SECTION 1. SHORT TITLE.

This Act may be cited as the “Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency Act of 2020” or the “Comprehensive CREDIT Act of 2020”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

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TITLE I—IMPROVEMENTS TO THE DISPUTE PROCESS

Sec. 101. Dispute procedures and disclosures relating to reinvestigations.
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Sec. 301. Removal of adverse information for certain private education loan borrowers.
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TITLE IV—CREDIT RESTORATION FOR VICTIMS OF PREDATORY ACTIVITIES AND UNFAIR CONSUMER REPORTING PRACTICES

Sec. 401. Adverse credit information.
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Sec. 501. Consumer Bureau study and report to Congress on the impact of non-traditional data.
Sec. 502. Consumer Bureau oversight of credit scoring models.

TITLE VI—RESTRICTIONS ON CREDIT CHECKS FOR EMPLOYMENT DECISIONS

Sec. 601. Prohibition on the use of credit information for most employment decisions.

TITLE VII—PROHIBITION ON MISLEADING AND UNFAIR CONSUMER REPORTING PRACTICES

Sec. 701. Prohibition on automatic renewals for promotional consumer reporting and credit scoring products and services.
Sec. 702. Prohibition on misleading and deceptive marketing related to the provision of consumer reporting and credit scoring products and services.
Sec. 703. Prohibition on excessive direct-to-consumer sales.
Sec. 704. Fair access to consumer reporting and credit scoring disclosures for nonnative English speakers and the visually and hearing impaired.
Sec. 705. Comparison shopping for loans without harm to credit standing.
Sec. 706. Nationwide consumer reporting agencies registry.

TITLE VIII—PROTECTIONS AGAINST IDENTITY THEFT, FRAUD, OR A RELATED CRIME

Sec. 801. Identity theft report definition.
Sec. 802. Amendment to protection for files and credit records of protected consumers.
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Sec. 804. Amendment to security freezes for consumer reports.
Sec. 805. Clarification of information to be included with agency disclosures.
Sec. 806. Provides access to fraud records for victims.
Sec. 807. Required Bureau to set procedures for reporting identity theft, fraud, and other related crime.
Sec. 808. Establishes the right to free credit monitoring and identity theft protection services for certain consumers.
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TITLE IX—MISCELLANEOUS

Sec. 901. Definitions.
Sec. 902. Technical correction related to risk-based pricing notices.
Sec. 903. FCRA findings and purpose; voids certain contracts not in the public interest.

1 SEC. 3. FINDINGS.

Congress finds the following:

(1) GENERAL FINDINGS ON CREDIT REPORTING.—

(A) Consumer reporting agencies (“CRAs”) are companies that collect, compile, and provide information about consumers in the form of consumer reports for certain permissible statutory purposes under the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) (“FCRA”). The three largest CRAs in this country are Equifax, TransUnion, and Experian. These CRAs are referred to as nationwide CRAs and the reports that they pre-
pare are commonly referred to as credit reports. Furnishers, such as creditors, lenders, and debt collection agencies, voluntarily submit information to CRAs about their accounts such as the total amount for each loan or credit limit for each credit card and the consumer’s payment history on these products. Reports also include identifying information about a consumer, such as their birthdate, previous mailing addresses, and current and previous employers.

(B) In a December 2012 paper, “Key Dimensions and Processes in the U.S. Credit Reporting System: A review for how the nation’s largest credit bureaus manage consumer data”, the Bureau of Consumer Financial Protection (“Consumer Bureau”) noted that the three nationwide CRAs maintain credit files on approximately 200 million adults and receive information from about 10,000 furnishers. On a monthly basis, these furnishers provide information on over 1.3 billion consumer credit accounts or other trade lines.

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

(D) Consumer reports play an increasingly important role in the lives of American consumers. Most creditors, for example, review these reports to make decisions about whether to extend credit to consumers and what terms and conditions to offer them. As such, information contained in these reports affects whether a person is able to get a private education loan to pay for college costs, to secure a mortgage loan to buy a home, or to obtain a credit card, as well as the terms and conditions under which consumer credit products or services are offered to them.

(E) Credit reports are also increasingly used for many noncredit decisions, including by landlords to determine whether to rent an apartment to a prospective tenant and by employers to decide whether to hire potential job applicants or to offer a promotion to existing employees.

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

(G) The nationwide CRAs have failed to establish and follow reasonable procedures, as required by existing law, to establish the maximum level of accuracy of information contained on consumer reports. Given the repeated failures of these CRAs to comply with accuracy requirements on their own, legislation is intended to provide them with detailed guidance improving the accuracy and completeness of information contained in consumer reports, including procedures, policies, and practices that these CRAs should already be following to ensure full compliance with their existing obligations.

(H) The presence of inaccurate or incomplete information on these reports can result in substantial financial and emotional harm to consumers. Credit reporting errors can lead to the loss of a new employment opportunity or a denial of a promotion in an existing job, stop someone from being able to access credit on favorable terms, prevent a person from obtaining rental housing, or even trigger mental distress.
(I) Current industry practices impose an unfair burden of proof on consumers trying to fix errors on their reports.

(J) Consumer reports containing inaccurate or incomplete credit information also undermine the ability of creditors and lenders to effectively and accurately underwrite and price credit.

(K) Recognizing that credit reporting affects the lives of almost all consumers in this country and that the consequences of errors on a consumer report can be catastrophic for a consumer, the Consumer Bureau began accepting consumer complaints about credit reporting in October 2012.

(L) As of early December 2019, the Consumer Bureau has handled approximately 391,560 credit reporting complaints about the top three CRAs, making credit reporting consistently in the top third most-complained-about subject matter on which the Consumer Bureau accepts consumer complaints. Incorrect information in reports and frustrations about burdensome and time-consuming process to dis-
puting items is are consistently top reported
concerns from consumers.

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

(N) In the fall 2019 “Supervisory High-
lights”, the Consumer Bureau noted that one or
more of the largest CRAs continue to struggle
to adequately oversee furnishers to ensure that
they were adhering to the CRA’s vetting poli-
cies and to establish proper procedures to verify
public record information.

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

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

(Q) As evidence that the current system
lacks sufficient market incentives for CRAs to
develop more robust procedures to increase the
accuracy and completeness of information on
credit reports, litigation discovery documented
by the National Consumer Law Center
(“NCLC”), as part of a February 2019 report
titled “Automated Injustice Redux: Ten Years
after a Key Report, Consumers Are Still Frustrated Trying to Fix Credit Reporting Errors”,
showed that at least two of the three largest
CRAs use quota systems to force employees to
process disputes hastily and without the oppor-
tunity for conducting meaningful investigations.
At least one nationwide CRA only allowed dis-
pute resolution staff five minutes to handle a
consumer’s call. Furthermore, these CRAs were found to have awarded bonuses for meeting quotas and punished those who didn’t meet production numbers with probation.

(R) Unlike most other business relationships, where consumers can register their satisfaction or unhappiness with a particular credit product or service simply by taking their business elsewhere, consumers have no say in whether their information is included in the CRAs databases and limited legal remedies to hold the CRAs accountable for inaccuracies or poor service.

(S) Accordingly, despite the existing statutory mandate for CRAs to follow reasonable procedures to assure the maximum possible accuracy of the information whenever they prepare consumer reports, numerous studies, the high volume of consumer complaints submitted to the Consumer Bureau about incorrect information on consumer reports, and supervisory activities by the Consumer Bureau demonstrate that CRAs continue to skirt their obligations under the law.
(2) **INCORRECT INFORMATION ON CONSUMER REPORTS.**

(A) Consumers are entitled to dispute errors on their consumer reports with either the CRA, who issued the report, or directly with furnishers, who supplied the account information to the CRA, and request that mistakes be deleted or removed. Consumers, who believe an investigation has not correctly resolved their dispute, however, have few options, other than requesting that a statement about the dispute be included with their future reports.

(B) CRAs have a statutory obligation under the FCRA to perform a reasonable investigation by conducting a substantive and searching inquiry when a consumer disputes an item on their report. In doing so, CRAs must conduct an independent review about the accuracy of any disputed item and cannot merely rely on a furnisher’s “rubber-stamp” verification of the integrity of the information they have provided to CRAs.

(C) In “Report to Congress Under Section 319 of the Fair and Accurate Credit Transactions Act of 2003” released by the Federal
Government in December 2012, found that 26 percent of survey participants identified at least one potentially material error on their consumer reports, and 13 percent experienced a change in their credit score once the error was fixed.

(D) Consumer Bureau examiners have identified repeated deficiencies with the nationwide CRAs’ information collection. In the fall 2019 “Supervisory Highlights”, the Consumer Bureau noted continued weaknesses with CRAs’ methods and processes for assuring maximum possible accuracy in their reports. Examiners also found, with certain exceptions, no quality control policies and procedures in place to test consumer reports for accuracy.

(E) In its “Credit Reporting Complaint Snapshot” released in February 2014, the Consumer Bureau found that consumers were uncertain about the depth and validity of the investigations performed about a disputed item. Consumers also expressed frustration that, even though they provided supporting materials that they believed demonstrated the inaccuracy of the information provided by furnishers, errors continued to remain on their reports.
In the winter 2015 “Supervisory Highlights” released in March 2015, the Consumer Bureau reported that one or more nationwide CRAs failed to adequately fulfill their dispute-handling obligations, including by not forwarding to furnishers all relevant information found in letters and supporting documents supplied by consumers when they submitted disputes failing to notify consumers that they had completed investigations, and not providing consumers with the results of the CRAs’ reviews about their disputes.

Consumer Bureau examiners also noted in the fall 2016 “Supervisory Highlights” released in October 2016 that one or more entities failed to provide adequate guidance and training to staff about how to differentiate FCRA disputes from general customer inquiries, complaints, or debt validation requests. Consumer Bureau supervisors also directed one or more entities to develop and implement reasonable procedures to ensure that direct and indirect disputes are appropriately logged, categorized, and resolved.
(H) Consumers’ increasing frustration about the difficulties of trying to fix credit reporting errors, evidenced through the volume of consumer complaints related to errors submitted to the Consumer Bureau, are also echoed in another Federal Government study issued in January 2015. In the “Report to Congress under Section 319 for the Fair and Accurate Credit Transactions Act of 2003”, the study found that nearly 70 percent (84 people) of participants from a previous survey that had filed disputes with CRAs continued to believe that at least some of the disputed information remained inaccurate at the time of the follow-up survey. Despite these views, 50 percent (42 people) of the survey participants decided to just give up trying to fix the errors, with only 45 percent (38 people) of them planning to continue to try to resolve their disputes.

(I) The consistently high volume of consumer complaints submitted to the Consumer Bureau about credit reporting errors, coupled with the largest CRAs’ repeated quality control weaknesses found by Consumer Bureau examiners, show that the nationwide CRAs have
failed to establish and follow reasonable procedures to assure maximum accuracy of information and to conduct independent investigations of consumers’ disputes. These ongoing problems demonstrate the need for legislation to—

(i) enhance obligations on furnishers to substantiate information and require furnishers to keep records for the same amount of time that adverse information about these accounts may appear on a person’s consumer report;

(ii) eliminate CRAs’ discretion to determine the relevancy of materials provided by consumers to support their dispute claims by instead requiring them to pass all material onto furnishers and eliminating CRA’s discretion to deem some disputes frivolous or irrelevant when a consumer resubmits a claim that they believe has been inadequately resolved;

(iii) enhance educational content on CRAs’ websites to improve consumers’ understanding of the dispute process and to make it easier for all consumers to initiate claims, including by providing these discl...
sures in other languages besides English; and

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

(3) INJUNCTIVE RELIEF.—

(A) Despite the fact that the FCRA currently provides implicit authority for injunctive relief, consumers have been prevented from exercising this right against CRAs. Legislation explicitly clarifying this right is intended to underscore congressional intent that injunctive relief should be viewed as a remedy available to consumers.

(B) Myriad findings by the courts, regulators, consumers, and consumer advocates make clear that CRAs have failed to establish adequate standards for the accuracy and completeness of consumer reports, yet the nationwide CRAs have demonstrated little willingness to voluntarily retool their policies and procedures to fix the problems.

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

(D) Absent explicit authority to issue injunctions, history suggests that the nationwide CRAs are likely to continue conducting business as usual in treating any monetary settlements with individual consumers and fines imposed by State attorneys general and Federal regulators, simply as the “cost of doing business”.

(4) Credit scores.—

(A) While nationwide CRAs are required by law to supply consumers with a free copy of their credit report annually, they can charge consumers to obtain a credit score disclosure.

