e) INDICATION OF DISPUTE.—

2 “(1) IN GENERAL.—A consumer reporting  
3 agency shall include in any consumer report based  
4 on the consumer’s file a notation identifying any  
5 item of information that is currently in dispute by  
6 the consumer if—

7 “(A) a consumer disputes the completeness  
8 or accuracy of any item of information con-  
9 tained in a consumer’s file pursuant to section  
10 611(a)(1);

11 “(B) a consumer files with a consumer re-  
12 porting agency an appeal of a reinvestigation  
13 pursuant to section 611(h); or

14 “(C) the consumer reporting agency is no-  
15 tified by a person that furnished any items of  
16 information that are currently in dispute by the  
17 consumer that—

18 “(i) a consumer disputes the com-  
19 pleteness or accuracy of any information  
20 furnished by a person to any consumer re-  
21 porting agency pursuant to paragraph (3)  
22 or (8) of section 623(a); or

23 “(ii) a consumer submits a notice of  
24 appeal under section 623(a)(10).

1           “(2) OPT OUT.—A consumer may submit a re-  
 2           quest to a consumer reporting agency or a person  
 3           who furnished the information in dispute, as applica-  
 4           ble, to have the notation described in paragraph (1)  
 5           omitted from the consumer report. Upon receipt of  
 6           such a request—

7                   “(A) by a consumer reporting agency, such  
 8                   agency shall remove the notation within 1 busi-  
 9                   ness day; and

10                   “(B) by a person who furnished the infor-  
 11                   mation in dispute, such person shall submit  
 12                   such request to each consumer reporting agency  
 13                   to which the person furnished such information  
 14                   within 1 business day and such agency shall re-  
 15                   move the notation within 1 business day of re-  
 16                   ceipt of such request.”.

17 **SEC. 108. INDICATION OF DISPUTE BY CONSUMERS AND**  
 18 **USE OF DISPUTED INFORMATION.**

19           Section 607(b) of the Fair Credit Reporting Act (15  
 20 U.S.C. 1681e) is amended to read as follows:

21           “(b) ACCURACY AND COMPLETENESS OF REPORT.—

22                   “(1) IN GENERAL.—In preparing a consumer  
 23                   report, a consumer reporting agency shall maintain  
 24                   reasonable procedures to ensure maximum possible  
 25                   accuracy and completeness of the information con-

1 cerning the individual to whom the consumer report  
2 relates.

3 “(2) BUREAU RULE TO ASSURE MAXIMUM POS-  
4 SIBLE ACCURACY AND COMPLETENESS WITH CREDIT  
5 REPORTING PRACTICES.—

6 “(A) RULE.—Not later than 18 months  
7 after the date of enactment of this subsection,  
8 the Bureau shall issue a final rule establishing  
9 the procedures described in paragraph (1).

10 “(B) REQUIREMENTS.—In formulating the  
11 rule required under subparagraph (A), the Bu-  
12 reau shall—

13 “(i) develop standards for matching  
14 the personally identifiable information in-  
15 cluded in the consumer’s file with the per-  
16 sonally identifiable information furnished  
17 by the person who provided the informa-  
18 tion to the consumer reporting agency  
19 (hereafter in this subsection referred to as  
20 the ‘furnisher’), including the full name of  
21 a consumer, the date of birth of a con-  
22 sumer, the full social security number of a  
23 consumer, and any other information that  
24 the Bureau determines would aid in assur-



1 ing maximum possible accuracy and com-  
2 pleteness of such consumer reports;

3 “(ii) establish processes for a con-  
4 sumer reporting agency to monitor the in-  
5 tegrity of the data provided by furnishers  
6 and the compliance of furnishers with the  
7 requirements of this title;

8 “(iii) establish processes for a con-  
9 sumer reporting agency to regularly rec-  
10 oncile data relating to accounts in collec-  
11 tion, including those that have not been  
12 paid in full, by specifying the cir-  
13 cumstances under which the consumer re-  
14 porting agency shall remove or suppress  
15 negative or adverse information from a  
16 consumer’s file that has not been updated  
17 by a furnisher who is also a debt collector  
18 (as defined in section 803 of the Fair Debt  
19 Collection Practices Act) within the time  
20 period established by the Bureau;

21 “(iv) establish procedures to require  
22 each consumer reporting agency to review  
23 and monitor the quality of information re-  
24 ceived from any source, including informa-  
25 tion from public records, by regularly and

1 on an ongoing basis comparing the infor-  
2 mation received to the information avail-  
3 able from the original source and ensuring  
4 that the information received is the most  
5 current information;

6 “(v) develop standards and procedures  
7 for consumer reporting agencies to identify  
8 furnishers that repeatedly fail to provide  
9 accurate and complete information, to take  
10 corrective action against such furnishers,  
11 and to reject information submitted by  
12 such furnishers;

13 “(vi) develop standards and proce-  
14 dures for consumer reporting agencies to  
15 adopt regarding collection of public record  
16 data, including standards and procedures  
17 to consider the ultimate data source, how  
18 the public record information is filed and  
19 its availability and accessibility, and wheth-  
20 er information relating to the satisfaction  
21 of judgments or other updates to the pub-  
22 lic record are available on a reasonably  
23 timely basis from a particular source; and

24 “(vii) establish any other factors, pro-  
25 cedures, or processes determined by the

1 Bureau to be necessary to assist consumer  
2 reporting agencies in achieving maximum  
3 possible accuracy and completeness of the  
4 information in consumer reports.

5 “(3) CORRECTIVE ACTION FOR FURNISHERS  
6 THAT REPEATEDLY FURNISH INACCURATE OR IN-  
7 COMPLETE INFORMATION.—Upon identifying a fur-  
8 nisher that repeatedly fails to furnish accurate, com-  
9 plete, or verifiable information to consumer report-  
10 ing agencies, the Bureau shall—

11 “(A) ensure the prompt removal of any ad-  
12 verse information relating to a consumer’s ac-  
13 counts submitted by such furnisher; and

14 “(B) take corrective action, which may in-  
15 clude—

16 “(i) mandatory revised training and  
17 training materials for the staff of the fur-  
18 nisher regarding the furnishing of accurate  
19 and complete information;

20 “(ii) sharing industry best practices  
21 and procedures regarding accuracy and  
22 completeness; or

23 “(iii) temporarily prohibiting a fur-  
24 nisher from providing information to a  
25 consumer reporting agency.”.

1 **SEC. 109. INCLUSION OF PUBLIC RECORD DATA SOURCES**  
2 **IN CONSUMER REPORTS.**

3 Section 605(d) of the Fair Credit Reporting Act (15  
4 U.S.C. 1681e(d)) is amended by adding at the end the  
5 following:

6 “(3) PUBLIC RECORD DATA SOURCE.—Any con-  
7 sumer reporting agency that furnishes a consumer  
8 report that contains public record data shall also in-  
9 clude in such report the source from which that data  
10 was obtained, including the particular court, if any,  
11 and the date that the data was initially reported or  
12 publicized.”.

13 **SEC. 110. INJUNCTIVE RELIEF FOR VICTIMS.**

14 (a) IN GENERAL.—The Fair Credit Reporting Act  
15 (15 U.S.C. 1681 et seq.) is amended—

16 (1) in section 616—

17 (A) in subsection (a), by amending the  
18 subsection heading to read as follows: “DAM-  
19 AGES”;

20 (B) by redesignating subsections (c) and  
21 (d) as subsections (d) and (e), respectively; and

22 (C) by inserting after subsection (b) the  
23 following new subsection:

24 “(c) INJUNCTIVE RELIEF.—In addition to any other  
25 remedy set forth in this section, a court may award injunc-  
26 tive relief to require compliance with the requirements im-

1 posed under this title with respect to any consumer. In  
2 the event of any successful action for injunctive relief  
3 under this subsection, the court may award to the pre-  
4 vailing party costs and reasonable attorney fees (as deter-  
5 mined by the court) incurred during the action by such  
6 party.”; and

7 (2) in section 617—

8 (A) in subsection (a), by amending the  
9 subsection heading to read as follows: “DAM-  
10 AGES”;

11 (B) by redesignating subsection (b) as sub-  
12 section (c); and

13 (C) by inserting after subsection (a) the  
14 following new subsection:

15 “(b) INJUNCTIVE RELIEF.—In addition to any other  
16 remedy set forth in this section, a court may award injunc-  
17 tive relief to require compliance with the requirements im-  
18 posed under this title with respect to any consumer. In  
19 the event of any successful action for injunctive relief  
20 under this subsection, the court may award to the pre-  
21 vailing party costs and reasonable attorney fees (as deter-  
22 mined by the court) incurred during the action by such  
23 party.”.

1 (b) ENFORCEMENT BY FEDERAL TRADE COMMIS-  
 2 SION.—Section 621(a)(2)(A) of the Fair Credit Reporting  
 3 Act (15 U.S.C. 1681s(a)(2)(A)) is amended—

4 (1) by amending the subparagraph heading to  
 5 read as follows: “NEGLIGENT, WILLFUL, OR KNOW-  
 6 ING VIOLATIONS”; and

7 (2) by inserting “negligent, willful, or” before  
 8 “knowing”.

9 **TITLE II—RESTRICTING THE**  
 10 **USE OF CREDIT CHECKS FOR**  
 11 **EMPLOYMENT DECISIONS**

12 **SEC. 201. BANS THE USE OF CREDIT INFORMATION FOR**  
 13 **MOST EMPLOYMENT DECISIONS.**

14 (a) IN GENERAL.—Section 604 of the Fair Credit  
 15 Reporting Act (15 U.S.C. 1681b) is amended—

16 (1) in subsection (a)(3)(B), by inserting “, sub-  
 17 ject to the requirements of subsection (b)” after  
 18 “purposes”; and

19 (2) in subsection (b)—

20 (A) in paragraph (1)—

21 (i) by amending the paragraph head-  
 22 ing to read as follows: “USE OF CON-  
 23 SUMER REPORTS FOR EMPLOYMENT PUR-  
 24 POSES”;

1                   (ii) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively (and conforming the margins accordingly);

2                   (iii) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively (and conforming the margins accordingly);

3                   (iv) by striking the period at the end of clause (ii) (as so redesignated) and inserting “; and”;

4                   (v) by striking “agency may furnish” and inserting “agency—  
5                   “(A) may furnish”; and

6                   (vi) by adding at the end the following new subparagraph:

7                   “(B) except as provided in paragraph (5),  
8                   may not furnish a consumer report with respect  
9                   to any consumer in which any information contained in the report bears on the consumer’s creditworthiness, credit standing, or credit capacity.”; and

10                  (B) by adding at the end the following new paragraphs:

1           “(5) REQUIREMENTS FOR CONSUMER REPORTS  
2       BEARING ON THE CONSUMER’S CREDITWORTHINESS,  
3       CREDIT STANDING, OR CREDIT CAPACITY.—

4           “(A) IN GENERAL.—A person may use a  
5       consumer report with respect to any consumer  
6       in which any information contained in the re-  
7       port bears on the consumer’s creditworthiness,  
8       credit standing, or credit capacity only if—

9           “(i) either—

10           “(I) the person is required to ob-  
11       tain the report by a Federal, State, or  
12       local law; or

13           “(II) the information contained  
14       in the report is being used with re-  
15       spect to a national security investiga-  
16       tion (as defined in paragraph (4)(D));

17           “(ii) none of the cost associated with  
18       obtaining the consumer report will be  
19       passed on to the consumer to whom the re-  
20       port relates; and

21           “(iii) the information contained in the  
22       consumer report will not be disclosed to  
23       any other person other than—



1 “(I) in an aggregate format that  
2 protects a consumer’s personally iden-  
3 tifiable information; or

4 “(II) as may be necessary to  
5 comply with any applicable Federal,  
6 State, or local equal employment op-  
7 portunity law or regulation.

8 “(B) DISCLOSURES.—A person who pro-  
9 cures, or causes to be procured, a consumer re-  
10 port described in subparagraph (A) for employ-  
11 ment purposes shall, in the disclosure made  
12 pursuant to paragraph (2), include—

13 “(i) an explanation that a consumer  
14 report is being obtained for employment  
15 purposes;

16 “(ii) the reasons for obtaining such a  
17 report; and

18 “(iii) the citation to the applicable  
19 Federal, State, or local law or regulation  
20 described in subparagraph (A)(i)(I).

21 “(C) ADVERSE ACTIONS.—In using a con-  
22 sumer report described in subparagraph (A) for  
23 employment purposes and before taking an ad-  
24 verse action based in whole or in part on the re-  
25 port, the person intending to take such adverse

1           action shall, in addition to the information de-  
2           scribed in paragraph (3), provide to the con-  
3           sumer to whom the report relates—

4                   “(i) the name, address, and telephone  
5                   number of the consumer reporting agency  
6                   that furnished the report (including, for a  
7                   consumer reporting agency that compiles  
8                   and maintains files on consumers on a na-  
9                   tionwide basis, a toll-free telephone number  
10                  established by such agency);

11                  “(ii) the date on which the report was  
12                  furnished; and

13                  “(iii) the specific factors from the re-  
14                  port upon which the adverse action (as de-  
15                  fined in section 603(k)(1)(B)(ii)) was  
16                  based.

17                  “(D) NATIONAL SECURITY INVESTIGA-  
18                  TIONS.—The requirements of paragraph (4)  
19                  shall apply to a consumer report described  
20                  under subparagraph (A).

21                  “(E) NON-CIRCUMVENTION.—With respect  
22                  to a consumer report in which any information  
23                  contained in the report bears on the consumer’s  
24                  creditworthiness, credit standing, or credit ca-  
25                  pacity, if a person is prohibited from using the

1 consumer report pursuant to subparagraph (A),  
2 such person may not, directly or indirectly, ei-  
3 ther orally or in writing, require, request, sug-  
4 gest, or cause any employee or prospective em-  
5 ployee to submit such information to the person  
6 as a condition of employment.

7 “(F) NON-WAIVER.—A consumer may not  
8 waive the requirements of this paragraph with  
9 respect to a consumer report.

10 “(6) RULE OF CONSTRUCTION.—Nothing in  
11 this subsection shall be construed to require a con-  
12 sumer reporting agency to prevent a Federal, State,  
13 or local law enforcement agency from accessing in-  
14 formation in a consumer report to which the law en-  
15 forcement agency could otherwise obtain access.”.

16 (b) TECHNICAL AMENDMENT.—The Fair Credit Re-  
17 porting Act (15 U.S.C. 1681 et seq.) is amended by strik-  
18 ing “section 604(b)(4)(E)(i)” each place such term ap-  
19 pears and inserting “section 604(b)(4)(D)(i)”.