(B) Many consumers do not realize that they have more than just “one” credit score. Because the submission of credit information to CRAs is voluntary and not all furnishers submit information to every CRA, the information contained in a report also varies among CRAs. As a result, the credit score generated by each CRA is also likely to vary, resulting in potentially different credit decisions based on an
evaluation of different credit reports obtained from different CRAs.

(C) A February 2015 Consumer Bureau report titled “Consumer Voices on Credit Reports and Scores” found that consumers had questions about what actions to take to improve their scores once they had seen them, suggesting that additional disclosures and educational content would be helpful to consumers. The Consumer Bureau found that consumers were confused by conflicting advice on how to improve their scores.

(D) That report also noted that consumers found the process for obtaining consumer reports and credit scores confusing. Consumers also were uncertain about whether, and under what circumstances, they could obtain a consumer report for free.

(5) PRIVATE EDUCATION LOANS.—

(A) The Consumer Bureau’s October 2014 report titled “Annual Report of the CFPB Student Loan Ombudsman” noted many private education loan borrowers, who sought to negotiate a modified repayment plan when they were experiencing a period of financial distress, were
unable to get assistance from their loan holders, which often resulting in them defaulting on their loans. This pattern resembles the difficulty that a significant number of mortgage loan borrowers experienced when they sought to take responsible steps to work with their mortgage loan servicer to avoid foreclosure during the Great Recession.

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

(6) Deceptive practices at certain proprietary education institutions and career education programs.
(A) NCLC cited the proliferation of law enforcement actions against many for-profit schools in its June 2014 report, titled “Ensuring Educational Integrity: 10 Steps to Improve State Oversight of For-profit Schools”, to demonstrate the pervasive problem in this sector of targeting low-income students with deceptive high-pressure sales techniques involving inflated job placement rates and misleading data on graduate wages, and false representations about the transferability of credits and the employability of graduates in occupations that require licensure. Student loan borrowers at these schools may be left with nothing but worthless credentials and large debt. Those who default on their student loans face years with damaged credit that will adversely impact their ability to rent or buy homes, purchase cars, and find employment.

(B) The closure and bankruptcy of Corinthian Colleges, which was found to have deceived students by steering them into high-interest student loans based on misleading graduation rates and employment data, is a good example of the problem. Even after its closure,
many Corinthian students remained saddled with student loan debt, worthless degrees, and few prospects for employment.

(C) Attending a two-year, for-profit college costs, on average, four times as much as attending a community college. Students at for-profit colleges represent only about 11 percent of the total higher education population but a startling 44 percent of all Federal student loan defaults, according to the United States Department of Education (“DOE”).

(D) According to NCLC, a disproportionate number of for-profit students are low-income and people of color. These schools target veterans, working parents, first-generation students, and non-English speaking students, who may be more likely than their public or private nonprofit school counterparts to drop out, incur enormous student debt, and default on this debt. In the 2011–2012 school year, 28 percent of African Americans and 15 percent of Latinos attending four-year institutions were enrolled in a for-profit school, compared to 10 percent of Whites.
(E) As highlighted in a press release titled “Obama Administration Announces Final Rules to Protect Students from Poor-Performing Career College Programs”, that was issued by the DOE on October 30, 2014, “too often, students at career colleges—including thousands of veterans—are charged excessive costs, but don’t get the education they paid for. Instead, students in such programs are provided with poor quality training, often for low-wage jobs or in occupations where there are simply no job opportunities. They find themselves with large amounts of debt and, too often, end up in default. In many cases, students are drawn into these programs with confusing or misleading information.”.

(7) MEDICAL DEBT.—

(A) Research by the Consumer Bureau has found that the inclusion of medical collections on consumer reports has unfairly reduced consumers’ credit scores.

(B) The Consumer Bureau’s review of 5 million anonymized credit files from September 2011 to September 2013, for example, found that credit scores may underestimate a person’s
creditworthiness by up to 10 points for those who owe medical debt, and may underestimate a person’s creditworthiness by up to 22 points after the medical debt has been paid. For consumers with lower credit scores, especially those on the brink of what is considered subprime, a 10 to 22 point decrease in their credit scores can have a significant impact on their lives, including by affecting whether they are able to qualify for credit and, if so, the terms and conditions under which it is extended to them.

(C) The Consumer Bureau found that half of all collections trade lines that appear on consumer reports are related to medical bills claimed to be owed to hospitals and other medical providers. These trade lines affect the reports of nearly 1/5 of all consumers in the credit reporting system.

(D) The Consumer Bureau has found that there are no objective or enforceable standards that determine when a debt can or should be reported as a collection trade line. Because debt buyers and collectors determine whether, when, and for how long to report a collection account, there is only a limited relationship between the
time period reported, the severity of a delinquency, and when or whether a collection trade line appears on a consumer’s credit report.

(E) Medical bills can be complex and confusing for many consumers, which results in consumers’ uncertainty about what they owe, to whom, when, or for what, that may cause some people, who ordinarily pay their bills on time, to delay or withhold payments on their medical debts. This uncertainty can also result in medical collections appearing on consumer reports.

In a December 2014 report titled “Consumer Credit Reports: A Study of Medical and Non-Medical Collections”, the Consumer Bureau found that a large portion of consumers with medical collections show no other evidence of financial distress and are consumers who ordinarily pay their other financial obligations on time. Unlike with most credit products or services, such as credit cards, installment loans, utilities, or wireless or cable services that have contractual account disclosures describing the terms and conditions of use, most consumers are not told what their out-of-pocket medical costs will be in advance. Consumers needing ur-
gent or emergency care rarely know, or are provided, the cost of a medical treatment or procedure before the service is rendered.

(F) The Consumer Bureau concluded that the presence of medical collections is less predictive of future defaults or serious delinquencies than the presence of a nonmedical collection in a study titled “Data Point: Medical Debt and Credit Scores”, issued in May 2014.

(G) FICO’s latest credit scoring model, “FICO 9”, changes the treatment of paid collections to disregard any collection matters that the consumer has paid in full. FICO 9, however, is not yet widely used by lenders.

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

(I) The three nationwide CRAs entered into a settlement agreement with the New York State attorney general in 2015 to address deficiencies in their dispute resolution process and enhance the accuracy of items on reports. These policy changes will be implemented in a three-phrased rollout, culminating by June 2018.
Subsequently, these CRAs entered into a cooperative agreement with 31 State Attorneys General, which was the basis of the creation of the National Consumer Assistance Plan (‘’NCAP’’) to change some of their business practices.

(J) While the CRAs appear to be voluntarily adopting policy changes on a nationwide basis, they are not obligated to do so for consumers who reside in States that are not party to any of the consent orders.

(K) As a result of the settlement agreements, the three nationwide CRAs will set a 180-day waiting period before including medical collections on a report and will remove a medical collection from a report once it is paid by an insurance company. While this change will benefit many, once a medical collection appears on a report, it will only be deleted or suppressed if it is found to have been the insurance company’s obligation to pay and the insurer pays it. Given the research showing there is little predictive value in medical debt information, medical collections that are paid or settled should quickly be removed from a report, regardless of who pays or settles this debt.
(8) **FINANCIAL ABUSE BY KNOWN PERSONS.**—

(A) Financial abuse and exploitation are frequently associated with domestic violence. This type of abuse may result in fraudulent charges to a credit card or having fraudulent accounts created by the abuser in the survivor’s name that could affect ratings by CRAs. Financial abuse may also result in the survivor’s inability to make timely payments on their valid obligations due to loss or changes in income that can occur when their abuser steals from or coerces the survivor to relinquish their paychecks or savings that could affect ratings by CRAs.

(B) By racking up substantial debts in the survivor’s name, abusers are able to exercise financial control over their survivors to make it economically difficult for the survivor, whose credit is often destroyed, to escape the situation.

(C) Domestic abuse survivors with poor credit are likely to face significant obstacles in establishing financial independence from their abusers. This can be due, in part, because consumer reports may be used when a person at-
tempts to obtain a checking account, housing, insurance, utilities, employment, and even a security clearance as required for certain jobs.

(D) Providing documentation of identity ("ID") theft in order to dispute information on one’s consumer report can be particularly challenging for those who know their financial abuser.

(E) While it is easier for consumers who obtain a police report to remove fraudulent information from their consumer report and prevent it from reappearing in the future, according to the Empire Justice Center, safety and other noncredit concerns may impact the capacity of a survivor of financial abuse committed by a known person to turn to law enforcement to get a police report.

(F) According to the Legal Aid Society in New York, domestic abuse survivors, seeking to remove adverse information stemming from financial abuse by contacting their furnishers directly, are likely to face skepticism about claims of ID theft perpetrated by a partner because of an assumption that they are aware of, and may
have been complicit in, the activity which the
survivor alleges stems from financial abuse.

(9) DECEPTIVE AND MISLEADING MARKETING
PRACTICES.—

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

(B) In January 2017, the Consumer Bu-
reau fined TransUnion and Equifax for decep-
tively marketing credit scores for purchase by
consumers as the same credit scores typically
used by lenders to determine creditworthiness
and for luring consumers into costly subscrip-
tion services that were advertised as “free” or
“$1” that automatically charged recurring fees
unless cancelled by consumers. The Consumer
Bureau also found that Equifax was illegally
advertising its products on webpages that con-
sumers accessed through
AnnualCreditReport.com before consumers ob-
tained their free disclosures. Because of these troubling practices, TransUnion was ordered to pay $13.9 million in restitution to harmed consumers and a civil penalty of $3 million to the Consumer Bureau. Equifax was ordered to pay more than $3.7 million to affected consumers as well as a civil money penalty of $2.5 million to the Consumer Bureau. As part of the consent orders, the CRAs are also supposed to change the way that they sell their products to consumers. The CRAs must also obtain consumers’ express consent before enrolling them into subscription services as well as make it easier for consumers to cancel these programs.

(C) The Consumer Bureau fined the other nationwide CRA—Experian—in March 2017 for deceiving consumers about the use of credit scores that it marketed and sold to consumers as credit scores that were used by lenders and for illegally advertising its products on web pages that consumers accessed through AnnualCreditReport.com before they obtained their free annual disclosures. Experian was ordered to pay more than $3.7 million in restitution to harmed consumers and a civil monetary
penalty of $2.5 million to the Consumer Bu-

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

(E) Given the ubiquitous use of consumer
reports in consumers’ lives and the fact that
consumers’ participation in the credit reporting
system is involuntary, CRAs should also
prioritize providing consumers with the effective
means to safeguard their personal and financial
information and improve their credit standing,
rather than seeking to exploit consumers’ con-
cerns and confusion about credit reporting and
scoring, to boost their companies’ profits.
(F) Vulnerable consumers, who have legitimate concerns about the security of their personal and financial information, deserve clear, accurate, and transparent information about the credit reporting tools that may be available to them, such as fraud alerts and freezes.

(10) CLARITY IN CREDIT SCORING.—

(A) The February 2015 report of the Bureau of Consumer Financial Protection titled “Consumer Voices on Credit Reports and Scores” found that some consumers are reluctant to comparison shop for loans and other types of consumer credit products out of fear that they will lower their credit scores by doing so.

(B) The Consumer Bureau found that one of the most common barriers for people in reviewing their own credit reports and shopping for the best credit terms was a lack of understanding of the differences between “soft” and “hard” inquiries and whether requesting a copy of their own report would adversely impact their credit standing.

(C) The Bureau of Consumer Financial Protection revealed that consumers with accu-
rate perceptions of their creditworthiness may
be better equipped to shop for favorable credit
terms.

(11) CREDIT CHECKS AND EMPLOYMENT DECI-
SIONS.—

(A) The use of consumer reports as a fac-
tor in making hiring decisions has been found
to be prevalent in a diverse array of occupa-
tions, and is not limited to certain high-level
management or executive positions.

(B) According to the California Labor
Federation, only 25 percent of employers re-
searched the credit history of job applicants in
1998. However, this practice had increased to
43 percent by 2006 and to 60 percent by 2011.

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

(D) Despite the absence of data showing a correlation between job performance and creditworthiness, employers continue to use credit checks as a proxy for assessing character and integrity. According to a 2012 Society for Human Resource Management survey, organizations indicated that they used credit checks on job candidates primarily to reduce or prevent theft and embezzlement and to minimize legal liability for negligent hiring.

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

(F) A September 2014 report by the New York City Council’s Committee on Civil Rights noted that, for those who have been unemployed for an extended period of time and whose credit has suffered as they fell behind on bills, the use of credit reports in the hiring process can exacerbate and perpetuate an already precarious situation.

(G) In a March 2013 Demos report titled “Discredited: How Employment Credit Checks Keep Out Qualified Workers Out of a Job”, one in four survey participants who were unemployed said that a potential employer had requested to check their credit report as part of a job application. Among job applicants with blemished credit histories in the survey, one in seven had been told that they were not being hired because of their credit history.

(H) While job applicants must give prior approval for a prospective employer to pull their credit reports under the FCRA, this authorization, as a practical matter, does not constitute an effective consumer protection because an
employer may reject any job applicant who refuses a credit check.

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

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

(K) A May 2006 Brookings Institution report titled “Credit Scores, Reports, and Getting Ahead in America” found that counties with a relatively higher proportion of racial and ethnic minorities in the United States tended to have lower credit scores compared with counties that had a lower concentration of communities of color.

(L) Studies have consistently found that African American and Latino households tend, on average, to have lower credit scores than White households. The growing use of credit checks, therefore, may disproportionately screen otherwise qualified racial and ethnic minorities out of jobs, leading to discriminatory hiring practices, and further exacerbating the trend where unemployment for African American and Latino communities is elevated well above the rate of Whites.

(M) A 2012 Demos survey found that 65 percent of White respondents reported having good or excellent credit scores while over half of
African American households reported only having fair or bad credit.

12 (12) **Deceptive and misleading marketing practices.—**

(A) The Consumer Bureau’s February 2015 report titled “Consumer Voices on Credit Reports and Scores” found that some consumers did not obtain a copy of their consumer report due to concerns about security or of being trapped into purchasing unwanted products like an additional report or a credit monitoring service.

(B) In January 2017, the Consumer Bureau fined TransUnion and Equifax for deceptively marketing credit scores for purchase by consumers as the same credit scores typically used by lenders to determine creditworthiness and for luring consumers into costly subscription services that were advertised as “free” or “$1” that automatically charged recurring fees unless cancelled by consumers. The Consumer Bureau also found that Equifax was illegally advertising its products on webpages that consumers accessed through AnnualCreditReport.com before consumers ob-
tained their free disclosures. Because of these troubling practices, TransUnion was ordered to pay $13.9 million in restitution to harmed consumers and a civil penalty of $3 million to the Consumer Bureau. Equifax was ordered to pay more than $3.7 million to affected consumers as well as a civil money penalty of $2.5 million to the Consumer Bureau. As part of the consent orders, the CRAs are also supposed to change the way that they sell their products to consumers. The CRAs must also obtain consumers’ express consent before enrolling them into subscription services as well as make it easer for consumers to cancel these programs.

(C) The Consumer Bureau fined the other nationwide CRA—Experian—in March 2017 for deceiving consumers about the use of credit scores that it marketed and sold to consumers as credit scores that were used by lenders and for illegally advertising its products on web pages that consumers accessed through AnnualCreditReport.com before they obtained their free annual disclosures. Experian was ordered to pay more than $3.7 million in restitution to harmed consumers and a civil monetary
penalty of $2.5 million to the Consumer Bu-
reau.

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

(E) Given the ubiquitous use of consumer
reports in consumers’ lives and the fact that
consumers’ participation in the credit reporting
system is involuntary, CRAs should also
prioritize providing consumers with the effective
means to safeguard their personal and financial
information and improve their credit standing,
rather than seeking to exploit consumers’ con-
cerns and confusion about credit reporting and
scoring, to boost their companies’ profits.
F) Vulnerable consumers, who have legitimate concerns about the security of their personal and financial information, deserve clear, accurate, and transparent information about the credit reporting tools that may be available to them, such as fraud alerts and freezes.

(13) PROTECTIONS FOR CONSUMERS’ CREDIT INFORMATION.—

(A) Despite heightened awareness, incidents of ID theft continue to rise. In February 2015, the Federal Government reported that ID theft was the top consumer complaint that it received for the 15th consecutive year. As these incidents increase, consumers experience significant financial loss and emotional distress from the inability to safeguard effectively and inexpensively their credit information from bad actors.

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

(C) Despite the increasing incidents of children’s ID theft, parents who want to proactively prevent their children from having their identity stolen, may not be able to do so. Only one of the three nationwide CRAs currently allows parents from any State to set up a freeze for a minor child. At the other two nationwide CRAs, parents can only obtain a freeze after a child has become an ID theft victim because, it is only at this point, that these CRAs have an existing credit file for the child. While many States have enacted laws to address this problem, there is no existing Federal law.

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

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

(F) That survey also revealed that consumers’ fears about the online security of their financial information even outweighed consumers’ worries about other physical security dangers such as having their houses robbed (59 percent) or being pickpocketed (46 percent).

(G) According to Consumer Reports, roughly 50 million American consumers spent about $3.5 billion in 2010 to purchase products aimed at protecting their identity, with the annual cost of these services ranging from $120 to $300. As risks to consumers’ personal and financial information continue to grow, con-
sumers need additional protections to ensure that they have fair and reasonable access to the full suite of ID theft and fraud prevention measures that may be right for them.

**SEC. 4. EFFECTIVE DATE.**

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

**SEC. 5. RULEMAKING.**

Except as otherwise provided, not later than the end of the 2-year period beginning on the date of the enactment of this Act, the Director of the Bureau of Consumer Financial Protection shall issue final rules to implement the amendments made by this Act.

**SEC. 6. DISCRETIONARY SURPLUS FUND.**

(a) _In General._—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $26,000,000.

(b) _Effective Date._—The amendment made by subsection (a) shall take effect on September 30, 2029.
TITLE I—IMPROVEMENTS TO
THE DISPUTE PROCESS

SEC. 101. DISPUTE PROCEDURES AND DISCLOSURES RELATING TO REINVESTIGATIONS.

(a) In General.—Section 611(a) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)) is amended to read as follows:

“(a) Reinvestigations of Disputed Information by a Consumer Reporting Agency.—

“(1) Reinvestigations Required.—

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

“(i) conduct a reasonable reinvestigation using the process described in paragraph (3) to determine whether the disputed information is inaccurate, incomplete, or cannot be verified;

“(ii) notify the consumer that a notation described in section 605(c) will be
added to the consumer’s file until the re-
investigation has been completed and that
such notation can be removed at the re-
quest of the consumer; and

“(iii) before the end of the 30-day pe-
riod beginning on the date on which the
consumer reporting agency receives the no-
notice of the dispute from the consumer or
the reseller—

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

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

“(B) EXTENSION OF PERIOD TO REINVEST-
TIGATE.—Except as provided in subparagraph
(C), the 30-day period described in subpara-
graph (A) may be extended for period not to ex-
ceed 15 days if the consumer reporting agency
receives additional information from the con-
sumer or the reseller regarding the dispute
after the date on which the consumer reporting
agency notified any person who provided any
item of information in dispute under paragraph
(2)(A).
“(C) LIMITATIONS ON EXTENSION OF PERIOD TO REINVESTIGATE.—Subparagraph (B) shall not apply to any reinvestigation in which, during the 30-day period described in subparagraph (A), the disputed information is found to be inaccurate or incomplete, or the consumer reporting agency determines that the disputed information cannot be verified.

“(2) PROMPT NOTICE OF DISPUTE TO FURNISHER OF INFORMATION; PROVISION OF INFORMATION REGARDING DISPUTE PROVIDED BY THE CONSUMER OR RESELLER.—

“(A) IN GENERAL.—Before the end of the period of 5 business days beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer or reseller under paragraph (1)(A), the consumer reporting agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with such person. The notice shall include all information, including substantiating documents, regarding the dispute that was submitted to the consumer reporting agency.
“(B) Provision of additional information regarding dispute after notification to the furnisher of information.—

If a consumer reporting agency receives additional information regarding the dispute from the consumer or reseller after the agency provides the notification described under subparagraph (A) and before the end of the 30-day period described in paragraph (1)(A), the consumer reporting agency shall, not later than 3 business days after receiving such information, provide such information to the person who provided the information in dispute.

“(3) Reasonable standards for consumer reporting agencies for conducting reinvestigations and resolving disputes submitted by consumers.—

“(A) In general.—In conducting a reinvestigation of disputed information, a consumer reporting agency shall, at a minimum—

“(i) maintain sufficient resources and trained staff, commensurate with the volume and complexity of disputes received or reasonably anticipated to be received, to determine whether the disputed informa-
tion is accurate, complete, or can be verified by the person who provided the information;

“(ii) ensure that all staff involved at any level of the reinvestigation process, including any individual with ultimate authority over determining whether the disputed information is inaccurate, incomplete, or cannot be verified, are located within the United States;

“(iii) verify that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained in the consumer’s file, and that such information is accurate and complete;

“(iv) verify that the consumer reporting agency has a record of the information being disputed; and

“(v) conduct a reasonable review that considers all information, including substantiating documents, provided by the consumer or reseller.

“(B) CONSUMER REPORTING.—The consumer reporting agency shall not impose any
limitation or otherwise impede the ability of a consumer to submit information about the disputed item.

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

“(D) DELETION OR MODIFICATION OF INFORMATION CONTAINED IN A CONSUMER FILE.—If the disputed information is found to be inaccurate, incomplete, or cannot be verified, the dispute resolution staff of the consumer reporting agency shall have the direct authority to delete or modify such information in the consumer’s file, as appropriate, during the 30-day period described in paragraph (1)(A), shall promptly notify the consumer of the results of the reinvestigation as described in paragraph (4), and shall promptly notify any person who provided such information to the consumer reporting agency of the modification or deletion made to the consumer’s file.

“(4) NOTICE TO CONSUMER OF RESULTS OF REINVESTIGATION.—
“(A) IN GENERAL.—Not later than 5 business days after the conclusion of a reinvestigation conducted under this subsection, the consumer reporting agency shall provide written notice to the consumer of the results of the reinvestigation by postal mail or, if authorized by the consumer for that purpose, by other means available to the agency.

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

“(i) a statement that the reinvestigation of the disputed information has been completed;

“(ii) a statement informing the consumer as to whether the disputed information was determined to be inaccurate, incomplete, or unverifiable, including a statement of the specific reasons supporting the determination;

“(iii) if information in the consumer’s file has been deleted or modified as a result of the reinvestigation—

“(I) a copy of the consumer report and credit score or educational
score (if applicable) that is based upon the consumer’s revised file;

“(II) a statement identifying the specific information from the consumer’s file that was deleted or modified because such information was determined to be inaccurate, incomplete, or unverifiable by the consumer reporting agency;

“(III) a statement that the consumer has the right, free of charge, to obtain an additional consumer report and credit score or educational credit score (if applicable) within the 12-month period following the date of the conclusion of the reinvestigation, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational score (if applicable) under section 612; and

“(IV) a statement that the consumer has the right, free of charge, to request under subsection (d) that the consumer reporting agency furnish
notifications of the consumer’s revised report;

“(iv) a description of the procedure used by the dispute resolution staff of the consumer reporting agency to determine the accuracy or completeness of the information, including the business name, mailing address, telephone number, and Internet website address (if available) of any person who provided information who was contacted by the staff in connection with the determination;

“(v) a statement that the consumer has the right, free of charge, to add a narrative statement to the consumer’s file disputing the accuracy or completeness of the information, regardless of the results of the reinvestigation by the agency, and the process for submitting such a narrative pursuant to subsection (b);

“(vi) a copy of all information relating to the consumer that was used by the consumer reporting agency in carrying out the reinvestigation and relied upon as the basis for the determination about the accuracy
and completeness of the disputed information;

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

“(viii) a statement informing the consumer that a notation described in section 605(e) will be added to the file of the consumer during the period in which the consumer appeals the results of a reinvestigation and that such notation can be removed at the request of the consumer; and

“(ix) any other information, as determined by the Bureau.