1 **TITLE III—REHABILITATING THE**  
2 **CREDIT STANDING OF STRUG-**  
3 **GLING PRIVATE EDUCATION**  
4 **LOAN BORROWERS**

5 **SEC. 301. REMOVES ADVERSE INFORMATION FOR CERTAIN**  
6 **DEFAULTED OR DELINQUENT PRIVATE EDU-**  
7 **CATION LOAN BORROWERS WHO DEM-**  
8 **ONSTRATE A HISTORY OF LOAN REPAYMENT.**

9 (a) IN GENERAL.—The Fair Credit Reporting Act  
10 (15 U.S.C. 1681 et seq.), as amended by section 405, is  
11 further amended by inserting after section 605D the fol-  
12 lowing new section:

13 **“§ 605E. Credit rehabilitation for distressed private**  
14 **education loan borrowers who dem-**  
15 **onstrate a history of loan repayment**

16 “(a) IN GENERAL.—A consumer reporting agency  
17 may not furnish any consumer report containing any ad-  
18 verse item of information relating to a delinquent or de-  
19 faulted private education loan of a borrower if the bor-  
20 rower has rehabilitated the borrower’s credit with respect  
21 to such loan by making 9 on-time monthly payments (in  
22 accordance with the terms and conditions of the bor-  
23 rower’s original loan agreement or any other repayment  
24 agreement that antedates the original agreement) during

1 a period of 10 consecutive months on such loan after the  
2 date on which the delinquency or default occurred.

3 “(b) INTERRUPTION OF 10-MONTH PERIOD FOR  
4 CERTAIN CONSUMERS FACING UNUSUAL EXTENUATING  
5 LIFE EVENTS.—

6 “(1) PERMISSIBLE INTERRUPTION OF THE 10-  
7 MONTH PERIOD.—A borrower may stop making con-  
8 secutive monthly payments and be granted a grace  
9 period after which the 10-month period described in  
10 subsection (a) shall resume. Such grace period shall  
11 be provided under the following circumstances:

12 “(A) With respect to a borrower who is a  
13 member of the Armed Forces entitled to incen-  
14 tive pay for the performance of hazardous duty  
15 under section 301 of title 37, United States  
16 Code, hazardous duty pay under section 351 of  
17 such title, or other assignment or special duty  
18 pay under section 352 of such title, the grace  
19 period shall begin on the date on which the bor-  
20 rower begins such assignment or duty and end  
21 on the date that is 6 months after the comple-  
22 tion of such assignment or duty.

23 “(B) With respect to a borrower who re-  
24 sides in an area affected by a major disaster or  
25 emergency declared under the Robert T. Staf-

1           ford Disaster Relief and Emergency Assistance  
2           Act (42 U.S.C. 5121 et seq.), the grace period  
3           shall begin on the date on which the major dis-  
4           aster or emergency was declared and end on the  
5           date that is 3 months after such date.

6           “(2) OTHER CIRCUMSTANCES.—

7                   “(A) IN GENERAL.—The Bureau may  
8           allow a borrower demonstrating hardship to  
9           stop making consecutive monthly payments and  
10          be granted a grace period after which the 10-  
11          month period described in subsection (a) shall  
12          resume.

13                   “(B) BORROWER DEMONSTRATING HARD-  
14          SHIP DEFINED.—In this paragraph, the term  
15          ‘borrower demonstrating hardship’ means a  
16          borrower or a class of borrowers who, as deter-  
17          mined by the Bureau, is facing or has experi-  
18          enced unusual extenuating life circumstances or  
19          events that result in severe financial or personal  
20          barriers such that the borrower or class or bor-  
21          rowers does not have the capacity to comply  
22          with the requirements of subsection (a).

23           “(c) PROCEDURES.—The Bureau shall establish pro-  
24          cedures to implement the credit rehabilitation described  
25          in this section, including—

1           “(1) the manner, content, and form for request-  
2           ing credit rehabilitation;

3           “(2) the method for validating that the bor-  
4           rower is satisfying the requirements of subsection  
5           (a);

6           “(3) the manner, content, and form for noti-  
7           fying the private educational loan holder of—

8                 “(A) the borrower’s participation in credit  
9                 rehabilitation under subsection (a);

10                “(B) the requirements of subsection (d);  
11                and

12                “(C) the restrictions of subsection (f);

13           “(4) the manner, content, and form for noti-  
14           fying a consumer reporting agency of—

15                “(A) the borrower’s participation in credit  
16                rehabilitation under subsection (a); and

17                “(B) the requirements of subsection (d);

18           “(5) the method for verifying whether a bor-  
19           rower qualifies for the grace period described in sub-  
20           section (b);

21           “(6) the manner, content, and form of notifying  
22           a consumer reporting agency and private educational  
23           loan holder that a borrower was granted a grace pe-  
24           riod; and

1           “(7) the method for a borrower to demonstrate  
2           that the borrower has successfully satisfied the re-  
3           quirements under subsection (a) and for notifying a  
4           consumer reporting agency and private educational  
5           loan holder.

6           “(d) STANDARDIZED REPORTING CODES.—A con-  
7           sumer reporting agency shall develop standardized report-  
8           ing codes for use by any private educational loan holder  
9           to identify and report a borrower’s status of making and  
10          completing 9 on-time monthly payments during a period  
11          of 10 consecutive months on a delinquent or defaulted pri-  
12          vate education loan, including codes specifying the grace  
13          period described in subsection (b) and any agreement to  
14          modify monthly payments. Such codes shall not appear on  
15          any report provided to a third party, and shall be removed  
16          from the consumer’s credit report upon the consumer’s  
17          completion of the rehabilitation period under this section.

18          “(e) ELIMINATING BARRIERS TO CREDIT REHABILI-  
19          TATION.—A consumer report in which a private edu-  
20          cational loan holder furnishes the standardized reporting  
21          codes described in subsection (d) to a consumer reporting  
22          agency, or in which a consumer reporting agency includes  
23          such codes, shall be deemed to comply with the require-  
24          ments for accuracy and completeness required under sec-  
25          tions 623(a)(1) and 630.



1       “(f) PROHIBITION ON CIVIL ACTIONS FOR CON-  
2 SUMERS PURSUING REHABILITATION.—A private edu-  
3 cational loan holder may not commence or proceed with  
4 any civil action against a borrower with respect to a delin-  
5 quent or defaulted loan during the period of rehabilitation  
6 if the loan holder has been notified—

7               “(1) under subsection (c)(3) of a borrower’s in-  
8 tent to participate in rehabilitation;

9               “(2) under subsection (c)(6) that a borrower  
10 was granted the grace period; or

11              “(3) under subsection (c)(7) that the borrower  
12 has successfully satisfied the requirements under  
13 subsection (a).

14       “(g) RULES OF CONSTRUCTION.—

15              “(1) APPLICATION TO SUBSEQUENT DEFAULT  
16 OR DELINQUENCY.—A borrower who satisfies the re-  
17 quirements under subsection (a) shall be eligible for  
18 additional credit rehabilitation described in sub-  
19 section (a) with respect to any subsequent default or  
20 delinquency of the borrower on the rehabilitated pri-  
21 vate education loan.

22              “(2) INTERRUPTION OF THE CONSECUTIVE  
23 PAYMENT PERIOD REQUIREMENT.—The grace period  
24 described in subsection (b)(1)(A) shall not apply if  
25 any regulation promulgated under section 987 of

1 title 10, United States Code (commonly known as  
 2 the Military Lending Act), or the Servicemembers  
 3 Civil Relief Act (50 U.S.C. App. 501 et seq.) allows  
 4 for a grace period or other interruption of the 10-  
 5 month period described in subsection (a) and such  
 6 grace period or other interruption is longer than the  
 7 period described in subsection (b)(1)(A) or otherwise  
 8 provides greater protection or benefit to the bor-  
 9 rower who is a member of the Armed Forces.”.

10 (b) TABLE OF CONTENTS AMENDMENT.—The table  
 11 of contents of the Fair Credit Reporting Act is amended  
 12 by inserting after the item relating to section 605D (as  
 13 added by section 405) the following new item:

“605E. Credit rehabilitation for distressed private education loan borrowers who  
 demonstrate a history of loan repayment.”.

14 **SEC. 302. PRIVATE EDUCATION LOAN DEFINITIONS.**

15 Section 603 of the Fair Credit Reporting Act (15  
 16 U.S.C. 1681a) is amended by adding at the end the fol-  
 17 lowing new subsection:

18 “(z) PRIVATE EDUCATION LOAN DEFINITIONS.—  
 19 The terms ‘private education loan’ and ‘private edu-  
 20 cational lender’ have the meanings given such terms, re-  
 21 spectively, in section 140(a) of the Truth in Lending  
 22 Act.”.

1 **TITLE IV—RESTORING THE IM-**  
2 **PAIRED CREDIT OF VICTIMS**  
3 **OF PREDATORY ACTIVITIES**  
4 **AND UNFAIR CONSUMER RE-**  
5 **PORTING PRACTICES**

6 **SEC. 401. SHORTENS THE TIME PERIOD THAT MOST AD-**  
7 **VERSE CREDIT INFORMATION STAYS ON CON-**  
8 **SUMER REPORTS.**

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

11 (1) in subsection (a)—

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

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

16 (C) in paragraph (2), by striking “Civil  
17 suits, civil judgments, and records” and insert-  
18 ing “Records”;

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

21 (E) in paragraph (4), by striking “seven  
22 years” and inserting “4 years, except as pro-  
23 vided in paragraph (8), (10), (11), (12), or  
24 (13), or as required by section 605C, 605D,  
25 605E, or 605F”;

1 (F) in paragraph (5)—

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

4 (ii) by striking “seven years” and in-  
5 serting “4 years, except as required by sec-  
6 tion 605C, 605D, 605E, or 605F”; and

7 (G) by adding at the end the following new  
8 paragraphs:

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

14 “(8) A civil suit or civil judgment—

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

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

24 “(9) Records of convictions of crimes which  
25 antedate the report by more than 7 years.

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

7           (2) by striking subsection (b) and redesignating  
 8           subsections (c) through (h) as subsections (b)  
 9           through (g), respectively; and

10          (3) in subsection (b) (as so redesignated), by  
 11          striking “7-year period referred to in paragraphs (4)  
 12          and (6)” and inserting “4-year period referred to in  
 13          paragraphs (4) and (5)”.

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

16          (1) in section 616(d), by striking “section  
 17          605(g)” each place that term appears and inserting  
 18          “section 605(f)”; and

19          (2) in section 625(b)(5)(A), by striking “section  
 20          605(g)” and inserting “section 605(f)”.

21       **SEC. 402. MANDATES THE EXPEDITED REMOVAL OF FULLY**  
 22                               **PAID OR SETTLED DEBT FROM CONSUMER**  
 23                               **REPORTS.**

24          Section 605(a) of the Fair Credit Reporting Act (15  
 25          U.S.C. 1681c(a)), as amended by section 401(a)(1), is fur-

1 ther amended by adding at the end the following new para-  
 2 graph:

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

9 **SEC. 403. IMPOSES RESTRICTIONS ON THE APPEARANCE**  
 10 **OF MEDICAL COLLECTIONS ON CONSUMER**  
 11 **REPORTS AND REQUIRES THE EXPEDITED**  
 12 **REMOVAL OF FULLY PAID OR SETTLED MED-**  
 13 **ICAL COLLECTIONS FROM CONSUMER RE-**  
 14 **PORTS.**

15       (a) REMOVAL OF FULLY PAID OR SETTLED MED-  
 16 ICAL DEBT FROM CONSUMER REPORTS.—Section 605(a)  
 17 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)),  
 18 as amended by section 402, is further amended by adding  
 19 at the end the following new paragraph:

20           “(12) Any other adverse item of information re-  
 21 lated to a fully paid or settled debt arising from the  
 22 receipt of medical services, products, or devices that  
 23 had been characterized as delinquent, charged off, or  
 24 in collection which, from the date of payment or set-

1        tlement, antedates the report by more than 45 cal-  
 2        endar days.”.

3        (b) ESTABLISHING AN EXTENDED TIME PERIOD BE-  
 4        FORE MEDICAL DEBT INFORMATION MAY BE RE-  
 5        PORTED.—Section 605(a) of such Act is further amended  
 6        by adding at the end the following new paragraph:

7                “(13) Any information related to a debt arising  
 8        from the receipt of medical services, products, or de-  
 9        vices, if the date on which such debt was placed for  
 10       collection, charged to profit or loss, or subjected to  
 11       any similar action antedates the report by less than  
 12       180 calendar days.”.

13       (c) TECHNICAL AMENDMENT.—Section 604(g)(1)(C)  
 14       of the Fair Credit Reporting Act (15 U.S.C.  
 15       1681b(g)(1)(C)) is further amended by striking “devises”  
 16       and inserting “devices”.

17       **SEC. 404. PROVIDES CREDIT RESTORATION FOR VICTIMS**  
 18                        **OF PREDATORY MORTGAGE LENDING AND**  
 19                        **SERVICING.**

20       (a) IN GENERAL.—The Fair Credit Reporting Act  
 21       (15 U.S.C. 1681 et seq.) is amended by inserting after  
 22       section 605B the following new section:

1 **“§ 605C. Credit restoration for victims of predatory**  
2 **mortgage lending**

3 “(a) IN GENERAL.—A consumer reporting agency  
4 may not furnish any consumer report containing any ad-  
5 verse item of information relating to a covered residential  
6 mortgage loan (including the origination and servicing of  
7 such a loan, any loss mitigation activities related to such  
8 a loan, and any foreclosure, deed in lieu of foreclosure,  
9 or short sale related to such a loan), if the action or inac-  
10 tion to which the item of information relates—

11 “(1) resulted from an unfair, deceptive, or abu-  
12 sive act or practice, or a fraudulent, discriminatory,  
13 or illegal activity of a financial institution, as deter-  
14 mined by the Bureau or a court of competent juris-  
15 diction; or

16 “(2) is related to an unfair, deceptive, or abu-  
17 sive act, practice, or a fraudulent, discriminatory, or  
18 illegal activity of a financial institution that is the  
19 subject of a settlement agreement initiated on behalf  
20 of a consumer or consumers and that is between the  
21 financial institution and an agency or department of  
22 a local, State, or Federal Government, regardless of  
23 whether such settlement includes an admission of  
24 wrongdoing.

25 “(b) COVERED RESIDENTIAL MORTGAGE LOAN DE-  
26 FINED.—In this section, the term ‘covered residential



1 mortgage loan’ means any loan primarily for personal,  
2 family, or household use that is secured by a mortgage,  
3 deed of trust, or other equivalent consensual security in-  
4 terest on a dwelling (as defined in section 103(w) of the  
5 Truth in Lending Act), including a loan in which the pro-  
6 ceeds will be used for—

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

10           “(2) any installment sales contract, land con-  
11       tract, or contract for deed on a residential property;  
12       or

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

15       (b) TABLE OF CONTENTS AMENDMENT.—The table  
16 of contents of the Fair Credit Reporting Act is amended  
17 by inserting after the item relating to section 605B the  
18 following new item:

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

19       (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall take effect at the end of the 18-month  
21 period beginning on the date of the enactment of this Act.