“(5) REQUIREMENTS RELATING TO REINSERTION OF PREVIOUSLY DELETED OR MODIFIED MATERIAL.—

“(A) Certification of new determination that item is accurate or complete.—A consumer reporting agency may not reininsert into a consumer’s file any information
that was previously deleted or modified pursuant to paragraph (3)(D), unless the person who provided the information—

“(i) requests that the consumer reporting agency reinsert such information;

“(ii) submits a written certification that the information is accurate and complete; and

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

“(B) NOTICE TO CONSUMER BEFORE REINSERTION CAN OCCUR.—Upon receipt of a request for reinsertion of disputed information under subparagraph (A), the consumer reporting agency shall, not later than 5 business days before the consumer reporting agency reinserts the information into the consumer’s file, notify the consumer in writing of such request for reinsertion. Such notice shall include—

“(i) the business name, mailing address, telephone number, and Internet website address (if available) of any person who provided information to or contacted
the consumer reporting agency in connection with the reinsertion;

“(ii) a copy of the information relating to the consumer, the certification that the information is accurate or complete, and the statement of the reasons supporting reinsertion provided by the person who provided the information to the consumer reporting agency under subparagraph (A);

“(iii) a statement that the consumer may obtain, free of charge and within the 12-month period following the date the notice under this subparagraph was issued, a consumer report and credit score or educational score (if applicable) from the consumer reporting agency that includes the reinserted information, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational credit score (if applicable) under section 612;

“(iv) a statement that the consumer may appeal the determination that the previously deleted or modified information is
accurate or complete and a description of
the procedure for the consumer to make
such an appeal pursuant to subsection (i);
and
“(v) a statement that the consumer
has the right to add a narrative statement,
free of charge, to the consumer’s file dis-
puting the accuracy or completeness of the
disputed information and a description of
the process to add such a narrative state-
ment pursuant to subsection (b).
“(6) EXPEDITED DISPUTE RESOLUTION.—If a
consumer reporting agency determines that the in-
formation provided by the consumer is sufficient to
substantiate that the item of information is inac-
curate, incomplete, or cannot be verified by the per-
son who furnished such information, and the con-
sumer reporting agency deletes or modifies such in-
formation within 3 business days of receiving notice
of the dispute, the consumer reporting agency shall
be exempt from the requirements of paragraph (4),
if the consumer reporting agency provides to the
consumer—
“(A) prompt notice confirming the deletion
or modification of the information from the con-
sumer’s file in writing or by other means, if agreed to by the consumer when the information is disputed;

“(B) a statement of the consumer’s right to request that the consumer reporting agency furnish notifications of a revised consumer report pursuant to subsection (d);

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

“(D) a statement that the consumer may obtain, free of charge and within the 12-month period following the date the notice under this paragraph was sent to the consumer, a consumer report and credit score or educational score (if applicable) from the consumer reporting agency, regardless of whether the consumer obtained or will obtain their free annual consumer report and credit score or educational score (if applicable) under section 612.

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

(b) Ensuring Consumer Reporting Agencies
Furnish Certain Notifications Without Charge.—
Section 611(d) of the Fair Credit Reporting Act (15
U.S.C. 1681i(d)) is amended by inserting “and without
charge” after “request of the consumer”.

(c) Including Specialty Consumer Reporting
Agencies in Reports.—

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

(2) Technical Amendment.—Section
611(e)(1) of the Fair Credit Reporting Act (15
U.S.C. 1681i(e)(1)) is amended by striking “The Commission” and inserting “The Bureau”.

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

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

(2) in section 611—

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

(B) in subsection (f)(3)—

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

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

(3) in section 623(b)(1)(B), by striking “relevant” before “information”.

(e) GLOBAL TECHNICAL CORRECTIONS TO REFERENCES TO NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is further amended—
(1) by striking “section 603(w)” and inserting “section 603(x)” each place such term appears; and
(2) in section 612(a)(1)(A), by striking “(w)” and inserting “(x)”.

SEC. 102. CONSUMER AWARENESS OF DISPUTE RIGHTS.

Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i) is amended by adding at the end the following new subsection:

“(h) INCREASED CONSUMER AWARENESS OF DISPUTE RIGHTS.—

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

“(A) establish an Internet website accessible to consumers; and

“(B) post on the home page of such website a hyperlink to a separate webpage established and maintained solely for the purpose of providing information to a consumer about how to dispute an item of information in the consumer report of the consumer.

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

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

“(B) shall clearly and conspicuously disclose a concise statement regarding how to file a dispute through the agency, free of charge, in the manner and format prescribed by the Bureau;

“(C) shall describe the types of documents that will be used by the agency in resolving the dispute, including the business name and mailing address to which a consumer may send such documents;

“(D) shall include a clear and concise explanation of and the process for using electronic or other means to submit such documents, free of charge, and without any character or data limitation imposed by the agency;

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

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

“(G) shall provide translations of all infor-
mation on the webpage in each of the 10 most
commonly spoken languages, other than
English, in the United States, as determined by
the Bureau of the Census on an ongoing basis,
and in formats accessible to individuals with
hearing or vision impairments.”.

SEC. 103. MAINTENANCE OF RECORDS BY FURNISHERS.

Section 623 of the Fair Credit Reporting Act (15
U.S.C. 1681s–2) is amended by adding at the end the fol-
lowing new subsection:
“(f) Duty of Furnishers to Maintain Records of Consumers.—

“(1) In General.—A person who furnishes information to a consumer reporting agency relating to a consumer who has an account with that person shall maintain all information necessary to substantiate the accuracy and completeness of the information furnished, including any records establishing the liability and terms and conditions under which credit was extended to a consumer and any payment history with respect to such credit.

“(2) Retention Period.—Records described under paragraph (1) shall be maintained until the information with respect to which the records relate may no longer be included in a consumer report pursuant to section 605.

“(3) Transfer of Ownership.—If a person providing information to a consumer reporting agency is acquired by another person, or if another person acquires the right to repayment connected to such information, the acquiring person shall be subject to the requirements of this subsection with respect to such information to the same extent as the person who initially provided such information to the consumer reporting agency. The person selling or
transferring the right to repayment shall provide the
information described in paragraph (1) to the trans-
feree or the acquirer.”.

SEC. 104. DUTIES OF FURNISHERS RELATING TO DISPUTE
PROCEDURES, NOTICES, AND DISCLOSURES.

(a) Duty to Provide Accurate and Complete
Information.—Section 623(a) of the Fair Credit Re-
porting Act (15 U.S.C. 1681s–2(a)) is amended—

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

(2) in paragraph (1)—

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

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

(3) in paragraph (8)—

(A) in subparagraph (A), by inserting
“and completeness” after “accuracy”; and

(B) in subparagraph (D), by inserting “or
completeness” after “accuracy”.

(b) Negative Information Notices to Con-
sumers.—Section 623(a)(7) of the Fair Credit Reporting
Act (15 U.S.C. 1681s–2(a)(7)) is amended to read as fol-

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“(7) Duty of furnishers to inform consumers about reporting negative information.—

“(A) General negative information warning notice to all consumers prior to furnishing such information.—

“(i) In general.—Any person that regularly furnishes negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 about activity on any accounts of a consumer held by such person or transactions associated with credit extended to a consumer by such person shall provide a written general negative information warning notice to each such consumer before such person may furnish any negative information relating to such a consumer.

“(ii) Content.—Such notice shall—

“(I) be clear and conspicuous;

“(II) describe the types of activities that constitute negative information;

“(III) inform the consumer that the person may report negative infor-
information relating to any such accounts
or transactions to a consumer reporting agency described in subsection (p)
or (x) of section 603;

“(IV) state that the negative information may appear on a consumer report of the consumer for the periods described in section 605 and that during such periods, the negative information may adversely impact the consumer’s credit score;

“(V) state that in some limited circumstances, the negative information may result in other adverse actions, including a denial of a new job or a promotion from existing employment; and

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

“(aa) obtain a copy of their consumer report and credit score or educational score (if applicable), which in some instances can be obtained free of charge, from any consumer reporting agency
to which negative information may be been sent; and

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

“(iii) TIMING OF NOTICE.—Such person shall provide such notice to a consumer not later than 90 days before the date on which the person furnishes negative information relating to such consumer.

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

“(i) IN GENERAL.—Any person described in subparagraph (A) that has furnished negative information relating to activity on any accounts of a consumer held by such person or transactions associated with credit extended to a consumer by such person to a consumer reporting agency described in subsection (p) or (x) of section 603 shall send a written notice to each such consumer.

“(ii) CONTENT.—Such notice shall—

“(I) be clear and conspicuous;
“(II) inform the consumer that
the person has furnished negative in-
formation relating to such accounts or
transactions to a consumer reporting
agency described in subsection (p) or
(x) of section 603;

“(III) identify any consumer re-
porting agency to which the negative
information was furnished, including
the name of the agency, mailing ad-
dress, Internet website address, and
toll-free telephone number; and

“(IV) include the statements de-
scribed in subclauses (IV), (V), and
(VI) of subparagraph (A)(ii).

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

“(C) NOTICE EFFECTIVE FOR SUBSE-
QUENT SUBMISSIONS.—After providing the no-
tice described in subparagraph (B), the person
may submit additional negative information to
a consumer reporting agency described in sub-
section (p) or (x) of section 603 without providing additional notice to the consumer, unless another person acquires the right to repayment connected to the additional negative information. The acquiring person shall be subject to the requirements of this paragraph and shall be required to send consumers the written notices described in this paragraph, if applicable.

“(D) NON-TRADITIONAL DATA FURNISHERS.—Any person that furnishes negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 relating to any accounts of, or transactions associated with, a consumer by such person involving non-traditional data shall be subject to the requirements described in subparagraphs (A), (B), and (C).

“(E) MODEL NOTICES.—

“(i) DUTY OF BUREAU.—Not later than 6 months after date of the enactment of this paragraph, the Bureau shall issue model forms for the notices described in subparagraphs (A) and (B) that a person may use to comply with the requirements of this paragraph.
“(ii) Use of model notice not required.—No provision of this paragraph may be construed to require a person to use the model notices prescribed by the Bureau.

“(iii) Compliance using model notices.—A person shall be deemed to be in compliance with the requirements of subparagraph (A)(ii) or (B)(ii) (as applicable) if the person uses the model notice prescribed by the Bureau.

“(F) Issuance of general negative warning notice without submitting negative information.—No provision of this paragraph may be construed to require a person described in subparagraph (A) or (D) to furnish negative information about a consumer to a consumer reporting agency described in subsection (p) or (x) of section 603.

“(G) Safe harbor.—A person shall not be liable for failure to perform the duties required by this paragraph if the person reasonably believes that the person is prohibited, by law, from contacting the consumer.
“(H) EFFECTIVE DATE.—The requirements of subparagraphs (A), (B), (C), and (D) shall not take effect until the date that is 6 months after the date of the issuance of model forms for notices under subparagraph (E).

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

“(i) NEGATIVE INFORMATION.—The term ‘negative information’ means information concerning a consumer’s delinquencies, late payments, insolvency, or any form of default.

“(ii) NON-TRADITIONAL DATA.—The term ‘non-traditional data’ relates to telecommunications payments, utility payments, rent payments, remittances, wire transfers, and such other items as determined by the Bureau.”.

(c) DUTIES OF FURNISHERS AFTER RECEIVING NOTICE OF DISPUTE FROM A CONSUMER.—Section 623(a)(8)(E) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(8)(E)) is amended to read as follows:

“(E) DUTIES OF FURNISHERS AFTER RECEIVING NOTICE OF DISPUTE FROM A CONSUMER.—After receiving a notice of dispute
from a consumer pursuant to subparagraph (D), the person that provided the information in dispute to a consumer reporting agency shall—

“(i) promptly provide to each consumer reporting agency to which the person furnished the disputed information the notice of dispute;

“(ii) review all information, including any substantiating documents, provided by the consumer about the disputed information and conduct an investigation, separate from any reinvestigation by a consumer reporting agency or a reseller conducted with respect to the disputed information;

“(iii) before the expiration of the period under section 611(a)(1) within which a consumer reporting agency would be required to complete its action if the consumer had elected to dispute the information under that section, complete an investigation of the disputed information pursuant to the standards described in subparagraph (G);
“(iv) notify the consumer, in writing, of the receipt of the dispute that includes—

“(I) a statement about any information additional to the information that the person is required to maintain under subsection (f) that would support the person’s ability to carry out an investigation to resolve the consumer’s dispute; and

“(II) a statement that the consumer reporting agency to which the disputed information was provided will include a notation described in section 605(e) in the consumer’s file until the investigation has been completed, and information about how a consumer may request that such notation is removed by the agency;

“(v) if the investigation determines the disputed information is inaccurate, incomplete, or unverifiable, promptly notify each consumer reporting agency to which the person furnished such information in accordance with paragraph (2); and
“(vi) notify the consumer of the results of the investigation, in writing, in accordance with subparagraph (H).”.

(d) Eliminating Furnishers’ Authority to Dismiss Disputes as Frivolous or Irrelevant.—Section 623(a)(8) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(8)) is amended by striking subparagraph (F) and redesignating subparagraph (G) as subparagraph (F).

(e) Additional Duties.—Section 623(a)(8) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(8)), as amended by subsection (d), is further amended by adding at the end the following new subparagraphs:

“(G) Reasonable Standards for Furnishers for Conducting Investigations and Resolving Disputes Submitted by Consumers.—In any investigation conducted by a person who furnishes information to a consumer reporting agency of an item of information being disputed by a consumer, the person, at a minimum—

“(i) shall maintain sufficient resources and trained staff, commensurate with the volume and complexity of disputes received or reasonably anticipated to be received, to conduct investigations;
“(ii) shall verify that the person has a record of the particular information being disputed, consistent with the requirements of subsection (f);

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

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

“(v) shall ensure that the investiga-tion is an independent analysis that is sep-arate from any reinvestigation by a con-sumer reporting agency or a reseller con ducted with respect to the disputed informa-tion; and

“(vi) may not impose any limitations or otherwise impede the ability of a con-sum er to submit information, including
any substantiating documents, about the

disputed information.