1 **SEC. 405. PROVIDES CREDIT RELIEF FOR PRIVATE EDU-**  
2 **CATION LOANS BORROWERS WHO WERE DE-**  
3 **FRAUDED OR MISLEAD BY PROPRIETARY**  
4 **EDUCATION INSTITUTION OR CAREER EDU-**  
5 **CATION PROGRAMS.**

6 (a) IN GENERAL.—The Fair Credit Reporting Act  
7 (15 U.S.C. 1681 et seq.), as amended by section 404, is  
8 further amended by inserting after section 605C the fol-  
9 lowing new section:

10 **“§ 605D. Private education loan credit restoration for**  
11 **defrauded student borrowers who attend**  
12 **certain proprietary educational institu-**  
13 **tion or career education programs**

14 **“(a) PROCESS FOR CERTIFICATION AS A QUALIFYING**  
15 **PRIVATE EDUCATION LOAN BORROWER.—**

16 **“(1) IN GENERAL.—**A consumer, or an indi-  
17 vidual acting on behalf of or as a personal represent-  
18 ative of the consumer or a class of consumers, may  
19 submit a request to the Bureau, along with a  
20 defraudment claim, to be certified as a qualifying  
21 private education loan borrower with respect to a  
22 private education loan.

23 **“(2) CERTIFICATION.—**The Bureau shall certify  
24 a consumer described in paragraph (1) as a quali-  
25 fying private education loan borrower with respect to  
26 a private education loan if the Bureau or a court of

1       competent jurisdiction determines that the consumer  
2       has a valid defraudment claim with respect to such  
3       loan.

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

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

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

21              “(1) establish procedures for a consumer or an  
22              individual acting on behalf of or as a personal rep-  
23              resentative of the consumer or a class of consumers  
24              to submit a request described in subsection (a);

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

3           “(3) develop ongoing outreach initiatives and  
4           education programs to inform consumers or a class  
5           of consumers of the circumstances under which such  
6           consumer or class may be eligible to be certified as  
7           a qualifying private education loan borrower with re-  
8           spect to a private education loan;

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

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

20          “(e) STANDARDIZED REPORTING CODES.—A con-  
21          sumer reporting agency shall develop standardized report-  
22          ing codes for use by private education loan holders to iden-  
23          tify and report a qualifying private education loan bor-  
24          rower’s status of a request to remove any adverse informa-  
25          tion relating to any private education loan with respect

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

9 “(f) DEFRAUDMENT CLAIM DEFINED.—For pur-  
10 poses of this section, the term ‘defraudment claim’ means  
11 a claim made with respect to a consumer who is a bor-  
12 rower of a private education loan with respect to a propri-  
13 etary educational institution or career education program  
14 in which the consumer or an individual acting on behalf  
15 of or as a personal representative of the consumer or a  
16 class of consumers 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 or an individual acting on  
22          behalf of or as a personal representative of the con-  
23          sumer or a class of consumers has submitted a valid  
24          defense to repayment claim with respect to such  
25          loan, as determined by the Secretary of Education.”.

1 (b) TABLE OF CONTENTS AMENDMENT.—The table  
 2 of contents of the Fair Credit Reporting Act is amended  
 3 by inserting after the item relating to section 605C (as  
 4 added by section 404) the following new item:

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

5 **SEC. 406. ESTABLISHES RIGHT FOR VICTIMS OF FINANCIAL**  
 6 **ABUSE TO HAVE ADVERSE INFORMATION AS-**  
 7 **SOCIATED WITH AN ABUSER’S FRAUDULENT**  
 8 **ACTIVITY REMOVED FROM THEIR CONSUMER**  
 9 **REPORTS.**

10 (a) IN GENERAL.—The Fair Credit Reporting Act  
 11 (15 U.S.C. 1681 et seq.), as amended by section 301, is  
 12 further amended by inserting after section 605E the fol-  
 13 lowing new section:

14 **“§ 605F. Financial abuse prevention**

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

1 may apply to a court of competent jurisdiction, including  
 2 a family court, juvenile court, or other court with personal  
 3 jurisdiction, for an order to require the removal of such  
 4 adverse information from the consumer's file maintained  
 5 by any consumer reporting agency.”.

6 (b) TABLE OF CONTENTS AMENDMENT.—The table  
 7 of contents of the Fair Credit Reporting Act is amended  
 8 by inserting after the item relating to section 605E (as  
 9 added by section 301) the following new item:

“605F. Financial abuse prevention.”.

10 **SEC. 407. PROHIBITS TREATMENT OF CREDIT RESTORA-**  
 11 **TION OR REHABILITATION AS ADVERSE IN-**  
 12 **FORMATION.**

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

15 (1) by adding at the end the following new sec-  
 16 tion:

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

19 “(a) RESTRICTION ON CREDIT SCORING MODELS.—  
 20 A credit scoring model may not—

21 “(1) take into consideration, in a manner ad-  
 22 verse to a consumer's credit score or educational  
 23 credit score, any information in a consumer report  
 24 concerning the consumer's participation in credit



1 restoration or rehabilitation under section 605C,  
2 605D, 605E, or 605F; or

3 “(2) treat negatively, in a manner adverse to a  
4 consumer’s credit score or educational credit score,  
5 the absence of payment history data for an existing  
6 account, whether the account is open or closed,  
7 where the absence of such information is the result  
8 of a consumer’s participation in credit restoration or  
9 rehabilitation under section 605C, 605D, 605E, or  
10 605F.

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

14 “(1) take into consideration, in a manner ad-  
15 verse to a consumer, any information in a consumer  
16 report concerning the consumer’s participation in  
17 credit restoration or rehabilitation under section  
18 605C, 605D, 605E, or 605F; or

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

1       “(c) ACCURACY AND COMPLETENESS.—If a person  
 2 who furnishes information to a consumer reporting agency  
 3 requests the removal of information from a consumer re-  
 4 port or a consumer reporting agency removes information  
 5 from a consumer report in compliance with the require-  
 6 ments under section 605C, 605D, 605E, or 605F, or such  
 7 information was removed pursuant at section 605(a)(11),  
 8 such report shall be deemed to satisfy the requirements  
 9 for accuracy and completeness with respect to such infor-  
 10 mation.

11       “(d) PROHIBITION RELATED TO ADVERSE ACTIONS  
 12 AND RISK-BASED PRICING DECISIONS.—No person shall  
 13 use information related to a consumer’s participation in  
 14 credit restoration or rehabilitation under section 605C,  
 15 605D, 605E, or 605F in connection with any determina-  
 16 tion of—

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

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

21               “(3) an adverse action made for employment  
 22 purposes.”; and

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

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

1 **TITLE V—MONITORING THE DE-**  
2 **VELOPMENT AND USE OF**  
3 **CREDIT SCORES**

4 **SEC. 501. ESTABLISHES CLEAR FEDERAL OVERSIGHT OF**  
5 **THE DEVELOPMENT OF CREDIT SCORING**  
6 **MODELS BY THE BUREAU.**

7 The Fair Credit Reporting Act (15 U.S.C. 1681 et  
8 seq.), as amended by section 407, is further amended—  
9 (1) by adding at the end the following new sec-  
10 tion:

11 **“§ 631. Credit scoring models**

12 “(a) **VALIDATED CREDIT SCORING MODELS.**—Not  
13 later than 1 year after the date of enactment of this sec-  
14 tion, the Bureau shall issue final regulations applicable to  
15 a person that creates, maintains, or purchases credit scor-  
16 ing models used in making credit decisions to establish  
17 standards for validating the accuracy and predictive value  
18 of all such credit scoring models, both before release for  
19 initial use and at regular intervals thereafter, for as long  
20 as such credit scoring models are made available for pur-  
21 chase or use by such person.

22 “(b) **PROHIBITION.**—At least once every 2 years, the  
23 Bureau shall conduct a review of credit scoring models to  
24 determine whether the use of any particular factors, or  
25 the weight or consideration given to certain factors by

1 credit scoring models, is inappropriate, including if such  
 2 factors do not enhance or contribute to the accuracy and  
 3 predictive value of the models. Upon the conclusion of its  
 4 review, the Bureau may prohibit a person described in  
 5 subsection (a) from weighing, considering, or including  
 6 certain factors in, or making available for purchase or use,  
 7 certain credit scoring models or versions, as the Bureau  
 8 determines appropriate.

9 “(c) COMPLIANCE.—The Bureau is authorized to en-  
 10 force compliance with this section by a person described  
 11 in subsection (a).”; and

12 (2) in the table of contents for such Act, by in-  
 13 serting after the item relating to section 630 (as  
 14 added by section 407) the following new item:

“631. Credit scoring models.”.

15 **SEC. 502. MANDATES ONGOING REVIEW AND REPORTS TO**  
 16 **CONGRESS BY THE FEDERAL HOUSING FI-**  
 17 **NANCE AGENCY ON USING ADDITIONAL, AL-**  
 18 **TERNATIVE, AND UPDATED CREDIT SCORING**  
 19 **MODELS AS PART OF THE CRITERIA FOR**  
 20 **LOANS PURCHASED BY FANNIE MAE AND**  
 21 **FREDDIE MAC.**

22 (a) BIENNIAL REVIEW.—The Director of the Federal  
 23 Housing Finance Agency, in consultation with the Direc-  
 24 tor of the Bureau of Consumer Financial Protection, shall  
 25 review the advantages and disadvantages of implementing

1 additional, alternative, or updated credit scoring models  
2 (as defined in section 603 of the Fair Credit Reporting  
3 Act (15 U.S.C. 1681a)) used to establish the eligibility  
4 criteria for loans purchased by the Federal National Mort-  
5 gage Association and the Federal Home Loan Mortgage  
6 Corporation. Such review shall analyze—

7           (1) the impact of using such credit scoring  
8           models on the accuracy and predictive value of the  
9           performance of loans purchased by the Federal Na-  
10          tional Mortgage Association and the Federal Home  
11          Loan Mortgage Corporation;

12          (2) the ability of the Federal National Mort-  
13          gage Association and the Federal Home Loan Mort-  
14          gage Corporation to more effectively manage credit  
15          risks by adopting additional, alternative, or updated  
16          credit scoring models;

17          (3) any potential operational risks associated  
18          with the reliance on one single provider of credit  
19          scores;

20          (4) the availability and affordability of covered  
21          residential mortgage loans, as defined in section  
22          605C of the Fair Credit Reporting Act;

23          (5) the interests of taxpayers; and

24          (6) any other factors determined relevant by  
25          the Director of the Federal Housing Finance Agency

1 or the Director of the Bureau of Consumer Finan-  
2 cial Protection.

3 (b) PUBLIC PARTICIPATION.—The Director of the  
4 Federal Housing Finance Agency shall seek public input  
5 about the methodology and research design of the review  
6 described in subsection (a), including from organizations  
7 and experts representing racial and ethnic minority com-  
8 munities and populations, fair lending organizations, civil  
9 rights organizations, and consumer and community groups  
10 that represent depository institutions and credit unions  
11 that primarily serve traditionally underserved commu-  
12 nities.

13 (c) REPORTS.—Not later than the end of the 18-  
14 month period beginning on the date of the enactment of  
15 this Act, and every 2 years thereafter, the Director of the  
16 Federal Housing Finance Agency shall issue a report to  
17 the Committee on Financial Services of the House of Rep-  
18 resentatives and the Committee on Banking, Housing, and  
19 Urban Affairs of the Senate containing all findings and  
20 determinations made in carrying out the review required  
21 under subsection (a).

22 (d) IMPLEMENTATION OF FINDINGS.—If the Director  
23 of the Federal Housing Finance Agency determines, in  
24 consultation with the Bureau, that the advantages of im-  
25 plementing additional, alternative, or updated credit scor-

1 ing models outweigh the disadvantages, the Director shall  
2 promptly require the Federal National Mortgage Associa-  
3 tion and the Federal Home Loan Mortgage Corporation  
4 to revise their seller-servicer guidelines to allow for the use  
5 of such additional, alternative, or updated credit scoring  
6 models, and any other guidelines as the Director deter-  
7 mines appropriate, in a manner consistent with the deter-  
8 mination of the Director.

9 **SEC. 503. REQUIRES A BUREAU STUDY AND REPORT TO**  
10 **CONGRESS ON THE IMPACT OF USING NON-**  
11 **TRADITIONAL DATA.**

12 (a) STUDY.—The Bureau of Consumer Financial  
13 Protection shall carry out a study to assess the impact  
14 (including the availability and affordability of credit and  
15 other noncredit decisions, the potential positive and nega-  
16 tive impacts on a consumer’s credit scores, and any unin-  
17 tended consequences) of using traditional modeling tech-  
18 niques or alternative modeling techniques to analyze non-  
19 traditional data from a consumer report and the inclusion  
20 of non-traditional data on consumer reports on the fol-  
21 lowing:

- 22 (1) Consumers with no or minimal traditional  
23 credit history.
- 24 (2) Traditionally underserved communities and  
25 populations.

1 (3) Consumers residing in rural areas.

2 (4) Consumers residing in urban areas.

3 (5) Racial and ethnic minorities and women.

4 (6) Consumers across various income strata,  
5 particularly consumers earning below 120 percent of  
6 the area median income (as defined by the Secretary  
7 of Housing and Urban Development).

8 (7) Immigrants, refugees, and non-permanent  
9 residents.

10 (8) Minority financial institutions (as defined  
11 under section 308(b) of the Financial Institutions  
12 Reform, Recovery, and Enforcement Act of 1989  
13 (12 U.S.C. 1463 note)) and community financial in-  
14 stitutions.

15 (9) Consumers residing in federally assisted  
16 housing, including consumer receiving Federal rental  
17 subsidies.

18 (b) ADDITIONAL CONSIDERATIONS.—The study re-  
19 quired under subsection (a) shall also consider the impact  
20 of the inclusion of non-traditional data on a consumer re-  
21 port and the use of traditional modeling techniques or al-  
22 ternative modeling techniques with respect to—

23 (1) the privacy, security, and confidentiality the  
24 consumer's financial, medical, and personally identi-  
25 fiable information;



1           (2) the consumer’s control over how such infor-  
2           mation may or will be used or considered;

3           (3) the consumer’s understanding of how such  
4           information may be used or considered and the ease  
5           with which the consumer could decide to restrict or  
6           prohibit such use or consideration; and

7           (4) the potential discriminatory effect or dis-  
8           parate outcomes the use or consideration of such in-  
9           formation may have.

10          (c) REPORT.—Not later than 1 year after the date  
11          of the enactment of this Act, the Bureau of Consumer Fi-  
12          nancial Protection shall issue a report to the Committee  
13          on Financial Services of the House of Representatives and  
14          the Committee on Banking, Housing, and Urban Affairs  
15          of the Senate containing all findings and determinations,  
16          including any recommendations for any legislative or regu-  
17          latory changes, made in carrying out the study required  
18          under subsection (a).

19          (d) DEFINITIONS.—In this section:

20                (1) ALTERNATIVE MODELING TECHNIQUES.—

21          The term “alternative modeling techniques” means  
22          statistical and mathematical techniques that are not  
23          traditional modeling techniques, including decision  
24          trees, random forests, artificial neural networks,

1       nearest neighbor, genetic programming, and boost-  
2       ing algorithms.

3               (2) CONSUMER REPORT.—The term “consumer  
4       report” has the meaning given such term in section  
5       603 of the Fair Credit Reporting Act (15 U.S.C.  
6       1681a).

7               (3) NON-TRADITIONAL DATA.—The term “non-  
8       traditional data” means data related to tele-  
9       communications, utility payments, rent payments,  
10      remittances, wire transfers, data not otherwise regu-  
11      larly included in consumer reports issued by con-  
12      sumer reporting agencies described under section  
13      603(p), and such other items as the Bureau of Con-  
14      sumer Financial Protection deems appropriate.

15              (4) TRADITIONAL MODELING TECHNIQUES.—  
16      The term “traditional modeling techniques” means  
17      statistical and mathematical techniques (including  
18      models, algorithms, linear and logistic regression  
19      methods, and their outputs) that are traditionally  
20      used in automated underwriting processes.

1 **TITLE VI—PROVIDING GREATER**  
2 **CONSUMER ACCESS TO AND**  
3 **UNDERSTANDING OF CON-**  
4 **SUMER REPORTS AND CRED-**  
5 **IT SCORES**

6 **SEC. 601. CREDIT SCORE AND EDUCATIONAL CREDIT**  
7 **SCORE DEFINITIONS.**

8 (a) IN GENERAL.—Section 603 of the Fair Credit  
9 Reporting Act (15 U.S.C. 1681a), as amended by section  
10 302, is further amended by adding at the end the following  
11 new subsection:

12 “(aa) CREDIT SCORE AND EDUCATIONAL CREDIT  
13 SCORE DEFINITIONS.—

14 “(1) CREDIT SCORE.—The term ‘credit score’  
15 means a numerical value or a categorization derived  
16 from a statistical tool or modeling system used by a  
17 person who makes or arranges a loan or extends  
18 credit to predict the likelihood of certain credit be-  
19 haviors, including default, as determined by the Bu-  
20 reau.

21 “(2) EDUCATIONAL CREDIT SCORE.—The term  
22 ‘educational credit score’ means a numerical value or  
23 categorization derived from a statistical tool or mod-  
24 eling system based upon information from a con-  
25 sumer report that assists consumers in under-

1 standing how a lender or creditor may view the con-  
2 sumer's creditworthiness in deciding whether to  
3 make a loan or extend credit to that consumer.

4 “(3) KEY FACTORS.—The term ‘key factors’  
5 means relevant elements or reasons affecting the  
6 credit score for the particular individual, listed in  
7 the order of importance based on the effect of each  
8 element or reason on the credit score or educational  
9 credit score.

10 “(4) CREDIT SCORING MODEL.—The term  
11 ‘credit scoring model’ means a scoring algorithm,  
12 formula, model, program, or mechanism used to gen-  
13 erate a credit score or an educational credit score.”.

14 (b) CONFORMING AMENDMENTS.—The Fair Credit  
15 Reporting Act (15 U.S.C. 1681 et seq.) is amended—

16 (1) in section 605(c)(2) (as so redesignated by  
17 section 103), by striking “(as defined in section  
18 609(f)(2)(B))”; and

19 (2) in section 615—

20 (A) by striking “as defined in section  
21 609(f)(2)(A)” each place that term appears;  
22 and

23 (B) by striking “set forth in subpara-  
24 graphs (B) through (E) of section 609(f)(1)”  
25 and inserting “with respect to a credit score de-

1           scribed in section 609(f)(2), if available” each  
2           place that term appears.

3   **SEC. 602. EXPANDS EXPLANATORY INFORMATION GIVEN TO**  
4                   **CONSUMERS ABOUT HOW SCORES ARE CAL-**  
5                   **CULATED.**

6           Section 609(f) of the Fair Credit Reporting Act (15  
7   U.S.C. 1681g(f)) is amended to read as follows:

8           “(f) DISCLOSURE OF CREDIT SCORE AND EDU-  
9   CATIONAL CREDIT SCORE BY CONSUMER REPORTING  
10   AGENCIES.—

11           “(1) IN GENERAL.—Upon the request of a con-  
12   sumer for a credit score or educational credit score,  
13   a consumer reporting agency shall supply to the con-  
14   sumer a statement—

15           “(A) containing—

16                   “(i) a current credit score at the time  
17                   of the request generated using a commonly  
18                   used credit scoring model to generate cred-  
19                   it scores, subject to regulations of the Bu-  
20                   reau;

21                   “(ii) an educational credit score at the  
22                   time of the request, if it is not practicable  
23                   to generate such a credit score, as deter-  
24                   mined by the Bureau; or

1 “(iii) an explanation that the con-  
2 sumer’s file does not have sufficient infor-  
3 mation from which to generate such a  
4 credit score or educational credit score;  
5 and

6 “(B) with respect to each previous credit  
7 score in the file of the consumer—

8 “(i) the date on which the credit score  
9 was generated;

10 “(ii) the name of any entity that the  
11 credit score was provided to; and

12 “(iii) the credit score itself.

13 “(2) REQUIREMENTS.—A statement provided  
14 under clause (i) or (ii) of paragraph (1)(A) shall in-  
15 clude—

16 “(A) a minimum of 4 key factors, if avail-  
17 able, that adversely affected the credit score or  
18 educational credit score, except that if one of  
19 the key factors consists of the number of  
20 enquiries made with respect to a consumer re-  
21 port, that factor shall be provided to the con-  
22 sumer in addition to the factors required by  
23 this subparagraph;

24 “(B) to the extent possible, specific actions  
25 a consumer could take with respect to each key

1 factor listed in subparagraph (A) to improve  
2 the consumer's credit score or educational cred-  
3 it score;

4 “(C) a minimum of 4 key factors, if avail-  
5 able, that positively affected the credit score or  
6 educational credit score;

7 “(D) the range of possible credit scores or  
8 educational credit scores under the credit scor-  
9 ing model used;

10 “(E) the distribution of credit scores or  
11 educational credit scores among consumers who  
12 are scored under the same credit scoring model  
13 by the consumer reporting agency, and using  
14 the same scale as that of the score that is pro-  
15 vided to a creditor or consumers—

16 “(i) in the form of a bar graph con-  
17 taining a minimum of 6 bars that illus-  
18 trates the percentage of consumers with  
19 credit scores or educational credit scores  
20 within the range of scores represented by  
21 each bar; or

22 “(ii) by another clear and readily un-  
23 derstandable graphical depiction, state-  
24 ment, or illustration comparing the con-  
25 sumer's credit score or educational credit

1 score to the scores of other consumers, as  
2 determined by the Bureau;

3 “(F) the date on which the credit score or  
4 educational credit score was created; and

5 “(G) the name of the person that devel-  
6 oped the credit scoring model on which the  
7 credit score or educational credit score was  
8 based.

9 “(3) APPLICABILITY TO CERTAIN USES.—This  
10 subsection shall not be construed so as to compel a  
11 consumer reporting agency to—

12 “(A) develop or disclose a credit score if  
13 the agency does not distribute credit scores  
14 used by a person who makes or arranges a loan  
15 or extends credit to predict the likelihood of  
16 certain credit behaviors; or

17 “(B) develop or disclose an educational  
18 credit score if the agency does not develop edu-  
19 cational credit scores that assist in under-  
20 standing the general credit behavior of a con-  
21 sumer and predicting the future credit behavior  
22 of the consumer.

23 “(4) MAINTENANCE OF CREDIT SCORES.—

24 “(A) IN GENERAL.—All consumer report-  
25 ing agencies shall maintain in the consumer’s



1 file credit scores relating to the consumer for a  
2 period of 2 years from the date on which such  
3 information is generated.

4 “(B) DISCLOSURE ONLY TO CON-  
5 SUMERS.—A past credit score maintained in a  
6 consumer’s file pursuant to subparagraph (A)  
7 may only be provided to the consumer to which  
8 the credit score relates and may not be included  
9 in a consumer report or used as a factor in gen-  
10 erating a credit score or educational credit  
11 score.

12 “(C) REMOVAL OF PAST CREDIT  
13 SCORES.—A past credit score maintained in a  
14 consumer’s file pursuant to subparagraph (A)  
15 shall be removed from the consumer’s file after  
16 the end of the 2-year period described under  
17 subparagraph (A).”.

18 **SEC. 603. REQUIRES CONSUMER REPORTING AGENCIES TO**  
19 **DISCLOSE PROMINENTLY THE DIFFERENCES**  
20 **BETWEEN AND LIMITATIONS OF CREDIT**  
21 **SCORES AND EDUCATIONAL CREDIT SCORES**  
22 **REQUIRED PRIOR TO A CONSUMER OBTAIN-**  
23 **ING SUCH SCORES.**

24 Section 609(f) of the Fair Credit Reporting Act (15  
25 U.S.C. 1681g(f)), as amended by section 602, is further

1 amended by adding at the end the following new para-  
2 graphs:

3           “(5) WEBSITE DISCLAIMER.—A consumer re-  
4       porting agency that generates or provides credit  
5       scores or educational credit scores shall clearly and  
6       conspicuously display on the home page of the agen-  
7       cy’s Internet website, and as part of any application,  
8       solicitation, or marketing material or media pro-  
9       viding information related to a credit score or edu-  
10      cational credit score, the following notice, in boldface  
11      type of 18-point font or larger and in a text box  
12      with boldface outer borders:

13   **“CREDIT SCORE DISCLAIMER.**

14        ““There is no “one” credit score. There are many  
15   scoring formulas derived from a wide variety of models  
16   available to a consumer and used by lenders and creditors.  
17   Different lenders and creditors use different scoring for-  
18   mulas to determine whether to extend credit or make a  
19   loan to you, and the terms of the credit or loan. An edu-  
20   cational credit score is not a credit score that a person  
21   who makes a loan or extends credit to you is likely to use.  
22   Educational credit scores are merely intended to be used  
23   as an educational tool to help consumers understand how  
24   the information contained in a consumer report may affect  
25   the terms and conditions of a loan or extension of credit

1 that may be available to a consumer. Lenders and credi-  
2 tors may also rely on information not contained in your  
3 consumer report and not reflected in the calculation of  
4 your credit score.’.

5 “(6) ADDITIONAL REQUIREMENTS FOR EDU-  
6 CATIONAL CREDIT SCORES.—

7 “(A) DISCLAIMER.—If an educational  
8 credit score is provided pursuant to paragraph  
9 (1), a consumer reporting agency shall clearly  
10 and conspicuously include in a prominent loca-  
11 tion on the statement, in boldface type of 18-  
12 point font or larger, and in a text box with  
13 boldface outer borders, the following notice:

14 “**‘EDUCATIONAL CREDIT SCORE DISCLAIMER.**

15 “‘The educational credit score provided to you is not  
16 a credit score that a lender or creditor is likely to use to  
17 make a loan or extend credit to you. There are many dif-  
18 ferent credit scores derived from a wide variety of models  
19 used by lenders and creditors. An educational credit score  
20 is merely an educational tool. It is intended to provide con-  
21 sumers with a basic understanding of how the information  
22 contained in a consumer report may affect the terms and  
23 conditions of credit that are available. The credit scores  
24 you receive directly from different lenders and creditors

1 may not be the same as an educational credit score. There  
2 are a number of reasons for this:

3 ““(1) Each company may use a different for-  
4 mula for calculating credit scores and the differences  
5 in the formulas may lead to differences in your  
6 scores.

7 ““(2) Companies may produce scores that give  
8 results on different scales.

9 ““(3) Not all lenders or creditors report to  
10 every consumer reporting agency, and therefore the  
11 information contained in your consumer report that  
12 the consumer reporting agencies use to calculate  
13 your educational credit score may differ among  
14 agencies.’.

15 ““(B) PROHIBITION ON MISLEADING REP-  
16 RESENTATIONS.—A consumer reporting agency  
17 may not refer to an educational credit score as  
18 a credit score in any application, solicitation,  
19 marketing, or other informational materials or  
20 media.

21 ““(7) MODIFICATION OF DISCLAIMERS.—The  
22 Bureau may modify the content, format, and man-  
23 ner of the disclaimers required under paragraphs (5)  
24 and (6), if warranted, after conducting consumer  
25 testing or research.”.

1 **SEC. 604. PROVIDES CONSUMERS WITH FREE CREDIT**  
2 **SCORE DISCLOSURES WITH THEIR FREE AN-**  
3 **NUAL CONSUMER REPORTS UPON REQUEST**  
4 **AND CREATES INSTANCES WHEN CON-**  
5 **SUMERS AUTOMATICALLY RECEIVE FREE**  
6 **CONSUMER REPORTS AND CREDIT SCORES.**

7 (a) IN GENERAL.—Section 612 of the Fair Credit  
8 Reporting Act (15 U.S.C. 1681j) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1)—

11 (i) in subparagraph (A), by inserting  
12 after “section 609” the following: “(includ-  
13 ing the disclosure of a credit score or edu-  
14 cational credit score under subsection (f)  
15 of such section)”; and

16 (ii) in subparagraph (C)—

17 (I) by striking “Commission”  
18 and inserting “Bureau”;

19 (II) by inserting “, credit scores,  
20 and educational credit scores (as ap-  
21 plicable)” after “consumer reports”  
22 each place that term appears; and

23 (III) in clause (i), by inserting  
24 “and through the Internet website es-  
25 tablished under section 611(g)” after  
26 “such requests”;

1 (B) in paragraph (2)—

2 (i) by striking “15 days” and insert-  
3 ing “3 business days”; and

4 (ii) by inserting “, credit score, or  
5 educational credit score” after “consumer  
6 report”;

7 (C) in paragraph (3), by inserting “, credit  
8 score, or educational credit score” after “con-  
9 sumer report”; and

10 (D) in paragraph (4), by inserting “, credit  
11 scores, or educational credit scores” after “con-  
12 sumer reports”;

13 (2) in subsection (b), by inserting “(including  
14 the disclosure of a credit score or educational credit  
15 score, as applicable, under subsection (f) of such sec-  
16 tion)” after “section 609”;

17 (3) in subsection (c)—

18 (A) by inserting “(including the disclosure  
19 of a credit score or educational credit score  
20 under subsection (f) of such section)” after  
21 “pursuant to section 609”;

22 (B) in paragraph (2), by striking “; or”  
23 and inserting a semicolon;

24 (C) in paragraph (3), by striking the pe-  
25 riod at the end and inserting a semicolon; and

1 (D) by adding at the end the following new  
2 paragraphs:

3 “(4) has disputed information, or submitted an  
4 appeal of an investigation or reinvestigation of such  
5 information, under section 611 or 623, regardless of  
6 whether the consumer has already received a credit  
7 report, credit score, or educational credit score  
8 under section 611 or 623; or

9 “(5) has had information that was previously  
10 deleted under section 611(a)(5) reinserted into the  
11 consumer’s file, regardless of whether the consumer  
12 has already received a credit report, credit score, or  
13 educational credit score under such section.”;

14 (4) in subsection (d), by inserting “(including  
15 the disclosure of a credit score or educational credit  
16 score under subsection (f) of such section)” after  
17 “section 609”;

18 (5) in subsection (f)(1)—

19 (A) by striking “reasonable charge” and  
20 all that follows through “section 609” and in-  
21 serting “reasonable charge on a consumer for  
22 providing a consumer report to a consumer”;

23 (B) by striking subparagraph (B);

1 (C) by redesignating clauses (i) and (ii) as  
2 subparagraphs (A) and (B), respectively (and  
3 conforming the margins accordingly); and

4 (D) in subparagraph (B) (as so redesign-  
5 nated), by striking “disclosure; and” and insert-  
6 ing “disclosure.”; and

7 (6) by adding at the end the following new sub-  
8 sections:

9 “(h) CENTRALIZED SOURCE FOR OBTAINING FREE  
10 COPY OF CONSUMER REPORT AND SCORES.—

11 “(1) NATIONWIDE CONSUMER REPORTING  
12 AGENCIES.—

13 “(A) IN GENERAL.—Not later than 180  
14 days after the date of enactment of this sub-  
15 section, each consumer reporting agency de-  
16 scribed under subsection (p) of section 603  
17 shall prominently display on the home page of  
18 the agency’s website—

19 “(i) a hyperlink labeled ‘Get Your  
20 Free Annual Credit Reports along with ei-  
21 ther your Credit Scores or Educational  
22 Credit Scores provided for under Federal  
23 Law’ or substantially similar text, as deter-  
24 mined by the Bureau; and



1                   “(ii) a disclosure titled ‘Consumer’s  
2                   Right to Free Credit Scores, Educational  
3                   Credit Scores, and Reports under Federal  
4                   Law’ or substantially similar text, as deter-  
5                   mined by the Bureau that includes the fol-  
6                   lowing statement:

7           “‘All consumers are entitled to obtain a free copy of  
8   their consumer report and credit score or educational cred-  
9   it score annually from each of the nationwide consumer  
10 reporting agencies. Under Federal law, a consumer is enti-  
11 tled to obtain additional free copies of their consumer re-  
12 ports, along with a copy of either the consumer’s credit  
13 score or educational credit score (under certain cir-  
14 cumstances), including:

15           “‘(1) When a consumer is unemployed and in-  
16 tends to apply for employment within 60 days.