“(H) CONTENTS OF THE NOTICE TO THE

CONSUMER ABOUT THE RESULTS OF THE IN-

VESTIGATION BY THE FURNISHER.—The notice

of the results of the investigation described in

subparagraph (E) shall include—

“(i) a statement informing the con-

sumer as to whether the disputed informa-

tion was determined to be inaccurate, in-

complete, or unverifiable;

“(ii) a statement of the specific rea-

sons supporting the results of the inves-

tigation;

“(iii) a description of the procedure

used by the dispute resolution staff of the

person who furnishes information to a con-

sumer reporting agency to determine the

accuracy or completeness of the informa-

tion, including the business name, mailing

address, telephone number, and Internet

website address (if available) of any person

who was contacted by the staff in connec-

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

“(v) a statement that consumer will
receive, free of charge, a copy of their con-
sumer report and credit score or edu-
cational credit score (if applicable), from
any consumer reporting agency to which
the disputed information had been pro-
vided, regardless of whether the consumer
obtained or will obtain a free consumer re-
port and credit score or educational credit
score (if applicable) in the 12-month period
preceding receipt of the notice described in
this subparagraph pursuant to section
612(a)(1);

“(vi) if the disputed information was
found to be inaccurate, incomplete, or un-
verifiable, a statement that the consumer
report of the consumer shall be revised to
reflect the change to the consumer’s file as
a result of the investigation;
“(vii) a statement that the consumer has the right to appeal the results of the investigation under paragraph (10), free of charge, within 120 days after the date of the notice of the results of the investigation was provided to the consumer and the process for submitting an appeal;

“(viii) a statement that the consumer may add a narrative statement, free of charge, to the consumer’s file held by the consumer reporting agency to which the information has been furnished disputing the accuracy or completeness of the information, regardless of the results of the investigation by the person, and the process for contacting any agency that received the consumer’s information from the person to submit a narrative statement;

“(ix) a statement informing the consumer that a notation described in section 605(c) will be added to the consumer’s file during the period in which the consumer appeals the results of an investigation and that such notation can be removed at the request of the consumer; and
“(x) a statement that the consumer has the right to request a copy of their consumer report and credit score or educational credit score (if applicable), free of charge, within the 12-month period following the date of the conclusion of the investigation from any consumer reporting agency in which the disputed information had been provided, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational credit score (if applicable) under this subparagraph or section 612(a)(1).”.

(f) Conforming Amendment.—Section 615(a)(4)(B) is amended—

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

(2) by striking “furnished by the agency” and inserting “to a consumer reporting agency under section 611 or to a person who furnished information to an agency under section 623”.

January 16, 2020 (12:59 p.m.)
SEC. 105. RIGHT TO APPEAL DISPUTES RELATING TO RE-INVESTIGATIONS AND INVESTIGATIONS.

(a) Appeals of Reinvestigations Conducted by a Consumer Reporting Agency.—Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i) is amended—

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

(2) by inserting after subsection (h) (as added by section 102) the following new subsection:

“(i) Consumer Right To Appeal Results of a Consumer Reporting Agency Reinvestigation.—

“(1) In general.—Within 120 days after the date of receipt of the results of a reinvestigation conducted under subsection (a), a consumer (or authorized third party) may, free of charge, appeal the results of such reinvestigation by submitting a notice of appeal to the consumer reporting agency.

“(2) Notice of appeal.—

“(A) Requirements.—A notice of appeal described in paragraph (1) may be submitted in writing, or through a toll-free telephone number or other electronic means established by the consumer reporting agency (including on the
Internet website described in subsection (h)), and—

“(i) shall identify the information contained in the consumer’s file that is the subject of the appeal;

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

“(iii) may provide any information the consumer believes is relevant to substantiate the validity of the dispute.

“(B) CONSUMER REPORTING AGENCY NOTICE TO CONSUMER.—Upon receipt of such notice of appeal, the consumer reporting agency shall promptly provide to the consumer a statement confirming the receipt of the consumer’s notice of appeal that shall include—

“(i) an approximate date on which the consumer’s appeal review will be completed;

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

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

“(3) Consumer reporting agency require-
ments upon receipt of notice of appeal.—

“(A) In general.—Not later than 20
days after receiving a notice of appeal, the con-
sumer reporting agency shall review the appeal.
If the consumer reporting agency determines
the information is inaccurate, incomplete, or
cannot be verified, the consumer reporting
agency shall delete or modify the item of infor-

mation being disputed by the consumer from
the file of the consumer before the end of the
20-day period beginning on the date on which
the consumer reporting agency receives a notice
of an appeal from the consumer.

“(B) Notice of appeal to furnisher;
information regarding dispute provided
by the consumer.—

“(i) In general.—Before the end of
the period of 3 business days beginning on
the date on which a consumer reporting
agency receives a notice of appeal, the con-
sumer reporting agency shall provide no-
tice of the appeal, including all information
relating to the specific appeal that the consumer reporting agency has received from the consumer, to any person who provided any information in dispute.

“(ii) Provision of additional information regarding the dispute.—If the consumer reporting agency receives additional information from the consumer after the agency provides the notice required under clause (i) and before the end of the 20-day period described in subparagraph (A), the consumer reporting agency shall, not later than 3 business days after receiving such information, provide such information to any person who provided the information in dispute and shall have an additional 10 business days to complete the appeal review.

“(C) Minimum standards for appeals employees.—

“(i) Designation.—Upon receipt of a notice of appeal under paragraph (1), a consumer reporting agency shall designate one or more specific employees who—
“(I) shall be assigned an employee reference number or other employee identifier that can be used by the consumer to discuss the appeal with the specific individuals handling the appeal;

“(II) shall have direct authority to resolve the dispute that is the subject of the notice of appeal from the review stage to its completion;

“(III) shall meet minimum training and ongoing certification requirements at regular intervals, as established by the Bureau;

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

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

“(VI) may not be subject to any requirements linking incentives, including promotion, to the number of appeals processed within a certain time period.
(ii) REQUIREMENTS.—Such employees shall conduct a robust review of the appeal and make a determination regarding the accuracy and completeness of the disputed information by—

“(I) conducting an independent analysis, separate from any investigation by a reseller or person who provided the disputed information, and separate from any prior reinvestigation conducted by the consumer reporting agency of the disputed information;

“(II) verifying that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained on the consumer’s file;

“(III) analyzing the notice of appeal and all information, including any substantiating documents, provided by the consumer with the notice of appeal;

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

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

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

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

“(i) a statement that the appeal is completed and the date on which it was completed, the results of the appeal, and the specific reasons supporting the results of the appeal;
“(ii) a copy of all information relating to the consumer that was used as a basis for deciding the results of the appeal;

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

“(iv) a description of the procedure used to determine the accuracy and completeness of the information, including the business name, telephone number, mailing address, and Internet website address (if applicable) of any person who provided information that was contacted in connection with such information, if reasonably available;

“(v) information describing that the consumer may submit a statement, without charge, disputing the accuracy or completeness of information in the consumer’s file that was the subject of an appeal under this subsection by submitting a statement directly to each consumer reporting agency that received the information;
“(vi) a description of the consumer’s rights pursuant to subsection (d) (relating to furnishing notifications to certain users of consumer reports); and

“(vii) any other information, as determined by the Bureau.

“(E) No excuse for failure to conduct appeal.—A consumer reporting agency may not refuse to conduct a review of an appeal under this subsection because the agency determines that the notice of appeal was submitted by an authorized third party, unless the agency has clear and convincing evidence that the third party is not authorized to submit the notice of appeal on the consumer’s behalf. If the consumer reporting agency refuses to conduct a review of the appeal for these reasons, it shall provide a clear and conspicuous written notice to the consumer explaining the reasons for the refusal and describing any information the consumer is required to provide for the agency to conduct a review of the appeal.”.

(b) Appeals of investigations conducted by furnishers of information.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)) is
amended by adding at the end the following new paragraph:

“(10) DUTY OF FURNISHERS OF INFORMATION

UPON NOTICE OF APPEAL OF INVESTIGATION.—

“(A) IN GENERAL.—Within 120 days of

the date of receipt of the results of an investi-
gation conducted under paragraph (8)(E), a

consumer may, free of charge, appeal such re-

sults by submitting a notice of appeal to the

person who provided the information in the dis-

pute to a consumer reporting agency (hereafter

in this paragraph referred to as the ‘furnisher’).

“(B) NOTICE OF APPEAL.—A notice of ap-

peal described in subparagraph (A) may be sub-

mitted in writing, through a toll-free telephone

number, or by other electronic means estab-

lished by the furnisher, and—

“(i) shall identify the information con-

tained in the consumer’s file that is the

subject of the appeal;

“(ii) shall describe the specific reasons

for submitting the notice of appeal; and

“(iii) may include any information, in-

cluding substantiating documents, the con-

sumer believes is relevant to the appeal.
“(C) FURNISHER ACTIONS.—Upon receipt of such notice of appeal, the furnisher shall—

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

“(ii) notify the consumer confirming the receipt of the consumer’s notice of appeal, including an approximate date when the consumer’s appeal will be completed, the process and procedures by which a review of the appeal will be conducted, and the specific individual designated by the consumer reporting agency who, upon the request of the consumer, may discuss the substance and status of the appeal.

“(D) FURNISHER REQUIREMENTS UPON RECEIPT OF NOTICE OF APPEAL.—Not later than 20 days after receiving a notice of appeal, the furnisher shall determine whether the item of information being disputed by the consumer
is inaccurate, incomplete, or cannot be verified, and shall notify the consumer reporting agency of the determination. If the furnisher cannot verify the accuracy or completeness of the disputed information, the furnisher shall, before the end of the 20-day period beginning on the date on which the furnisher receives notice of an appeal from the consumer, submit instructions to the consumer reporting agency that the item of information being disputed by the consumer should be deleted from the file of the consumer.

“(E) MINIMUM STANDARDS FOR APPEALS EMPLOYEES.—Upon receipt of a notice of appeal under subparagraph (A), a furnisher shall designate one or more specific employees who—

“(i) shall be assigned an employee reference number or other employee identifier that can be used by the consumer to discuss the appeal with the specific individuals handling the appeal;

“(ii) shall have direct authority to resolve the dispute that is the subject of the notice of appeal on behalf of the furnisher from the review stage to its completion;
“(iii) shall meet minimum training and ongoing certification requirements at regular intervals, as established by the Bureau;

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

“(v) may not be subject to any requirements linking incentives, including promotion, to the number of appeals processed within a certain time period.

“(F) REQUIREMENTS FOR APPEALS PROCESS.—Such employees shall conduct a robust review of the appeal and make a determination regarding the accuracy and completeness of the disputed information by—

“(i) conducting an independent analysis, separate from any reinvestigation by a reseller or consumer reporting agency, of the disputed information;

“(ii) verifying that the personally identifiable information related to the dispute is accurate and complete;

“(iii) analyzing the notice of appeal and all information, including substan-
tiating documents, provided by the consumer with the notice of appeal;

“(iv) evaluating the validity of any information submitted by any person that was used by the furnisher in the initial investigation into the dispute;

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

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

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

“(G) Extension of review period.—If a consumer submits additional information related to the appeal after the period of 3 business days described in subparagraph (C)(i) and before the end of the 20-day period described in subparagraph (D), the furnisher shall have an additional 10 business days to complete the review of the appeal.