17           “‘(2) When a consumer is a recipient of public  
18 welfare assistance.

19           “‘(3) When a consumer has a reasonable belief  
20 that their report contains inaccuracies as a result of  
21 fraud.

22           “‘(4) When a consumer asserts in good faith a  
23 suspicion that the consumer has been or is about to  
24 become a victim of identity theft, fraud, or a related  
25 crime, or harmed by the unauthorized disclosure of

1 the consumer's financial or personally identifiable in-  
2 formation.

3 ““(5) When a consumer files a dispute or an  
4 appeal of the results of a dispute with a consumer  
5 reporting agency or a person who furnished informa-  
6 tion to the consumer reporting agency regarding the  
7 accuracy or completeness of the information con-  
8 tained on their report.

9 ““(6) After a furnisher of information discovers  
10 it has furnished inaccurate or incomplete informa-  
11 tion to a consumer reporting agency, and the fur-  
12 nisher notifies the agency of the error.

13 ““(7) After an adverse action is taken against  
14 a consumer or a consumer receives a risk-based pric-  
15 ing notice.

16 ““(8) When a mortgage lender, private edu-  
17 cational lender, indirect auto lender, or motor vehicle  
18 lender obtains and uses a consumer's reports or  
19 scores for underwriting purposes.’.

20 ““(B) HYPERLINK REQUIREMENTS.—The  
21 hyperlink described in subparagraph (A)(i) shall  
22 be prominently located on the top of the home  
23 page and should link directly to the website of  
24 the centralized source established pursuant to

1 section 211(d) of the Fair and Accurate Credit  
2 Transactions Act of 2003 (15 U.S.C. 1681j(d)).

3 “(C) MODIFICATIONS.—The Bureau may  
4 modify the disclosure described in subparagraph  
5 (A)(ii) as necessary to include other cir-  
6 cumstances under which a consumer has the  
7 right to receive a free consumer report, credit  
8 score, or educational credit score.

9 “(2) NATIONWIDE SPECIALTY CONSUMER RE-  
10 PORTING AGENCIES.—

11 “(A) IN GENERAL.—Not later than 180  
12 days after the date of enactment of this sub-  
13 section, each nationwide specialty consumer re-  
14 porting agency shall prominently display on the  
15 Internet home webpage of the agency a disclo-  
16 sure titled ‘Consumer’s Right to Free Con-  
17 sumer Reports and Credit Score or Educational  
18 Credit Score (as applicable) under Federal  
19 Law’. Such disclosure shall include the fol-  
20 lowing statement:

21 “‘Upon request, all consumers are entitled to obtain  
22 a free copy of their consumer report and credit score or  
23 educational credit score (as applicable) during any 12-  
24 month period from each of the nationwide specialty con-  
25 sumer reporting agencies. Federal law also provides fur-

1 ther circumstances under which a consumer is entitled to  
2 obtain additional free copies of their consumer report and  
3 credit score or educational credit score (as applicable) in-  
4 cluding:

5           “(1) When a consumer is unemployed and in-  
6 tends to apply for employment within 60 days.

7           “(2) When a consumer is a recipient of public  
8 welfare assistance.

9           “(3) When a consumer has a reasonable belief  
10 that their report contains inaccuracies as a result of  
11 fraud.

12           “(4) When a consumer files a dispute or an  
13 appeal of the results of a dispute with a consumer  
14 reporting agency or a person who furnished informa-  
15 tion to the consumer reporting agency regarding the  
16 accuracy or completeness of the information con-  
17 tained on their report.

18           “(5) After a furnisher of information discovers  
19 it has furnished inaccurate or incomplete informa-  
20 tion to a consumer reporting agency, and the fur-  
21 nisher notifies the agency of the error.

22           “(6) After an adverse action is taken against  
23 a consumer or a consumer receives a risk-based pric-  
24 ing notice.

1           “(7) When a mortgage lender, private edu-  
2           cational lender, indirect auto lender, or motor vehicle  
3           lender obtains and uses a consumer’s reports or  
4           scores for underwriting purposes.’.

5           “(B) MODIFICATIONS.—The Bureau may  
6           modify the disclosure described in subparagraph  
7           (A) as necessary to include other circumstances  
8           under which a consumer has the right to receive  
9           a free consumer report and credit score or edu-  
10          cational credit score (as applicable).

11          “(C) TOLL-FREE TELEPHONE ACCESS.—  
12          The information described in this paragraph  
13          shall also be made available via a toll-free tele-  
14          phone number. Such number shall be promi-  
15          nently displayed on the home page of the  
16          website of each nationwide specialty consumer  
17          reporting agency. Each of the circumstances  
18          under which a consumer may obtain a free con-  
19          sumer report and credit score or educational  
20          credit score (as applicable) shall be presented in  
21          an easily understandable format and consumers  
22          shall be directed to an individual who is a cus-  
23          tomer service representative not later than 2  
24          minutes after the initial phone connection is  
25          made by the consumer. Information provided

1 through such telephone number shall comply  
2 with the requirements of section 633.

3 “(D) ONLINE CONSUMER REPORTS; EX-  
4 EMPTION.—Upon receipt of a request by a con-  
5 sumer for a consumer report, each nationwide  
6 specialty consumer reporting agency shall pro-  
7 vide access to such report electronically on the  
8 Internet website described in section 611(g).

9 “(i) AUTOMATIC PROVISION OF FREE CONSUMER  
10 REPORTS AND CREDIT SCORES OR EDUCATIONAL CREDIT  
11 SCORES.—A consumer reporting agency shall provide to  
12 a consumer a free copy of the file and credit score or edu-  
13 cational credit score of the consumer who—

14 “(1) obtains a 1-year fraud alert, 7-year fraud  
15 alert, active duty alert, or credit freeze as described  
16 in section 605A; or

17 “(2) has disputed information, or submitted an  
18 appeal of an investigation or reinvestigation of such  
19 information, under section 611 or 623.”.

20 (b) TECHNICAL AMENDMENT.—Section 615(h)(7) of  
21 such Act (15 U.S.C. 1681m(h)(7)) is amended by striking  
22 “section” and inserting “subsection”.

1 **SEC. 605. REQUIRES PRIVATE EDUCATIONAL LENDERS TO**  
2 **PROVIDE CONSUMERS WITH FREE COPIES OF**  
3 **ANY CONSUMER REPORTS AND CREDIT**  
4 **SCORES THAT THEY USED FOR UNDER-**  
5 **WRITING BEFORE CONSUMERS SIGN LOAN**  
6 **AGREEMENTS.**

7 Section 609 of the Fair Credit Reporting Act (15  
8 U.S.C. 1681g), as amended by section 702, is further  
9 amended by adding at the end the following new sub-  
10 section:

11 “(i) DISCLOSURE OF CONSUMER REPORTS AND  
12 CREDIT SCORES BY PRIVATE EDUCATIONAL LENDERS.—

13 “(1) IN GENERAL.—If a private educational  
14 lender obtains a copy of any consumer reports or  
15 credit scores and uses such reports or scores in con-  
16 nection with an application of a consumer for a pri-  
17 vate education loan, the private educational lender  
18 shall provide to the consumer, not later than 3 busi-  
19 ness days after obtaining such reports or scores and  
20 before the date on which the consumer enters into  
21 a loan agreement with the private educational lend-  
22 er, a copy of any such reports or scores, along with  
23 the statement described under subsection (f)(2).

24 “(2) COSTS.—None of the costs to the private  
25 educational lender associated with procuring con-  
26 sumer reports or credit scores under this subsection

1       may be charged, directly or indirectly, to the con-  
2       sumer.

3           “(3) RULE OF CONSTRUCTION.—Nothing in  
4       this subsection shall be construed to eliminate any  
5       requirement for creditors and lenders to provide  
6       credit score disclosures, including the statement de-  
7       scribed under subsection (f)(2), to consumers as  
8       part of an adverse action or risk-based pricing no-  
9       tice.”.

10 **SEC. 606. REQUIRES MOTOR VEHICLE LENDERS OR INDI-**  
11 **RECT AUTO LENDERS TO PROVIDE CON-**  
12 **SUMERS WITH FREE COPIES OF ANY CON-**  
13 **SUMER REPORTS AND CREDIT SCORES THAT**  
14 **THEY USED FOR UNDERWRITING BEFORE**  
15 **CONSUMERS SIGN LEASE OR LOAN AGREE-**  
16 **MENTS.**

17       Section 609 of the Fair Credit Reporting Act (15  
18 U.S.C. 1681g), as amended by section 605, is further  
19 amended by adding at the end the following new sub-  
20 section:

21       “(j) DISCLOSURE OF CONSUMER REPORTS AND  
22 CREDIT SCORES USED BY MOTOR VEHICLE LENDERS OR  
23 INDIRECT AUTO LENDERS.—

24           “(1) IN GENERAL.—If a motor vehicle lender or  
25       indirect auto lender obtains a copy of any consumer



1 reports or credit scores and uses such reports or  
2 scores in connection with an application of a con-  
3 sumer for a motor vehicle loan or lease, the motor  
4 vehicle lender or indirect auto lender shall provide to  
5 the consumer a document, separate from the con-  
6 sumer's lease or purchase agreement and before the  
7 consumer enters into a lease or purchase agreement,  
8 disclosing any consumer reports and credit scores,  
9 including the statement described in subsection  
10 (f)(2), used by the lender to determine whether to  
11 extend credit to the consumer.

12 “(2) COSTS.—None of the costs to the motor  
13 vehicle lender or indirect auto lender associated with  
14 procuring consumer reports or credit scores under  
15 this subsection may be charged, directly or indi-  
16 rectly, to the consumer.

17 “(3) RULE OF CONSTRUCTION.—Nothing in  
18 this subsection shall be construed to eliminate any  
19 requirement for creditors and lenders to provide  
20 credit score disclosures, including the statement de-  
21 scribed under subsection (f)(2), to consumers as  
22 part of an adverse action or risk-based pricing no-  
23 tice.

24 “(4) DEFINITIONS.—

“(A) INDIRECT AUTO LENDER.—The term ‘indirect auto lender’ has the meaning given the term by the Bureau, and shall include a person extending a loan made with respect to a car, boat, motorcycle, recreational vehicle, or other similar vehicle used primarily for personal or household purposes.

“(B) MOTOR VEHICLE LENDER.—The term ‘motor vehicle lender’ has the meaning given the term by the Board of Governors of the Federal Reserve System, and shall include a person extending a loan made with respect to a car, boat, motorcycle, recreational vehicle, or other similar vehicle used primarily for personal or household purposes.”.

**SEC. 607. REQUIRES RESIDENTIAL MORTGAGE LENDERS  
TO PROVIDE CONSUMERS WITH FREE COPIES  
OF ANY CONSUMER REPORTS AND CREDIT  
SCORES THAT THEY USED FOR UNDER-  
WRITING BEFORE CONSUMERS SIGN LOAN  
AGREEMENTS.**

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

(1) by redesignating paragraph (2) as paragraph (5);

1 (2) in paragraph (1)—

2 (A) by striking “a consumer credit score”  
3 and inserting “any consumer reports or credit  
4 scores”;

5 (B) by striking “, as defined in subsection  
6 (f),”;

7 (C) by striking “the following to the con-  
8 sumer as soon as reasonably practicable:” and  
9 inserting “, not later than 3 business days after  
10 using such reports or scores, a document dis-  
11 closing any consumer reports and credit scores  
12 used by the lender to determine whether to ex-  
13 tend credit to the consumer along with the  
14 statement described in subsection (f)(2).”;

15 (D) by striking subparagraphs (A), (B),  
16 (C), (E), and (F);

17 (E) by redesignating subparagraph (D) as  
18 paragraph (3); and

19 (F) by redesignating subparagraph (G) as  
20 paragraph (4);

21 (3) by inserting after paragraph (1) the fol-  
22 lowing new paragraph:

23 “(2) RULE OF CONSTRUCTION.—Nothing in  
24 this subsection shall be construed to eliminate any  
25 requirement for lenders to provide credit score dis-

1 closures, including the statement described under  
2 subsection (f)(2), to consumers as part of an adverse  
3 action or risk-based pricing notice.”;

4 (4) in paragraph (3) (as so redesignated), in  
5 the quoted material—

6 (A) by inserting “, free of charge,” after  
7 “disclose to you”; and

8 (B) by striking “affecting your credit  
9 scores” and inserting “affecting your credit  
10 score or scores”;

11 (5) in paragraph (5) (as so redesignated) by in-  
12 serting “or scores” after “credit score” each place  
13 such term appears; and

14 (6) by adding at the end the following new  
15 paragraphs:

16 “(6) ACTIONS NOT REQUIRED.—This subsection  
17 shall not require any person to disclose any credit  
18 score or related information obtained by the person  
19 after a loan has closed.

20 “(7) NO PROCUREMENT COSTS.—None of the  
21 costs to the creditor or lender associated with pro-  
22 curing any consumer reports or scores under this  
23 subsection may be charged, directly or indirectly, to  
24 the consumer.”.