“(H) Notice of appeal results.—Not later than 5 days after the end of the 20-day
period described in subparagraph (D) (or the
10-day extension described under subparagraph
(G), as applicable) the furnisher shall provide
the consumer with written notice of the results
of the appeal by mail or, if requested by the
consumer, by other means. The contents of
such notice shall include—

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

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

“(iii) if the appeal results in any
change to the consumer report, a notifica-
tion that the consumer shall receive a copy,
free of charge, of a revised consumer re-
port (based upon the consumer’s file as
that file was changed as a result of the ap-
peal) and a credit score or educational
credit score (if applicable) from each con-
sumer reporting agency that had been fur-
nished incorrect information;
“(iv) a description of the procedure used to determine the accuracy and completeness of the information, including the business name, telephone number, mailing address, and Internet website address (if applicable), of any person who provided information that was contacted in connection with such information, if reasonably available;

“(v) information describing that the consumer may submit a statement, without charge, disputing the accuracy or completeness of information in the consumer’s file that was the subject of an appeal 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

(C) in paragraph (1)—

(i) in the heading, by striking “COMMISSION” and inserting “BUREAU”;

(ii) in subparagraph (B)—

(I) in clause (ii), by striking “a consumer report without charge under section 612” and inserting “consumer reports and credit scores or educational credit scores (as applicable) without charge under section 612”;
(II) in clause (iii), by inserting “or section 623” after “section 611”; (III) by striking clauses (iv) and (vi); (IV) by inserting after clause (iii) the following new clause:
“(iv) the right of a consumer to appeal a determination of a reinvestigation conducted by a consumer reporting agency under section 611(i) or an investigation conducted by a furnisher of information under section 623(a)(10);”; and (V) by adding at the end the following new clause:
“(vi) the method and circumstances under which consumers can obtain a 1-year fraud alert, 7-year fraud alert, active duty alert, or security freeze as described in section 605A through a consumer reporting agency described under section 603(p).”;
(iii) in subparagraph (C) (as amended by subparagraph (A)) by inserting “and the Commission” after “Bureau”; and
(iv) by adding at the end the following new subparagraph:

“(D) Publication of summary rights.—A consumer reporting agency described under subsection (p) or (x) of section 603 shall display in a clear and conspicuous manner, including on the Internet website of the consumer reporting agency, the summary of rights prepared by the Bureau under this paragraph.”; and

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

SEC. 106. REVISED CONSUMER REPORTS.

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

“(j) Requirement to send revised consumer report to consumer.—Upon receiving a notice described in section 623(a)(8)(E)(iv), each consumer reporting agency shall send to the consumer a revised consumer report and credit score or education credit score (if applicable) based upon the consumer’s file as that file was changed as a result of the investigation.”.
SEC. 107. INDICATION OF DISPUTE BY CONSUMERS AND USE OF DISPUTED INFORMATION.

Section 605(f) of the Fair Credit Reporting Act (15 U.S.C. 1681c(f)) is amended to read as follows:

“(f) INDICATION OF DISPUTE.—

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

“(A) a consumer disputes the completeness or accuracy of any item of information contained in a consumer’s file pursuant to section 611(a)(1);

“(B) a consumer files with a consumer reporting agency an appeal of a reinvestigation pursuant to section 611(i); or

“(C) the consumer reporting agency is notified by a person that furnished any items of information that are currently in dispute by the consumer that—

“(i) a consumer disputes the completeness or accuracy of any information furnished by a person to any consumer reporting agency pursuant to paragraph (3) or (8) of section 623(a); or
“(ii) a consumer submits a notice of appeal under section 623(a)(10).

“(2) Opt Out.—A consumer may submit a request to a consumer reporting agency or a person who furnished the information in dispute, as applicable, to have the notation described in paragraph (1) omitted from the consumer report. Upon receipt of such a request—

“(A) by a consumer reporting agency, such agency shall remove the notation within 1 business day; and

“(B) by a person who furnished the information in dispute, such person shall submit such request to each consumer reporting agency to which the person furnished such information within 1 business day and such agency shall remove the notation within 1 business day of receipt of such request.”.

SEC. 108. ACCURACY AND COMPLETENESS REPORT DUTIES FOR CONSUMER REPORTING AGENCIES AND FURNISHERS.

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

“(b) Accuracy and Completeness of Report.—
“(1) IN GENERAL.—In preparing a consumer report, a consumer reporting agency shall maintain reasonable procedures to ensure maximum possible accuracy and completeness of the information concerning the individual to whom the consumer report relates.

“(2) BUREAU RULE TO ASSURE MAXIMUM POSSIBLE ACCURACY AND COMPLETENESS WITH CREDIT REPORTING PRACTICES.—

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

“(B) REQUIREMENTS.—In formulating the rule required under subparagraph (A), the Bureau shall—

“(i) develop standards for matching the personally identifiable information included in the consumer’s file with the personally identifiable information furnished by the person who provided the information to the consumer reporting agency (hereafter in this subsection referred to as the ‘furnisher’), including the full name of a consumer, the date of birth of a consumer, ...
sumer, the full social security number of a consumer, and any other information that the Bureau determines would aid in assuring maximum possible accuracy and completeness of such consumer reports;

“(ii) establish processes for a consumer reporting agency to monitor the integrity of the data provided by furnishers and the compliance of furnishers with the requirements of this title;

“(iii) establish processes for a consumer reporting agency to regularly reconcile data relating to accounts in collection, including those that have not been paid in full, by specifying the circumstances under which the consumer reporting agency shall remove or suppress negative or adverse information from a consumer’s file that has not been updated by a furnisher who is also a debt collector (as defined in section 803 of the Fair Debt Collection Practices Act) within the time period established by the Bureau;

“(iv) establish procedures to require each consumer reporting agency to review
and monitor the quality of information received from any source, including information from public records, by regularly and on an ongoing basis comparing the information received to the information available from the original source and ensuring that the information received is the most current information;

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

“(vi) develop standards and procedures for consumer reporting agencies to adopt regarding collection of public record data, including standards and procedures to consider the ultimate data source, how the public record information is filed and its availability and accessibility, and whether information relating to the satisfaction of judgments or other updates to the pub-
lic record are available on a reasonably timely basis from a particular source; and

“(vii) establish any other factors, procedures, or processes determined by the Bureau to be necessary to assist consumer reporting agencies in achieving maximum possible accuracy and completeness of the information in consumer reports.

“(3) CORRECTIVE ACTION FOR FURNISHERS THAT REPEATEDLY FURNISH INACCURATE OR INCOMPLETE INFORMATION.—Upon identifying a furnisher that repeatedly fails to furnish accurate, complete, or verifiable information to consumer reporting agencies, the Bureau shall—

“(A) ensure the prompt removal of any adverse information relating to a consumer’s accounts submitted by such furnisher; and

“(B) take corrective action, which may include—

“(i) mandatory revised training and training materials for the staff of the furnisher regarding the furnishing of accurate and complete information;
“(ii) sharing industry best practices and procedures regarding accuracy and completeness; or

“(iii) temporarily prohibiting a furnisher from providing information to a consumer reporting agency.”.

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

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

“(3) Public record data source.—Any consumer reporting agency that furnishes a consumer report that contains public record data shall also include in such report the source from which that data was obtained, including the particular court, if any, and the date that the data was initially reported or publicized.”.

SEC. 110. INJUNCTIVE RELIEF FOR VICTIMS.

(a) In General.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended—

(1) in section 616—

(A) in subsection (a), by amending the subsection heading to read as follows: “DAM-
(B) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

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

“(c) INJUNCTIVE RELIEF.—In addition to any other remedy set forth in this section, a court may award injunctive relief to require compliance with the requirements imposed under this title with respect to any consumer. In the event of any successful action for injunctive relief under this subsection, the court may award to the prevailing party costs and reasonable attorney fees (as determined by the court) incurred during the action by such party.”; and

(2) in section 617—

(A) in subsection (a), by amending the subsection heading to read as follows: “DAMAGES”;

(B) by redesignating subsection (b) as subsection (c); and

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

“(b) INJUNCTIVE RELIEF.—In addition to any other remedy set forth in this section, a court may award injunctive relief to require compliance with the requirements imposed under this title with respect to any consumer. In
the event of any successful action for injunctive relief under this subsection, the court may award to the prevailing party costs and reasonable attorney fees (as determined by the court) incurred during the action by such party.”.

(b) Enforcement by Federal Trade Commission.—Section 621(a)(2)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681s(a)(2)(A)) is amended—

(1) by amending the subparagraph heading to read as follows: “NEGLIGENT, WILLFUL, OR KNOWING VIOLATIONS”; and

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

TITLE II—FREE CREDIT SCORES FOR CONSUMERS

SEC. 201. DEFINITIONS.

(a) In General.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following new subsection:

“(bb) Credit Score and Educational Credit Score Definitions.—

“(1) Credit score.—The term ‘credit score’ means a numerical value or a categorization derived from a statistical tool or modeling system used by a person who makes or arranges a loan or extends
credit to predict the likelihood of certain credit behaviors, including default, as determined by the Bureau.

“(2) EDUCATIONAL CREDIT SCORE.—The term ‘educational credit score’ means a numerical value or categorization derived from a statistical tool or modeling system based upon information from a consumer report that assists consumers in understanding how a lender or creditor may view the consumer’s creditworthiness in deciding whether to make a loan or extend credit to that consumer.

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

“(4) CREDIT SCORING MODEL.—The term ‘credit scoring model’ means a scoring algorithm, formula, model, program, or mechanism used to generate a credit score or an educational credit score.”.

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

(1) in section 605(d)(2), by striking “(as defined in section 609(f)(2)(B))”; and
(2) in section 615—

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

(B) in subsection (a)(2)(B), by striking “set forth in subparagraphs (B) through (E) of section 609(f)(1)” and inserting “with respect to a credit score described in section 609(f)(2), if available” each place that term appears.

SEC. 202. CONSUMER INFORMATION ON CALCULATION OF SCORES.

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

“(f) Disclosure of Credit Score and Educational Credit Score by Consumer Reporting Agencies.—

“(1) In general.—Upon the request of a consumer for a credit score or educational credit score, a consumer reporting agency shall supply to the consumer a statement—

“(A) containing—

“(i) a current credit score at the time of the request generated using a commonly used credit scoring model to generate cred-
it scores, subject to regulations of the Bureau;

“(ii) an educational credit score at the time of the request, if it is not practicable to generate such a credit score, as determined by the Bureau; or

“(iii) an explanation that the consumer’s file does not have sufficient information from which to generate such a credit score or educational credit score;

and

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

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

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

“(iii) the credit score itself.

“(2) REQUIREMENTS.—A statement provided under clause (i) or (ii) of paragraph (1)(A) shall include—

“(A) a minimum of 4 key factors, if available, that adversely affected the credit score or educational credit score, except that if one of the key factors consists of the number of
enquiries made with respect to a consumer report, that factor shall be provided to the consumer in addition to the factors required by this subparagraph;

“(B) to the extent possible, specific actions a consumer could take with respect to each key factor listed in subparagraph (A) to improve the consumer’s credit score or educational credit score;

“(C) a minimum of 4 key factors, if available, that positively affected the credit score or educational credit score;

“(D) the range of possible credit scores or educational credit scores under the credit scoring model used;

“(E) the distribution of credit scores or educational credit scores among consumers who are scored under the same credit scoring model by the consumer reporting agency, and using the same scale as that of the score that is provided to a creditor or consumers—

“(i) in the form of a bar graph containing a minimum of 6 bars that illustrates the percentage of consumers with credit scores or educational credit scores
within the range of scores represented by
each bar; or

“(ii) by another clear and readily un-
derstandable graphical depiction, state-
ment, or illustration comparing the con-
sumer’s credit score or educational credit
score to the scores of other consumers, as
determined by the Bureau;

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

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

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

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

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

“(4) MAINTENANCE OF CREDIT SCORES.—

“(A) IN GENERAL.—All consumer reporting agencies shall maintain in the consumer’s file credit scores relating to the consumer for a period of 2 years from the date on which such information is generated.

“(B) DISCLOSURE ONLY TO CONSUMERS.—A past credit score maintained in a consumer’s file pursuant to subparagraph (A) may only be provided to the consumer to which the credit score relates and may not be included in a consumer report or used as a factor in generating a credit score or educational credit score.

“(C) REMOVAL OF PAST CREDIT SCORES.—A past credit score maintained in a consumer’s file pursuant to subparagraph (A) shall be removed from the consumer’s file after the end of the 2-year period described under subparagraph (A).”.
SEC. 203. DISCLOSURES RELATING TO CREDIT SCORES AND
EDUCATIONAL CREDIT SCORES.

Section 609(f) of the Fair Credit Reporting Act (15 U.S.C. 1681g(f)), as amended by section 202, is further amended by adding at the end the following new paragraphs:

“(5) WEBSITE DISCLAIMER.—A consumer reporting agency that generates or provides credit scores or educational credit scores shall clearly and conspicuously display on the home page of the agency’s Internet website, and as part of any application, solicitation, or marketing material or media providing information related to a credit score or educational credit score, the following notice, in boldface type of 18-point font or larger and in a text box with boldface outer borders:

“CREDIT SCORE DISCLAIMER."

There is no “one” credit score. There are many scoring formulas derived from a wide variety of models available to a consumer and used by lenders and creditors. Different lenders and creditors use different scoring formulas to determine whether to extend credit or make a loan to you, and the terms of the credit or loan. An educational credit score is not a credit score that a person who makes a loan or extends credit to you is likely to use. Educational credit scores are merely intended to be used as an edu-
cational tool to help consumers understand how the infor-
mation contained in a consumer report may affect the
terms and conditions of a loan or extension of credit that
may be available to a consumer. Lenders and creditors
may also rely on information not contained in your con-
sumer report and not reflected in the calculation of your
credit score.’.