1 **TITLE VII—BANNING MIS-**  
2 **LEADING AND UNFAIR CON-**  
3 **SUMER REPORTING PRAC-**  
4 **TICES**

5 **SEC. 701. PROHIBITS AUTOMATIC RENEWALS FOR CON-**  
6 **SUMER REPORTING AND CREDIT SCORING**  
7 **PRODUCTS AND SERVICES OFFERED UNDER**  
8 **PROMOTIONAL TERMS.**

9 The Fair Credit Reporting Act (15 U.S.C. 1681 et  
10 seq.), as amended by section 501, is further amended—

11 (1) by adding at the end the following new sec-  
12 tion:

13 **“§ 632. Promotional periods**

14 “(a) **TERMINATION NOTICE.**—With respect to any  
15 product or service related to a consumer report or a credit  
16 score that is provided to a consumer under promotional  
17 terms, the seller or provider of such product or service  
18 shall provide clear and conspicuous notice to the consumer  
19 within a reasonable period of time before the promotional  
20 period ends.

21 “(b) **OPT-IN.**—With respect to any such product or  
22 service, the seller or provider may not continue to sell or  
23 provide such product or service to the consumer after the  
24 end of the promotional period unless the consumer specifi-

1 cally agrees at the end of the promotional period to con-  
 2 tinue receiving the product or service.”; and

3 (2) in the table of contents for such Act, by in-  
 4 serting after the item relating to section 631 (as  
 5 added by section 501) the following new item:

“632. Promotional periods.”.

6 **SEC. 702. BANS MISLEADING AND DECEPTIVE MARKETING**  
 7 **RELATED TO THE PROVISION OF CONSUMER**  
 8 **REPORTING AND CREDIT SCORING PROD-**  
 9 **UCTS AND SERVICES.**

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

12 (1) in subsection (a)—

13 (A) in paragraph (1)—

14 (i) by striking “request, except” and  
 15 all that follows through “consumer to  
 16 whom” and inserting “request, unless the  
 17 consumer to whom”;

18 (ii) by striking “disclosure; and” and  
 19 inserting “disclosure.”; and

20 (iii) by striking subparagraph (B);  
 21 and

22 (B) in paragraph (6), by inserting “or edu-  
 23 cational credit score (if applicable) under sub-  
 24 section (f) or section 612” before the period at  
 25 the end; and

1           (2) by adding at the end the following new sub-  
2       section:

3       “(h) DISCLOSURES ON PRODUCTS AND SERVICES.—  
4       The Bureau, in consultation with the Federal Trade Com-  
5       mission, shall issue regulations within 18 months of the  
6       date of the enactment of this subsection requiring each  
7       consumer reporting agency and reseller to clearly and con-  
8       spicuously disclose all material terms and conditions, in-  
9       cluding any fee and pricing information associated with  
10      any products or services offered, advertised, marketed, or  
11      sold to consumers by the agency or reseller. Such disclo-  
12      sures shall be made in all forms of communication to con-  
13      sumers and displayed prominently on the agency or re-  
14      seller’s website and all other locations where products or  
15      services are offered, advertised, marketed, or sold to con-  
16      sumers.”.

17   **SEC. 703. ENDS EXCESSIVE DIRECT-TO-CONSUMER SALES**  
18                   **BY GIVING THE BUREAU AUTHORITY TO SET**  
19                   **FAIR AND REASONABLE FEES ON CONSUMER**  
20                   **REPORTING AND CREDIT SCORING PROD-**  
21                   **UCTS AND SERVICES SOLD BY CONSUMER**  
22                   **REPORTING AGENCIES TO CONSUMERS.**

23       The Fair Credit Reporting Act (15 U.S.C. 1681 et  
24      seq.), as amended by section 706, is further amended—

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

3 **“§ 635. Fair and reasonable fees for products and**  
 4 **services**

5 “The Bureau may, with respect to any product or  
 6 service offered by a consumer reporting agency to a con-  
 7 sumer, set a fair and reasonable maximum fee that may  
 8 be charged for such product or service, except where such  
 9 maximum fee is otherwise provided under this title.”; and  
 10 (2) in the table of contents for such Act, as  
 11 amended by section 706, by adding at the end the  
 12 following new item:

“635. Fair and reasonable fees for products and services.”.

13 **SEC. 704. PROMOTES ACCESS TO CONSUMER REPORTING**  
 14 **AND CREDIT SCORING DISCLOSURES FOR**  
 15 **CONSUMERS WITH LIMITED ENGLISH PRO-**  
 16 **FICIENCY AND VISUAL AND HEARING IM-**  
 17 **PAIRMENTS TO ENHANCE THEIR ABILITY TO**  
 18 **EXERCISE THEIR RIGHTS.**

19 The Fair Credit Reporting Act (15 U.S.C. 1681 et  
 20 seq.), as amended by section 701, is further amended—

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



1 **“§ 633. Fair access to information for nonnative**  
2 **English speakers and the visually and**  
3 **hearing impaired**

4 “(a) IN GENERAL.—Not later than 180 days after  
5 the date of the enactment of this section, the Bureau shall  
6 issue a rule to require consumer reporting agencies and  
7 persons who furnish information to consumer reporting  
8 agencies under this title, to the maximum extent reason-  
9 ably practicable—

10 “(1) to provide any information, disclosures, or  
11 other communication with consumers—

12 “(A) in each of the 10 most commonly spo-  
13 ken languages, other than English, in the  
14 United States, as determined by the Bureau of  
15 the Census on an ongoing basis; and

16 “(B) in formats accessible to individuals  
17 with hearing or vision impairments; and

18 “(2) to ensure that—

19 “(A) customer service representatives, in-  
20 cluding employees assigned to handle disputes  
21 or appeals under sections 611 and 623, who are  
22 available to assist consumers are highly familiar  
23 with the requirements of this title;

24 “(B) such representatives are available  
25 during regular business hours and outside of

1 regular business hours, including evenings and  
2 weekends; and

3 “(C) at least one among such representa-  
4 tives is fluent in each of the 10 most commonly  
5 spoken languages, other than English, in the  
6 United States, as determined by the Bureau of  
7 the Census on an ongoing basis.

8 “(b) BUREAU CONSULTATION.—The Bureau shall  
9 consult with advocates for civil rights, consumer groups,  
10 community groups, and organizations that serve tradition-  
11 ally underserved communities and populations in issuing  
12 the rule described in subsection (a).”; and

13 (2) in the table of contents for such Act, by in-  
14 serting after the item relating to section 632 (as  
15 added by section 701) the following new item:

“633. Fair access to information for nonnative English speakers and the visually  
and hearing impaired.”.

16 **SEC. 705. ESTABLISHES CONSUMERS’ RIGHT TO SHOP FOR**  
17 **THE BEST DEAL ON CERTAIN LARGE DOLLAR**  
18 **LOANS WITHOUT HARMING THEIR CREDIT**  
19 **STANDING.**

20 Section 605 of the Fair Credit Reporting Act (15  
21 U.S.C. 1681c) is amended by adding at the end the fol-  
22 lowing new subsection:

23 “(h) ENCOURAGING CONSUMERS TO COMPARISON  
24 SHOP FOR LOANS BY TREATING GROUPED ENQUIRIES OF

1 THE SAME TYPE WITHIN A REASONABLE PERIOD AS A  
2 SINGLE ENQUIRY.—

3 “(1) IN GENERAL.—With respect to multiple  
4 enquiries of the same type made to a consumer re-  
5 porting agency for a consumer report or credit score  
6 with respect to a consumer, any credit scoring model  
7 shall treat such enquiries as a single enquiry if the  
8 enquiries are made within a 120-day period.

9 “(2) DEFINITION OF ENQUIRIES OF THE SAME  
10 TYPE.—With respect to multiple enquiries made to  
11 a consumer reporting agency for a consumer report  
12 or credit score with respect to a consumer, such  
13 enquiries are ‘of the same type’ if the consumer re-  
14 porting agency has reason to believe that the  
15 enquiries are all made for the purpose of deter-  
16 mining the consumer’s creditworthiness for an exten-  
17 sion of credit described in one of the following:

18 “(A) A covered residential mortgage loan  
19 (as described in section 605C).

20 “(B) A motor vehicle loan or lease (as de-  
21 scribed in section 609(j)).

22 “(C) A private education loan.

23 “(D) Any other consumer financial product  
24 or service, as determined by the Bureau.”.

1 **SEC. 706. ENDS CONFUSION ABOUT WHETHER ENTITIES**  
2 **ARE ENGAGED IN CONSUMER REPORTING**  
3 **PRACTICES BY CREATING A NATIONWIDE**  
4 **CONSUMER REPORTING AGENCIES REG-**  
5 **ISTRY.**

6 The Fair Credit Reporting Act (15 U.S.C. 1681 et  
7 seq.), as amended by section 704, is further amended—

8 (1) by adding at the end the following new sec-  
9 tion:

10 **“§ 634. Nationwide consumer reporting agencies reg-**  
11 **istry**

12 “(a) IN GENERAL.—Not later than 1 year after the  
13 date of enactment of this section, the Bureau shall estab-  
14 lish and maintain a publicly accessible registry of con-  
15 sumer reporting agencies described in subsection (p) or  
16 (x) of section 603 (and any other agencies the Bureau de-  
17 termines provide similar services to such consumer report-  
18 ing agencies) that includes current contact information of  
19 each such agency, including the Internet website address  
20 of the Internet website described under section 611(g),  
21 and information on how consumers can obtain their con-  
22 sumer report, credit scores, or educational credit scores  
23 (as applicable) by toll-free telephone, postal mail, or elec-  
24 tronic means.

25 “(b) REGISTRY REQUIREMENTS.—The registry de-  
26 scribed in subsection (a) shall—

1           “(1) identify the largest agencies and the mar-  
2       kets and demographics covered by such agencies;  
3       and

4           “(2) disclose, with respect to each agency,  
5       whether the agency is subject to the supervisory au-  
6       thority of the Bureau under this title.

7       “(c) INFORMATION UPDATES.—Each agency de-  
8       scribed under subsection (a) shall submit to the Bureau  
9       contact information for the registry, including any updates  
10      to such information. The Bureau shall—

11           “(1) independently verify information submitted  
12      by each agency; and

13           “(2) update the registry not less frequently  
14      than annually.”; and

15           (2) in the table of contents for such Act, by in-  
16      serting after the item relating to section 633 (as  
17      added by section 704) the following new item:

“634. Nationwide consumer reporting agencies registry.”.

1 **TITLE VIII—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. 801. 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. 802. CREDIT FREEZE DEFINITION.**

14 Section 603(q) of the Fair Credit Reporting Act (15  
 15 U.S.C. 1681a(q)(4)) is amended by adding at the end the  
 16 following new paragraph:

17 “(6) CREDIT FREEZE.—The term ‘credit freeze’  
 18 means a restriction placed at the request of a con-  
 19 sumer or a personal representative of the consumer,  
 20 on the consumer report of the consumer, that pro-  
 21 hibits a consumer reporting agency described in sec-  
 22 tion 603(p) from releasing the consumer report for  
 23 a purpose relating to the extension of credit without  
 24 the express authorization of the consumer. A credit

1 freeze shall not apply to the use of a consumer re-  
2 port by any of the following:

3 “(A) A person, or the person’s subsidiary,  
4 affiliate, agent, subcontractor, or assignee with  
5 whom the consumer has, or prior to assignment  
6 had, an authorized account, contract, or debtor-  
7 creditor relationship for the purposes of review-  
8 ing the active account or collecting the financial  
9 obligation owed on the account, contract, or  
10 debt.

11 “(B) A person, or the person’s subsidiary,  
12 affiliate, agent, subcontractor, or assignee, to  
13 whom access has been granted pursuant to a  
14 request by the consumer described under sec-  
15 tion 605A(i)(1)(B), for purposes of facilitating  
16 the extension of credit or other permissible use.

17 “(C) Any person acting pursuant to a  
18 court order, warrant, or subpoena.

19 “(D) A Federal, State, or local govern-  
20 ment, or an agent or assignee thereof.

21 “(E) Any person for the sole purpose of  
22 providing a credit monitoring or identity theft  
23 protection service to which the consumer has  
24 subscribed.



1           “(F) Any person for the purpose of pro-  
 2           viding a consumer with a copy of the consumer  
 3           report, credit score, or educational credit score  
 4           of the consumer upon the consumer’s request.

5           “(G) Any person or entity for insurance  
 6           purposes, including use in setting or adjusting  
 7           a rate, adjusting a claim, or underwriting.

8           “(H) Any person acting pursuant to an au-  
 9           thorization from a consumer to use their con-  
 10          sumer report for employment purposes.”.

11 **SEC. 803. CREDIT FREEZES FOR MINORS AND OTHER VUL-**  
 12 **NERABLE CONSUMERS.**

13       (a) IN GENERAL.—The Fair Credit Reporting Act  
 14 (15 U.S.C. 1681 et seq.), as amended by section 406, is  
 15 further amended by inserting after section 605F the fol-  
 16 lowing new section:

17 **“SEC. 605G. ADDITIONAL PROTECTIONS FOR FILES AND**  
 18 **CREDIT RECORDS OF VULNERABLE CON-**  
 19 **SUMERS.**

20       “(a) IN GENERAL.—A consumer reporting agency de-  
 21 scribed in section 603(p) shall, upon request by a covered  
 22 representative of a covered consumer—

23           “(1) create a credit record for a verified covered  
 24       consumer and place or remove a covered consumer  
 25       credit freeze on such credit record; or

1           “(2) place or remove a covered consumer credit  
2           freeze on a file of a covered consumer that is main-  
3           tained by such consumer reporting agency.

4           “(b) REQUIREMENTS.—The Bureau, by rule, shall es-  
5           tablish procedures for a consumer reporting agency de-  
6           scribed in section 603(p) to—

7           “(1) verify the authority and the identity of the  
8           requestor by determining if the requestor has sub-  
9           mitted sufficient proof of authority and sufficient  
10          proof of identification to meet the requirements of a  
11          covered representative; and

12          “(2) notify the requestor when the consumer re-  
13          porting agency has fulfilled the request.

14          “(c) REMOVING COVERED CONSUMER CREDIT  
15          FREEZES FROM FILES AND DELETING CREDIT  
16          RECORDS.—

17          “(1) IN GENERAL.—A consumer reporting  
18          agency described in section 603(p) shall permanently  
19          remove a covered consumer credit freeze from a file  
20          or delete a credit record upon request by—

21                  “(A) a covered representative;

22                  “(B) a minor child who shows sufficient  
23                  proof of emancipation and sufficient proof of  
24                  identification;

1           “(C) a covered consumer for whom a con-  
2           servatorship or guardianship has been termi-  
3           nated; or

4           “(D) a consumer who was a minor child on  
5           the date the covered consumer credit freeze was  
6           placed, if such consumer makes the request on  
7           or after the date of the State-determined age of  
8           consent for the minor child.

9           “(2) ALERT STATEMENT.—An alert statement  
10          shall be included in a file of a minor child for which  
11          a covered consumer credit freeze has been removed  
12          pursuant to paragraph (1) if the minor child was a  
13          victim of fraud or identity theft before the date of  
14          the State-determined age of consent of the minor  
15          child as follows:

16               “(A) For a file for which a covered con-  
17               sumer credit freeze has been removed upon re-  
18               quest by a covered representative, for the period  
19               beginning on the date of the removal of the cov-  
20               ered consumer credit freeze from the file and  
21               ending on the date that is 1 year after the date  
22               of the State-determined age of consent for the  
23               minor child.