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

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

“EDUCATIONAL CREDIT SCORE DISCLAIMER. ““

The educational credit score provided to you is not
a credit score that a lender or creditor is likely to use to
make a loan or extend credit to you. There are many dif-
f erent credit scores derived from a wide variety of models
used by lenders and creditors. An educational credit score
is merely an educational tool. It is intended to provide con-
sumers with a basic understanding of how the information
contained in a consumer report may affect the terms and
conditions of credit that are available. The credit scores you receive directly from different lenders and creditors may not be the same as an educational credit score. There are a number of reasons for this:

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(1) Each company may use a different formula for calculating credit scores and the differences in the formulas may lead to differences in your scores.
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(2) Companies may produce scores that give results on different scales.
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(3) Not all lenders or creditors report to every consumer reporting agency, and therefore the information contained in your consumer report that the consumer reporting agencies use to calculate your educational credit score may differ among agencies.'
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(B) PROHIBITION ON MISLEADING REPRESENTATIONS.—A consumer reporting agency may not refer to an educational credit score as a credit score in any application, solicitation, marketing, or other informational materials or media.
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(7) MODIFICATION OF DISCLAIMERS.—The Bureau may modify the content, format, and manner of the disclaimers required under paragraphs (5)
and (6), if warranted, after conducting consumer testing or research.”.

SEC. 204. FREE CREDIT SCORE DISCLOSURES AND CONSUMER REPORTS.

(a) In General.—Section 612 of the Fair Credit Reporting Act (15 U.S.C. 1681j) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting after “section 609” the following: “(including the disclosure of a credit score or educational credit score under subsection (f) of such section)”;

(ii) in subparagraph (C)—

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

(II) by inserting “, credit scores, and educational credit scores (as applicable)” after “consumer reports” each place that term appears;

(B) in paragraph (2)—

(i) by striking “15 days” and inserting “3 business days”; and
(ii) by inserting “, credit score, or educational credit score” after “consumer report”; 

(C) in paragraph (3), by inserting “, credit score, or educational credit score” after “consumer report”; and 

(D) in paragraph (4), by inserting “, credit scores, or educational credit scores” after “consumer reports”; 

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

(3) in subsection (c)— 

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

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

(C) in paragraph (3), by striking the period at the end and inserting a semicolon; and 

(D) by adding at the end the following new paragraphs:
“(4) has disputed information, or submitted an appeal of an investigation or reinvestigation of such information, under section 611 or 623, regardless of whether the consumer has already received a credit report, credit score, or educational credit score under section 611 or 623; or

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

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

(5) in subsection (f)(1)—

(A) by striking “reasonable charge” and all that follows through “section 609” and inserting “reasonable charge on a consumer for providing a consumer report to a consumer”;

(B) by striking subparagraph (B);

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively (and conforming the margins accordingly); and
(D) in subparagraph (B) (as so redesignated), by striking “disclosure; and” and inserting “disclosure.”; and

(6) by adding at the end the following new subsections:

“(h) Centralized Source for Obtaining Free Copy of Consumer Report and Scores.—

“(1) Nationwide Consumer Reporting Agencies.—

“(A) In general.—Not later than 180 days after the date of enactment of this subsection, each consumer reporting agency described under subsection (p) of section 603 shall prominently display on the home page of the agency’s website—

“(i) a hyperlink labeled ‘Get Your Free Annual Credit Reports along with either your Credit Scores or Educational Credit Scores provided for under Federal Law’ or substantially similar text, as determined by the Bureau; and

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

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All consumers are entitled to obtain a free copy of their consumer report and credit score or educational credit score annually from each of the nationwide consumer reporting agencies. Under Federal law, a consumer is entitled to obtain additional free copies of their consumer reports, along with a copy of either the consumer’s credit score or educational credit score (under certain circumstances), including:

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(1) When a consumer is unemployed and intends to apply for employment within 60 days.

(2) When a consumer is a recipient of public welfare assistance.

(3) When a consumer has a reasonable belief that their report contains inaccuracies as a result of fraud.

(4) When a consumer asserts in good faith a suspicion that the consumer has been or is about to become a victim of identity theft, fraud, or a related crime, or harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information.

(5) When a consumer files a dispute or an appeal of the results of a dispute with a consumer
reporting agency or a person who furnished information to the consumer reporting agency regarding the accuracy or completeness of the information contained on their report.

" '(6) After a furnisher of information discovers it has furnished inaccurate or incomplete information to a consumer reporting agency, and the furnisher notifies the agency of the error.

" '(7) After an adverse action is taken against a consumer or a consumer receives a risk-based pricing notice.

" '(8) When a mortgage lender, private educational lender, indirect auto lender, or motor vehicle lender obtains and uses a consumer’s reports or scores for underwriting purposes.’.

"(B) HYPERLINK REQUIREMENTS.—The hyperlink described in subparagraph (A)(i) shall be prominently located on the top of the home page and should link directly to the website of the centralized source established pursuant to section 211(d) of the Fair and Accurate Credit Transactions Act of 2003 (15 U.S.C. 1681j note).

"(C) MODIFICATIONS.—The Bureau may modify the disclosure described in subparagraph
(A)(ii) as necessary to include other circumstances under which a consumer has the right to receive a free consumer report, credit score, or educational credit score.

“(2) NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCIES.—

“(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, each nationwide specialty consumer reporting agency shall prominently display on the Internet home webpage of the agency a disclosure titled ‘Consumer’s Right to Free Consumer Reports and Credit Score or Educational Credit Score (as applicable) under Federal Law’. Such disclosure shall include the following statement:

‘Upon request, all consumers are entitled to obtain a free copy of their consumer report and credit score or educational credit score (as applicable) during any 12-month period from each of the nationwide specialty consumer reporting agencies. Federal law also provides further circumstances under which a consumer is entitled to obtain additional free copies of their consumer report and credit score or educational credit score (as applicable) in-
“‘(1) When a consumer is unemployed and intends to apply for employment within 60 days.

“‘(2) When a consumer is a recipient of public welfare assistance.

“‘(3) When a consumer has a reasonable belief that their report contains inaccuracies as a result of fraud.

“‘(4) When a consumer files a dispute or an appeal of the results of a dispute with a consumer reporting agency or a person who furnished information to the consumer reporting agency regarding the accuracy or completeness of the information contained on their report.

“‘(5) After a furnisher of information discovers it has furnished inaccurate or incomplete information to a consumer reporting agency, and the furnisher notifies the agency of the error.

“‘(6) After an adverse action is taken against a consumer or a consumer receives a risk-based pricing notice.

“‘(7) When a mortgage lender, private educational lender, indirect auto lender, or motor vehicle lender obtains and uses a consumer’s reports or scores for underwriting purposes.’.
“(B) MODIFICATIONS.—The Bureau may modify the disclosure described in subparagraph (A) as necessary to include other circumstances under which a consumer has the right to receive a free consumer report and credit score or educational credit score (as applicable).

“(C) TOLL-FREE TELEPHONE ACCESS.—The information described in this paragraph shall also be made available via a toll-free telephone number. Such number shall be prominently displayed on the home page of the website of each nationwide specialty consumer reporting agency. Each of the circumstances under which a consumer may obtain a free consumer report and credit score or educational credit score (as applicable) shall be presented in an easily understandable format and consumers shall be directed to an individual who is a customer service representative not later than 2 minutes after the initial phone connection is made by the consumer. Information provided through such telephone number shall comply with the requirements of section 633.

“(D) ONLINE CONSUMER REPORTS; EXEMPTION.—Upon receipt of a request by a con-
sumer for a consumer report, each nationwide
specialty consumer reporting agency shall pro-
vide access to such report electronically on the
Internet website described in section 611(h).

“(i) **Automatic Provision of Free Consumer**
**Reports and Credit Scores or Educational Credit**
**Scores.**—A consumer reporting agency shall provide to
a consumer a free copy of the file and credit score or edu-
cational credit score of the consumer who—

“(1) obtains a 1-year fraud alert, 7-year fraud
alert, active duty alert, or security freeze as de-
dcribed in section 605A; or

“(2) has disputed information, or submitted an
appeal of an investigation or reinvestigation of such
information, under section 611 or 623.”.

(b) **Technical Amendment.**—Section 615(h)(7) of
such Act (15 U.S.C. 1681m(h)(7)) is amended by striking
“section” and inserting “subsection”.

**SEC. 205. Provision of Consumer Reports and Credit**
**Scores by Private Educational Lenders.**

Section 609 of the Fair Credit Reporting Act (15
U.S.C. 1681g) is amended by adding at the end the fol-
lowing new subsection:
“(h) DISCLOSURE OF CONSUMER REPORTS AND CREDIT SCORES BY PRIVATE EDUCATIONAL LENDERS.—

“(1) IN GENERAL.—If a private educational lender obtains a copy of any consumer reports or credit scores and uses such reports or scores in connection with an application of a consumer for a private education loan, the private educational lender shall provide to the consumer, not later than 3 business days after obtaining such reports or scores and before the date on which the consumer enters into a loan agreement with the private educational lender, a copy of any such reports or scores, along with the statement described under subsection (f)(2).

“(2) COSTS.—None of the costs to the private educational lender associated with procuring consumer reports or credit scores under this subsection may be charged, directly or indirectly, to the consumer.

“(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to eliminate any requirement for creditors and lenders to provide credit score disclosures, including the statement described under subsection (f)(2), to consumers as part of an adverse action or risk-based pricing notice.”.
SEC. 206. PROVISION OF CONSUMER REPORTS AND CREDIT
SCORES BY MOTOR VEHICLE LENDERS OR INDIRECT AUTO LENDERS.

Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by section 205, is further amended by adding at the end the following new subsection:

“(i) DISCLOSURE OF CONSUMER REPORTS AND CREDIT SCORES USED BY MOTOR VEHICLE LENDERS OR INDIRECT AUTO LENDERS.—

“(1) IN GENERAL.—If a motor vehicle lender or indirect auto lender obtains a copy of any consumer reports or credit scores and uses such reports or scores in connection with an application of a consumer for a motor vehicle loan or lease, the motor vehicle lender or indirect auto lender shall provide to the consumer a document, separate from the consumer’s lease or purchase agreement and before the consumer enters into a lease or purchase agreement, disclosing any consumer reports and credit scores, including the statement described in subsection (f)(2), used by the lender to determine whether to extend credit to the consumer.

“(2) COSTS.—None of the costs to the motor vehicle lender or indirect auto lender associated with procuring consumer reports or credit scores under
this subsection may be charged, directly or indirectly, to the consumer.

“(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to eliminate any requirement for creditors and lenders to provide credit score disclosures, including the statement described under subsection (f)(2), to consumers as part of an adverse action or risk-based pricing notice.

“(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. 207. PROVISION OF CONSUMER REPORTS AND CREDIT SCORES BY RESIDENTIAL MORTGAGE LENDERS.

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);

(2) in paragraph (1)—

(A) by striking “a consumer credit score” and inserting “any consumer reports or credit scores”;

(B) by striking “, as defined in subsection (f),”; and

(C) by striking “the following to the consumer as soon as reasonably practicable:” and inserting “, not later than 3 business days after using such reports or scores, a document disclosing any consumer reports and credit scores used by the lender to determine whether to extend credit to the consumer along with the statement described in subsection (f)(2).”; 

(D) by striking subparagraphs (A), (B), (C), (E), and (F); and

(E) by redesignating subparagraph (D) as paragraph (3) (and adjusting the margins accordingly); and
(F) by redesignating subparagraph (G) as paragraph (4) (and adjusting the margins accordingly);

(3) by inserting before paragraph (3) (as so designated) the following new paragraph:

“(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to eliminate any requirement for lenders to provide credit score disclosures, including the statement described under subsection (f)(2), to consumers as part of an adverse action or risk-based pricing notice.”;

(4) in paragraph (3) (as so designated), in the quoted material—

(A) by inserting “, free of charge,” after “disclose to you”; and

(B) by striking “affecting your credit scores” and inserting “affecting your credit score or scores”;

(5) in paragraph (5) (as so redesignated) by inserting “or scores” after “credit score” each place such term appears; and

(6) by adding at the end the following new paragraphs:

“(6) ACTIONS NOT REQUIRED.—This subsection shall not require any person to disclose any credit
score or related information obtained by the person
after a loan has closed.

“(7) NO PROCUREMENT COSTS.—None of the
costs to the creditor or lender associated with pro-
curing any consumer reports or scores under this
subsection may be charged, directly or indirectly, to
the consumer.”.