24               “(B) For a file for which a covered con-  
25               sumer credit freeze was removed on the date of

1 the State-determined age of consent for the  
2 minor child, for a period of 1 year after such  
3 date.

4 “(3) DUTY OF RESELLER.—With respect to in-  
5 formation concerning a minor child whose file con-  
6 tains an alert statement, a reseller shall include such  
7 alert statement when furnishing such information.

8 “(d) TIMING.—With respect to a covered consumer  
9 credit freeze, a consumer reporting agency described in  
10 section 603(p) shall—

11 “(1) place or remove such covered consumer  
12 credit freeze within 30 days after receipt of a re-  
13 quest to place or remove such covered consumer  
14 credit freeze; and

15 “(2) notify the consumer to whom the covered  
16 consumer credit freeze relates not later than 10 days  
17 after such covered consumer credit freeze has been  
18 placed or removed of such placement or removal.

19 “(e) FEES.—

20 “(1) IN GENERAL.—Except as provided in para-  
21 graph (2), a consumer reporting agency described in  
22 section 603(p) may only charge a fee, not to exceed  
23 \$3 (as adjusted by the Bureau on January 1st of  
24 each year to reflect proportional changes in the Con-  
25 sumer Price Index for All Urban Consumers pub-

1       lished by the Bureau of Labor Statistics of the De-  
2       partment of Labor, with fractional changes rounded  
3       to the nearest 50 cents), to create a credit record,  
4       place or remove a covered consumer credit freeze on  
5       a credit record or credit file, or place or remove an  
6       alert statement.

7               “(2) FEES PROHIBITED.—A consumer report-  
8       ing agency described in section 603(p) may not  
9       charge a fee as described in paragraph (1) to a con-  
10      sumer who has been placed in a foster care setting.

11      “(f) EXCEPTIONS.—No provision of this section shall  
12      be construed to require a consumer reporting agency de-  
13      scribed in section 603(p) to prevent valid access to a credit  
14      record or file—

15              “(1) by a Federal, State, or local law enforce-  
16      ment agency;

17              “(2) to a person who provides a covered con-  
18      sumer or a covered representative with a copy of the  
19      file of the covered consumer at the request of the  
20      covered consumer or the covered representative;

21              “(3) by any child support agency acting pursu-  
22      ant to Federal, State, or local law;

23              “(4) by any Federal, State, or local health care  
24      department or its agents or assignees acting to in-  
25      vestigate Medicare fraud; or

1           “(5) by any Federal, State, or local department  
2           of revenue or taxes, or its agents or assignees, acting  
3           to investigate or collect delinquent taxes or delin-  
4           quent court orders, or to fulfill other statutory re-  
5           quirements.

6           “(g) DEFINITIONS.—In this section the following  
7           definitions shall apply:

8           “(1) ALERT STATEMENT.—The term ‘alert  
9           statement’ means a statement that—

10                   “(A) notifies all permissible users of a con-  
11                   sumer report relating to a covered consumer  
12                   that the consumer may be a victim of fraud, in-  
13                   cluding identity theft; and

14                   “(B) is presented in a manner that facili-  
15                   tates a clear and conspicuous view of the infor-  
16                   mation described in subparagraph (A) by any  
17                   person requesting such consumer report.

18           “(2) COVERED CONSUMER.—The term ‘covered  
19           consumer’ means—

20                   “(A) a minor child;

21                   “(B) an incapacitated consumer for whom  
22                   a guardian or conservator has been appointed;

23                   “(C) a consumer under the jurisdiction of  
24                   a county welfare department or county proba-

1           tion department who has been placed in a foster  
2           care setting; or

3           “(D) any other person or class of persons,  
4           as determined by the Bureau.

5           “(3) COVERED CONSUMER CREDIT FREEZE.—  
6           The term ‘covered consumer credit freeze’ means a  
7           credit freeze placed or removed on a credit record or  
8           file pursuant to this section.

9           “(4) COVERED REPRESENTATIVE.—The term  
10          ‘covered representative’—

11           “(A) means a person who provides to a  
12           consumer reporting agency sufficient proof of  
13           authority and sufficient proof of identification;

14           “(B) means, with respect to a covered con-  
15           sumer who has been placed in a foster care set-  
16           ting, a county welfare department or its agent  
17           or designee, or a county probation department  
18           or its agent or designee;

19           “(C) with respect to a covered consumer  
20           who has been placed in a foster care setting,  
21           does not mean a foster parent; and

22           “(D) means any other person or class of  
23           persons, as determined by the Bureau.

24           “(5) CREDIT RECORD.—The term ‘credit  
25           record’ means a compilation of information that—

1                   “(A) identifies a covered consumer;

2                   “(B) was created by a consumer reporting  
3                   agency solely for the purpose of complying with  
4                   this section; and

5                   “(C) is not otherwise authorized to be cre-  
6                   ated or used to consider the covered consumer’s  
7                   creditworthiness, credit standing, credit capac-  
8                   ity, character, general reputation, personal  
9                   characteristics, or mode of living.

10                  “(6) MINOR CHILD.—The term ‘minor child’  
11                  means a consumer who has not yet attained the  
12                  legal age of consent, as established by the State or  
13                  jurisdiction of residence of the person.

14                  “(7) SUFFICIENT PROOF OF AUTHORITY.—The  
15                  term ‘sufficient proof of authority’ means docu-  
16                  mentation that shows that a covered representative  
17                  has authority to act on behalf of a covered consumer  
18                  in a financial matter. Such documentation may in-  
19                  clude—

20                         “(A) a court order or relevant document  
21                         issued by a court;

22                         “(B) a legally sufficient and valid power of  
23                         attorney or a durable power of attorney;

24                         “(C) a written, notarized statement signed  
25                         by a covered representative that expressly de-



1           scribes the authority of the covered representa-  
2           tive to act on behalf of a covered consumer in  
3           financial matters, including as a temporary con-  
4           servator or temporary guardian;

5           “(D) a written communication from a  
6           county welfare department or its agent or des-  
7           ignee, or a county probation department or its  
8           agent or designee, certifying that the covered  
9           consumer is in a foster care setting under its  
10          jurisdiction; or

11          “(E) any other documentation, as deter-  
12          mined by the Bureau.

13          “(8) SUFFICIENT PROOF OF IDENTIFICATION.—  
14          The term ‘sufficient proof of identification’ means  
15          information or documentation that identifies a cov-  
16          ered consumer or a covered representative. Such in-  
17          formation or documentation may include—

18               “(A) a Social Security number or a copy of  
19               a Social Security card;

20               “(B) an official or certified copy of a birth  
21               certificate;

22               “(C) a copy of a driver’s license or similar  
23               document issued for the purpose of identifica-  
24               tion by a State;

1           “(D) a copy of a bill for telephone, sewer,  
 2           septic tank, water, electric, oil, or natural gas  
 3           services that lists the name and home address  
 4           of the covered consumer or covered representa-  
 5           tive;

6           “(E) a written communication from a  
 7           county welfare department or its agent or des-  
 8           ignee, or a county probation department or its  
 9           agent or designee, certifying that the covered  
 10          consumer is in a foster care setting under its  
 11          jurisdiction; or

12          “(F) any other information or documenta-  
 13          tion, as determined by the Bureau.”.

14          (b) TABLE OF CONTENTS AMENDMENT.—The table  
 15          of contents of the Fair Credit Reporting Act is amended  
 16          by inserting after the item relating to section 605F (as  
 17          added by section 406) the following new item:

“605G. Additional protections for files and credit records of vulnerable con-  
 sumers.”.

18          (c) AMENDMENT TO DEFINITION OF “FILE”.—Sec-  
 19          tion 603(g) of the Fair Credit Reporting Act (15 U.S.C.  
 20          1681a(g)) is amended by inserting “, except that such  
 21          term excludes a credit record created pursuant to section  
 22          605G” after “stored”.

1 **SEC. 804. 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)—

16 (I) by striking “90 days” and in-  
17 serting “1 year”; and

18 (II) by striking “and” at the end;

19 (iv) in subparagraph (B)—

20 (I) by inserting “1-year” before  
21 “fraud alert”; and

22 (II) by striking the period at the  
23 end and inserting “; and”; and

24 (v) by adding at the end the following  
25 new subparagraph:

1           “(C) upon the expiration of the 1-year pe-  
2           riod described in subparagraph (A) or a subse-  
3           quent 1-year period, and in response to a direct  
4           request by the consumer or such representative,  
5           continue the fraud alert for a period of 1 addi-  
6           tional year if the information asserted in this  
7           paragraph remains applicable.”; and

8           (C) in paragraph (2)—

9           (i) in the paragraph heading, by in-  
10          serting “AND CREDIT OR EDUCATIONAL  
11          CREDIT SCORES” after “REPORTS”;

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

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

17          (iv) in subparagraph (B), by striking  
18          “any request described in subparagraph  
19          (A)” and inserting “the consumer report-  
20          ing agency includes the 1-year fraud alert  
21          in the file of a consumer”;

22       (2) in subsection (b)—

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

25           (B) in paragraph (1)—

1 (i) in subparagraph (B)—

2 (I) by striking “5-year period be-  
3 ginning on the date of such request”  
4 and inserting “such 7-year period”;  
5 and

6 (II) by striking “and” at the end;

7 (ii) in subparagraph (C)—

8 (I) by striking “extended” and  
9 inserting “7-year”; and

10 (II) by striking the period at the  
11 end and inserting “; and”; and

12 (iii) by adding at the end the fol-  
13 lowing new subparagraph:

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

21 (C) in paragraph (2)—

22 (i) in the paragraph heading, by in-  
23 sserting “AND CREDIT OR EDUCATIONAL  
24 CREDIT SCORES” after “REPORTS”; and

1 (ii) by amending subparagraph (A) to  
2 read as follows:

3 “(A) disclose to the consumer that the con-  
4 sumer may request a free copy of the file and  
5 credit score or educational credit score of the  
6 consumer pursuant to section 612(d) during  
7 each 12-month period beginning on the date on  
8 which the 7-year fraud alert was included in the  
9 file and ending on the date of the last day that  
10 the 7-year fraud alert applies to the consumer’s  
11 file; and”;

12 (3) in subsection (c)—

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

15 (B) by redesignating paragraphs (1), (2),  
16 and (3), as subparagraphs (A), (B), and (C),  
17 respectively (and conforming the margins ac-  
18 cordingly);

19 (C) by striking “Upon the direct request”  
20 and inserting

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

22 and

23 (D) by adding at the end the following new  
24 paragraph:

1           “(2) ACCESS TO FREE REPORTS AND CREDIT  
2           OR EDUCATIONAL CREDIT SCORES.—If a consumer  
3           reporting agency includes an active duty alert in the  
4           file of an active duty military consumer, the con-  
5           sumer reporting agency shall—

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

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

22          (4) by amending subsection (d) to read as fol-  
23          lows:

24           “(d) PROCEDURES.—Each consumer reporting agen-  
25          cy described in section 603(p) shall establish and make

1 available to the public on the agency’s Internet website  
2 policies and procedures to comply with this section, includ-  
3 ing policies and procedures—

4 “(1) that inform consumers of the availability  
5 of 1-year fraud alerts, 7-year fraud alerts, active  
6 duty alerts, and credit freezes (as applicable);

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

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

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

21 (6) in subsection (f), by striking “or active duty  
22 alert” and inserting “active duty alert, or credit  
23 freeze (as applicable)”;

24 (7) in subsection (g)—



1 (A) by inserting “or has been harmed by  
2 the unauthorized disclosure of the consumer’s  
3 financial or personally identifiable information,  
4 or to inform such agency of the consumer’s par-  
5 ticipation in credit restoration or rehabilitation  
6 under section 605C, 605D, or 605E,” after  
7 “identity theft,”; and

8 (B) by inserting “or credit freezes” after  
9 “request alerts”; and

10 (8) in subsection (h)—

11 (A) in paragraph (1)—

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

14 (ii) by striking “initial” and inserting  
15 “1-year” each place such term appears;  
16 and

17 (B) in paragraph (2)—

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

21 (ii) by striking “extended” and insert-  
22 ing “7-year” each place such term appears.

1 **SEC. 805. ENHANCES ACCESS TO CREDIT FREEZES, LIMITS**  
2 **THE COST OF SUCH FREEZES, AND PROVIDES**  
3 **ACCESS TO FREE CREDIT FREEZES FOR VUL-**  
4 **NERABLE CONSUMERS.**

5 Section 605A of the Fair Credit Reporting Act (15  
6 U.S.C. 1681c–1) is amended by adding at the end the fol-  
7 lowing:

8 “(i) CREDIT FREEZES.—

9 “(1) IN GENERAL.—Upon the direct request of  
10 a consumer, or individual acting on behalf of or as  
11 a personal representative of a consumer, a consumer  
12 reporting agency described in section 603(p) that  
13 maintains a file on the consumer and has received  
14 appropriate proof of the identity of the requester (as  
15 described in section 1022.123 of title 12, Code of  
16 Federal Regulations) shall—

17 “(A) place a credit freeze on the file of the  
18 consumer not later than 1 business day after  
19 receiving such request sent by postal mail, toll-  
20 free telephone, or secure electronic means as es-  
21 tablished by the agency and—

22 “(i) not later than 5 business days  
23 after placing the credit freeze, provide the  
24 consumer with written confirmation of the  
25 credit freeze and a unique personal identi-  
26 fication number or password (other than

1 the consumer's social security number) for  
2 use to authorize the release of the con-  
3 sumer's report for a specific period of  
4 time; and

5 “(ii) disclose all relevant information  
6 to the consumer relating to the procedures  
7 for temporarily lifting and fully removing a  
8 credit freeze, including a statement about  
9 the maximum amount of time given to an  
10 agency to conduct such actions;

11 “(B) for a consumer who provides a cor-  
12 rect personal identification number or pass-  
13 word, temporarily lift an existing credit freeze  
14 from the consumer's file for a period of time  
15 specified by the consumer for a specific user or  
16 category of users, as determined by the con-  
17 sumer—

18 “(i) not later than 1 business day  
19 after receiving the request by postal mail;  
20 or

21 “(ii) not later than 15 minutes after  
22 receiving the request by toll-free telephone  
23 number or secure electronic means estab-  
24 lished by the agency, if such request is re-  
25 ceived during regular business hours, ex-

cept if the consumer reporting agency's  
ability to temporarily lift the credit freeze  
is prevented by—

“(I) an act of God, including  
earthquakes, hurricanes, storms, or  
similar natural disaster or phe-  
nomenon, or fire;

“(II) unauthorized or illegal acts  
by a third party including terrorism,  
sabotage, riot, vandalism, labor strikes  
or disputes disrupting operations, or a  
similar occurrence;

“(III) an operational interrup-  
tion, including electrical failure, unan-  
ticipated delay in equipment or re-  
placement part delivery, computer  
hardware or software failures inhib-  
iting response time, or a similar dis-  
ruption;

“(IV) governmental action, in-  
cluding emergency orders or regula-  
tions, judicial or law enforcement ac-  
tion, or a similar directive;

“(V) regularly scheduled mainte-  
nance or updates to the consumer re-

1                   porting agency’s systems occurring  
2                   outside of normal business hours; or

3                   “(VI) commercially reasonable  
4                   maintenance of, or repair to, the con-  
5                   sumer reporting agency’s systems that  
6                   is unexpected or unscheduled; or

7                   “(C) for a consumer who provides a cor-  
8                   rect personal identification number or pass-  
9                   word, fully remove an existing credit freeze  
10                  from the file of the consumer not later than 1  
11                  business day after receiving such request by  
12                  postal mail, toll-free telephone, or secure elec-  
13                  tronic means established by the agency.

14               “(2) FEES.—

15               “(A) CLASSES OF CONSUMERS.—The Bu-  
16               reau may establish classes of consumers eligible  
17               to place, temporarily lift, or fully remove a  
18               credit freeze free of charge.

19               “(B) NO FEE.—A consumer reporting  
20               agency described in section 603(p) may not  
21               charge a consumer a fee to place, temporarily  
22               lift, or fully remove a credit freeze if the con-  
23               sumer or a representative of the consumer—

24               “(i) asserts in good faith a suspicion  
25               that the consumer has been or is about to

1           become a victim of identity theft, fraud, or  
2           a related crime, or harmed by the unau-  
3           thorized disclosure of the consumer's fi-  
4           nancial or personally identifiable informa-  
5           tion;

6           “(ii) is an active duty military con-  
7           sumer;

8           “(iii) is 65 years of age or older; or

9           “(iv) is a member of a class estab-  
10          lished by the Bureau under subparagraph  
11          (A).

12          “(C) LIMITATION ON FEES.—For con-  
13          sumers not described in subparagraph (B), a  
14          consumer reporting agency may charge not  
15          more than \$3 (as adjusted by the Bureau on  
16          January 1st of each year, based proportionally  
17          on changes in the Consumer Price Index for All  
18          Urban Consumers published by the Bureau of  
19          Labor Statistics of the Department of Labor,  
20          with fractional changes rounded to the nearest  
21          50 cents) for each request by a consumer or a  
22          representative of the consumer to place, tempo-  
23          rarily lift, or fully remove a credit freeze.

24          “(3) ACCESS TO FREE REPORTS AND CREDIT  
25          OR EDUCATIONAL CREDIT SCORES.—If a consumer

1 reporting agency includes a credit freeze in the file  
2 of a consumer described in paragraph (2)(A), the  
3 consumer reporting agency shall—

4 “(A) disclose to the consumer that the con-  
5 sumer may request a free copy of the file and  
6 credit score or educational credit score of the  
7 consumer pursuant to section 612(d) on an an-  
8 nual basis beginning on the date the freeze is  
9 placed and ending on the date that is 12  
10 months after the freeze is fully removed; and

11 “(B) provide to the consumer all disclo-  
12 sures required to be made under section 609,  
13 without charge to the consumer, not later than  
14 3 business days after any request described in  
15 paragraph (1) is made.

16 “(4) OTHER REQUIREMENTS.—During the pe-  
17 riod beginning on the date a consumer or a rep-  
18 resentative of the consumer requests to place a cred-  
19 it freeze and ending the date on which the consumer  
20 or representative requests to fully remove a credit  
21 freeze, a consumer reporting agency shall exclude  
22 the consumer from any list of consumers prepared  
23 by the consumer reporting agency and provided to  
24 any third party to offer credit or insurance to the  
25 consumer as part of a transaction that was not initi-

1       ated by the consumer, unless the consumer or such  
2       representative requests that such exclusion be re-  
3       scinded before end of such period.

4           “(5) NOTICE TO CONSUMERS REGARDING  
5       CHANGES TO CERTAIN PERSONALLY IDENTIFIABLE  
6       INFORMATION.—A consumer reporting agency may  
7       not change the name, date of birth, social security  
8       number, or address of a consumer in the file of the  
9       consumer during the period that a credit freeze is in  
10      place unless the consumer reporting agency sends a  
11      written confirmation of the change to the consumer  
12      within 30 days of the change being posted to the  
13      consumer’s file. Written confirmation shall not be  
14      required for technical modifications of a consumer’s  
15      personally identifiable information including name  
16      and street abbreviations, complete spellings, or  
17      transposition of numbers or letters. In the case of an  
18      address change of the consumer, any written con-  
19      firmation shall be sent to the new address and  
20      former address of the consumer.

21           “(6) NONAPPLICABILITY TO CERTAIN PUBLIC  
22      RECORD INFORMATION.—A credit freeze placed on  
23      the file of a consumer shall not prohibit a consumer  
24      reporting agency from disclosing public record infor-



1       mation lawfully obtained by, or for, the consumer re-  
2       porting agency from an open public record.

3           “(7) RELATION TO STATE LAW.—This sub-  
4       section does not annul, alter, or affect in any man-  
5       ner the meaning, scope or applicability of the laws  
6       of any State relating to credit freezes or other simi-  
7       lar actions, except to the extent those laws are in-  
8       consistent with any provision of this title, and then  
9       only to the extent of the inconsistency. For purposes  
10      of this subsection, a term or provision of a State law  
11      is not inconsistent with the provisions of this sub-  
12      section if the term or provision affords greater pro-  
13      tection and benefit to the consumer than the protec-  
14      tion and benefit provided under this subsection as  
15      determined by the Bureau, on its own motion or  
16      upon the petition of any interested party.”.

17   **SEC. 806. REQUIRES DISCLOSURE OF CONSUMER RIGHTS**  
18           **RELATED TO CREDIT FREEZES.**

19       (a) SUMMARY OF RIGHTS RELATED TO CREDIT  
20   FREEZES.—Section 609(c)(1) of the Fair Credit Report-  
21   ing Act (15 U.S.C. 1681g(c)(1)), as amended by section  
22   105(d)(1)(C)(iv), is further amended by adding at the end  
23   the following new subparagraph:

24           “(E) SUMMARY OF RIGHTS RELATED TO  
25       CREDIT FREEZES.—The Bureau shall publish,

1           and consumer reporting agencies described  
2           under section 603(p) shall distribute to con-  
3           sumers, the following notice:

4   **“CREDIT FREEZES.**

5        “Consumers have the right to obtain a credit freeze  
6   under Federal law from any of the nationwide consumer  
7   reporting agencies. You have a right to place a credit  
8   freeze on your consumer report, which will prohibit a con-  
9   sumer reporting agency from releasing information in your  
10   consumer report without your express authorization. A  
11   credit freeze may be requested in writing by mail, by toll-  
12   free telephone, or by electronic means as provided by a  
13   consumer reporting agency. A credit freeze is designed to  
14   prevent credit, loans, and services from being approved in  
15   your name without your consent. If you are actively seek-  
16   ing a new credit, loan, utility, telephone, or insurance ac-  
17   count, you should understand that the procedures involved  
18   in lifting a credit freeze may slow your applications for  
19   such accounts and you should plan ahead and lift a freeze  
20   in advance of actually applying for any of these type of  
21   accounts. When you place a credit freeze on your con-  
22   sumer report, you will be provided a personal identification  
23   number or password to use if you choose to fully remove  
24   the freeze on your consumer report or temporarily author-  
25   ize the release of your consumer report for a period of

1 time after the freeze is in place to a specific party or par-  
2 ties. To provide that authorization you must contact each  
3 consumer reporting agency individually and provide your  
4 personal identification number or password, proper identi-  
5 fication to verify your identity, and the period of time for  
6 which you would like the report to be available. A con-  
7 sumer reporting agency must authorize the release of your  
8 consumer report no later than 15 minutes after receiving  
9 the above information if the request is by toll-free tele-  
10 phone, or secure electronic means, and no later than one  
11 business day when a written request is submitted by mail.  
12 A credit freeze does not apply to a person or entity, or  
13 its affiliates or collection agencies acting on behalf of the  
14 person or entity, with which you have an existing account,  
15 that requests information in your consumer report for the  
16 purposes of reviewing or collecting the account. Reviewing  
17 the account includes activities related to account mainte-  
18 nance. Unless you suspect you have been or are about to  
19 become a victim of identity theft, fraud, a related crime,  
20 or harmed by the unauthorized disclosure of your financial  
21 or personally identifiable information, are an active duty  
22 military servicemember, are 65 years of age or older, or  
23 as otherwise identified as an eligible consumer by the Bu-  
24 reau of Consumer Financial Protection, a consumer re-  
25 porting agency has the right to charge you a fee of no

1 more than \$3 dollars each time you place, temporarily lift,  
2 or fully remove a credit freeze. However, if you reside in  
3 a State that provides greater protections with respect to  
4 the circumstances, method, or frequency for obtaining a  
5 credit freeze than is available under the Federal law, those  
6 State protections and benefits will apply to you.’.”.

7 (b) CLARIFICATION OF INFORMATION TO BE IN-  
8 CLUDED WITH AGENCY DISCLOSURES.—Section  
9 609(c)(2) of such Act (15 U.S.C. 1681g(c)(2)) is amend-  
10 ed—

11 (1) in subparagraph (B)—

12 (A) by striking “consumer reporting agen-  
13 cy described in section 603(p)” and inserting  
14 “consumer reporting agency described in sub-  
15 section (p) or (x) of section 603”;

16 (B) by striking “the agency” and inserting  
17 “such an agency”; and

18 (C) by inserting “and an Internet website  
19 address” after “hours”; and

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

1 **SEC. 807. PROVIDES ACCESS TO FRAUD RECORDS FOR VIC-**  
2 **TIMS.**

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

5 (1) in paragraph (1)—

6 (A) by striking “resulting from identity  
7 theft”;

8 (B) by striking “claim of identity theft”  
9 and inserting “claim of fraudulent activity”;  
10 and

11 (C) by striking “any transaction alleged to  
12 be a result of identity theft” and inserting “any  
13 fraudulent transaction”;

14 (2) in paragraph (2)(B)—

15 (A) by striking “identity theft, at the elec-  
16 tion of the business entity” and inserting  
17 “fraudulent activity”;

18 (B) by amending clause (i) to read as fol-  
19 lows:

20 “(i) a copy of an identity theft report;  
21 or”; and

22 (C) by amending clause (ii) to read as fol-  
23 lows:

24 “(ii) an affidavit of fact that is ac-  
25 ceptable to the business entity for that  
26 purpose.”;

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

3           (4) by striking paragraph (8) and redesignating  
4       paragraphs (9) through (13) as paragraphs (8)  
5       through (12), respectively; and

6           (5) in paragraph (10) (as so redesignated), by  
7       striking “or a similar crime” and inserting “, fraud,  
8       or a related crime”.

9       **SEC. 808. REQUIRED BUREAU TO SET PROCEDURES FOR**  
10                   **REPORTING IDENTITY THEFT, FRAUD, AND**  
11                   **OTHER RELATED CRIME.**

12       Section 621(f)(2) of the Fair Credit Reporting Act  
13       (15 U.S.C. 1681s(f)(2)) is amended—

14           (1) in the paragraph heading, by striking  
15       “MODEL FORM” and inserting “STANDARDIZED AF-  
16       FIDAVIT”;

17           (2) by striking “The Commission” and insert-  
18       ing “The Bureau”;

19           (3) by striking “model form” and inserting  
20       “standardized affidavit”;

21           (4) by inserting after “identity theft” the fol-  
22       lowing: “, fraud, or a related crime, or otherwise are  
23       harmed by the unauthorized disclosure of the con-  
24       sumer’s financial or personally identifiable informa-  
25       tion,”; and

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

5   **SEC. 809. ESTABLISHES THE RIGHT TO FREE CREDIT MONI-**  
6                   **TORING AND IDENTITY THEFT PROTECTION**  
7                   **SERVICES FOR CERTAIN CONSUMERS.**

8       Section 605A of the Fair Credit Reporting Act (15  
9   U.S.C. 1681c–1(a)), as amended by section 805, is further  
10   amended by adding at the end the following:

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

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

1           “(2) FEES.—

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

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

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

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

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



1 “(iv) is an active duty military con-  
2 sumer;

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 annul, alter, or affect in any man-  
19 ner the meaning, scope or applicability of the laws  
20 of any State relating to credit monitoring and iden-  
21 tity theft protection services or other similar actions,  
22 except to the extent those laws are inconsistent with  
23 any provision of this title, and then only to the ex-  
24 tent of the inconsistency. For purposes of this sub-  
25 section, a term or provision of a State law is not in-

1 consistent with the provisions of this subsection if  
 2 the term or provision affords greater protection and  
 3 benefit to the consumer than the protection and ben-  
 4 efit provided under this subsection as determined by  
 5 the Bureau, on its own motion or upon the petition  
 6 of any interested party.”.

7 **SEC. 810. ENSURES REMOVAL OF INQUIRIES RESULTING**  
 8 **FROM IDENTITY THEFT, FRAUD, OR OTHER**  
 9 **RELATED CRIME FROM CONSUMER REPORTS.**

10 Section 605(a) of the Fair Credit Reporting Act (15  
 11 U.S.C. 1681c(a)), as amended by section 401, is further  
 12 amended by adding at the end the following:

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

17 **TITLE IX—MISCELLANEOUS**

18 **SEC. 901. DEFINITIONS RELATED TO DAYS.**

19 Section 603 of the Fair Credit Reporting Act (15  
 20 U.S.C. 1681a), as amended by section 601, is further  
 21 amended by adding at the end the following:

22 “(bb) DEFINITIONS RELATED TO DAYS.—

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

1           “(2) BUSINESS DAY.—The term ‘business day’  
2       means a day between and including Monday to Fri-  
3       day, and excluding any federally recognized holi-  
4       day.”.

5   **SEC. 902. TECHNICAL CORRECTION RELATED TO RISK-**  
6                   **BASED PRICING NOTICES.**

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

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

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

13   **SEC. 903. FCRA FINDINGS AND PURPOSE; VOIDS CERTAIN**  
14                   **CONTRACTS NOT IN THE PUBLIC INTEREST.**

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

18          (1) in subsection (a)—

19               (A) by amending paragraph (1) to read as  
20      follows:

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

1 integrity of using credit reports in other cir-  
2 cumstances, and unfair credit reporting and credit  
3 scoring methods undermine the public confidence  
4 which is essential to the continued functioning of the  
5 financial services system and the provision of many  
6 other consumer products and services.”; and

7 (B) in paragraph (4), by inserting after  
8 “agencies” the following: “, furnishers, and  
9 credit scoring developers”; and

10 (2) in subsection (b)—

11 (A) by striking “It is the purpose of this  
12 title to require” and inserting the following:

13 “The purpose of this title is the following:

14 “(1) To require”; and

15 (B) by adding at the end the following:

16 “(2) To prohibit any practices and procedures  
17 with respect to credit reports and credit scores that  
18 are not in the public interest.”.

19 (b) VOIDING OF CERTAIN CONTRACTS NOT IN THE  
20 PUBLIC INTEREST.—

21 The Fair Credit Reporting Act (15 U.S.C. 1681  
22 et seq.), as amended by section 703, is further  
23 amended—

24 (1) by adding at the end the following new sec-  
25 tion:

1   **“§ 636. 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:

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

14   **SEC. 904. GENERAL BUREAU RULEMAKING.**

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

○