TITLE III—STUDENT BORROWER
CREDIT IMPROVEMENT ACT

SEC. 301. REMOVAL OF ADVERSE INFORMATION FOR CERT-
AIN PRIVATE EDUCATION LOAN BOR-
ROWERS.

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

“§ 605E. Credit rehabilitation for distressed private
education loan borrowers.

“(a) IN GENERAL.—A consumer reporting agency
may not furnish any consumer report containing any ad-
verse item of information relating to a delinquent or de-
faulted private education loan of a borrower if the bor-
rower has rehabilitated the borrower’s credit with respect
to such loan by making 9 on-time monthly payments (in
accordance with the terms and conditions of the bor-
rower’s original loan agreement or any other repayment agreement that antedates the original agreement) during a period of 10 consecutive months on such loan after the date on which the delinquency or default occurred.

“(b) INTERRUPTION OF 10–MONTH PERIOD FOR CERTAIN CONSUMERS.—

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

“(A) With respect to a borrower who is a member of the Armed Forces entitled to incentive pay for the performance of hazardous duty under section 301 of title 37, United States Code, hazardous duty pay under section 351 of such title, or other assignment or special duty pay under section 352 of such title, the grace period shall begin on the date on which the borrower begins such assignment or duty and end on the date that is 6 months after the completion of such assignment or duty.

“(B) With respect to a borrower who resides in an area affected by a major disaster or
emergency declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the grace period shall begin on the date on which the major disaster or emergency was declared and end on the date that is 3 months after such date.

“(2) OTHER CIRCUMSTANCES.—

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

“(B) BORROWER DEMONSTRATING HARDSHIP DEFINED.—In this paragraph, the term ‘borrower demonstrating hardship’ means a borrower or a class of borrowers who, as determined by the Bureau, is facing or has experienced unusual extenuating life circumstances or events that result in severe financial or personal barriers such that the borrower or class of borrowers does not have the capacity to comply with the requirements of subsection (a).
“(c) PROCEDURES.—The Bureau shall establish procedures to implement the credit rehabilitation described in this section, including—

“(1) the manner, content, and form for requesting credit rehabilitation;

“(2) the method for validating that the borrower is satisfying the requirements of subsection (a);

“(3) the manner, content, and form for notifying the private educational loan holder of—

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

“(B) the requirements described in subsection (d); and

“(C) the restrictions described in subsection (f);

“(4) the manner, content, and form for notifying a consumer reporting agency of—

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

“(B) the requirements described in subsection (d);

“(5) the method for verifying whether a borrower qualifies for the grace period described in subsection (b);
“(6) the manner, content, and form of notifying a consumer reporting agency and private educational loan holder that a borrower was granted a grace period.

“(d) Standardized Reporting Codes.—A consumer reporting agency shall develop standardized reporting codes for use by any private educational loan holder to identify and report a borrower’s status of making and completing 9 on-time monthly payments during a period of 10 consecutive months on a delinquent or defaulted private education loan, including codes specifying the grace period described in subsection (b) and any agreement to modify monthly payments. Such codes shall not appear on any report provided to a third party, and shall be removed from the consumer’s credit report upon the consumer’s completion of the rehabilitation period under this section.

“(e) Elimination of Barriers to Credit Rehabilitation.—A consumer report in which a private educational loan holder furnishes the standardized reporting codes described in subsection (d) to a consumer reporting agency, or in which a consumer reporting agency includes such codes, shall be deemed to comply with the requirements for accuracy and completeness under sections 607(b), 623(a)(1), and 632.
“(f) Prohibition on Civil Actions for Consumers Pursuing Rehabilitation.—A private educational loan holder may not commence or proceed with any civil action against a borrower with respect to a delinquent or defaulted loan during the period of rehabilitation if the private educational loan holder has been notified, in accordance with the procedures established by the Bureau pursuant to subsection (c)—

“(1) of such borrower’s intent to participate in rehabilitation;

“(2) that such borrower has satisfied the requirements under subsection (a); or

“(3) that such borrower was granted a grace period.

“(g) Impact on Statute of Limitations for Prior Debt.—Payments by a borrower on a private education loan that are made during and after a period of rehabilitation under this section shall have no effect on the statute of limitations with respect to payments that were due on such private education loan before the beginning of the period of rehabilitation.

“(h) Payment Plans.—If a private educational loan holder enters into a payment plan with a borrower on a private education loan during a period of rehabilitation,
such payment plan shall be reasonable and affordable, as determined by the Bureau.

“(i) Rules of Construction.—

“(1) Application to subsequent default or delinquency.—A borrower who satisfies the requirements under subsection (a) shall be eligible for additional credit rehabilitation described in subsection (a) with respect to any subsequent default or delinquency of the borrower on the rehabilitated private education loan.

“(2) Interruption of consecutive payment period requirement.—The grace period described in subsection (b)(1)(A) shall not apply if any regulation promulgated under section 987 of title 10, United States Code (commonly known as the Military Lending Act), or the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) allows for a grace period or other interruption of the 10-month period described in subsection (a) and such grace period or other interruption is longer than the period described in subsection (b)(1)(A) or otherwise provides greater protection or benefit to the borrower who is a member of the Armed Forces.”.

(b) Table of Contents Amendment.—The table of contents of the Fair Credit Reporting Act, as amended
by section 405, is further amended by inserting after the
item relating to section 605D the following new item:

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

(c) CONFORMING AMENDMENT.—Section 623(a)(1)
of the Fair Credit Reporting Act (15 U.S.C. 1681s-
2(a)(1)) is amended by striking subparagraph (E).

SEC. 302. PRIVATE EDUCATION LOAN DEFINITIONS.

Section 603 of the Fair Credit Reporting Act (15
U.S.C. 1681a), as amended by section 201(a), is further
amended by adding at the end the following new sub-
section:

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

TITLE IV—CREDIT RESTORATION FOR VICTIMS OF PRED-
ATOR ACTIVITIES AND UN-FAIR CONSUMER REPORTING
PRACTICES

SEC. 401. ADVERSE CREDIT INFORMATION.

(a) IN GENERAL.—Section 605 of the Fair Credit
Reporting Act (15 U.S.C. 1681c), as amended by sections
107, 109, and 201, is further amended—
(1) in subsection (a)—

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

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

(C) in paragraph (2), by striking “Civil suits, civil judgments, and records” and inserting “Records”;

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

(E) in paragraph (4), by striking “seven years” and inserting “4 years”;

(F) in paragraph (5)—

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

(ii) by striking “seven years” and inserting “4 years”; and

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

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

“(10) A civil suit or civil judgment—
“(A) brought by a private education loan holder that, from the date of successful completion of credit restoration or rehabilitation in accordance with the requirements of section 605D or 605E, antedates the report by 45 calendar days; or

“(B) brought by a lender with respect to a covered residential mortgage loan (as defined in section 605C(b)) that antedates the report by 45 calendar days.

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

“(12) Any other adverse item of information relating to the collection of debt that did not arise from a contract or an agreement to pay by a consumer, including fines, tickets, and other assessments, as determined by the Bureau, excluding tax liability.”;

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

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

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

(1) in section 616(e) (as redesignated by section 110(a)(1)(B)), by striking “section 605(g)” each place that term appears and inserting “section 605(f)”; and

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

SEC. 402. EXPEDITED REMOVAL OF FULLY PAID OR SETTLED DEBT FROM CONSUMER REPORTS.

Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 401, is further amended by adding at the end the following new paragraph:

“(13) Any other adverse item of information related to a fully paid or settled debt that had been characterized as delinquent, charged off, or in collection which, from the date of payment or settlement, antedates the report by more than 45 calendar days.”.

SEC. 403. MEDICAL DEBT COLLECTIONS.

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

“(14) Any other adverse item of information related to a fully paid or settled debt arising from the receipt of medical services, products, or devices that had been characterized as delinquent, charged off, or in collection which, from the date of payment or settlement, antedates the report by more than 45 calendar days.”.

(b) Establishing an Extended Time Period Before Certain Medical Debt Information May Be Reported.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by subsection (a), is further amended by adding at the end the following new paragraph:

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

(c) Prohibition on Reporting Medically Necessary Procedures.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by sub-
section (b), is further amended by adding at the end the following new paragraph:

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

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

SEC. 404. CREDIT RESTORATION FOR VICTIMS OF PREDATORY MORTGAGE LENDING AND SERVICING.

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

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

“(a) In General.—A consumer reporting agency may not furnish any consumer report containing any adverse item of information relating to a covered residential mortgage loan (including the origination and servicing of such a loan, any loss mitigation activities related to such a loan, and any foreclosure, deed in lieu of foreclosure, or short sale related to such a loan), if the action or inaction to which the item of information relates—

“(1) resulted from an unfair, deceptive, or abusive act or practice, or a fraudulent, discriminatory,
or illegal activity of a financial institution, as determined by the Bureau or a court of competent jurisdiction; or

“(2) is related to an unfair, deceptive, or abusive act, practice, or a fraudulent, discriminatory, or illegal activity of a financial institution that is the subject of a settlement agreement initiated on behalf of a consumer or consumers and that is between the financial institution and an agency or department of a local, State, or Federal Government, regardless of whether such settlement includes an admission of wrongdoing.

“(b) COVERED RESIDENTIAL MORTGAGE LOAN DEFINED.—In this section, the term ‘covered residential mortgage loan’ means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(w) of the Truth in Lending Act), including a loan in which the proceeds will be used for—

“(1) a manufactured home (as defined in section 603 of the Housing and Community Development Act of 1974);
“(2) any installment sales contract, land contract, or contract for deed on a residential property; or

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

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

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

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

SEC. 405. CREDIT RESTORATION FOR CERTAIN PRIVATE EDUCATION LOANS BORROWERS.

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

“§ 605D. Credit restoration for certain private education loans borrowers

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

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

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

“(b) REMOVAL OF ADVERSE INFORMATION.—Upon receipt of a notice described in subsection (d)(5), a consumer reporting agency shall remove any adverse information relating to any private education loan with respect to which a consumer is a qualifying private education loan borrower from any consumer report within 45 calendar days of receipt of such notification.

“(c) DISCLOSURE.—The Bureau shall disclose the results of a certification determination in writing to the consumer that provides a clear and concise explanation of the basis for the determination of whether such consumer is a qualifying private education loan borrower with respect to a private education loan and, as applicable, an explanation of the consumer’s right to have adverse information relating to such loan removed from their consumer report by a consumer reporting agency.
“(d) PROCEDURES.—The Bureau shall—

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

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

“(3) develop ongoing outreach initiatives and education programs to inform consumers of the circumstances under which such consumer may be eligible to be certified as a qualifying private education loan borrower with respect to a private education loan;

“(4) establish procedures, including the manner, form, and content of the notice informing a private educational loan holder of the prohibition on reporting any adverse information relating to a private education loan with respect to which a consumer is a qualifying private education loan borrower; and

“(5) establish procedures, including the manner, form, and content of the notice informing a consumer reporting agency of the obligation to remove any adverse information as described in subsection (c).

“(e) STANDARDIZED REPORTING CODES.—A consumer reporting agency shall develop standardized reporting codes for use by private education loan holders to iden-
tify and report a qualifying private education loan bor-
rower’s status of a request to remove any adverse informa-
tion relating to any private education loan with respect
to which such consumer is a qualifying private education
loan borrower. A consumer report in which a person fur-
nishes such codes shall be deemed to comply with the re-
quirements for accuracy and completeness required under
sections 607(b), 623(a)(1), and 632. Such codes shall not
appear on any report provided to a third party, and shall
be removed from the consumer’s credit report upon the
successful restoration of the consumer’s credit under this
section.

“(f) Defraudment Claim Defined.—For pur-
poses of this section, the term ‘defraudment claim’ means
a claim made with respect to a consumer who is a bor-
rower of a private education loan with respect to a propri-
etary educational institution or career education program
in which the consumer alleges that—

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

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

“(i) as defined by State law of the

State in which the proprietary educational
institution or career education program is headquartered or maintains or maintained significant operations; or

“(ii) under Federal law;

“(B) is the subject of an enforcement order, a settlement agreement, a memorandum of understanding, a suspension of tuition assistance, or any other action relating to an unfair, deceptive, or abusive act or practice that is between the proprietary educational institution or career education program and an agency or department of a local, State, or Federal Government; or

“(C) misrepresented facts to students or accrediting agencies or associations about graduation or gainful employment rates in recognized occupations or failed to provide the coursework necessary for students to successfully obtain a professional certification or degree from the proprietary educational institution or career education program; or

“(2) the consumer has submitted a valid defense to repayment claim with respect to such loan, as determined by the Secretary of Education.”
(b) Table of Contents Amendment.—The table of contents of the Fair Credit Reporting Act, as amended by section 404, is further amended by inserting after the item relating to section 605C the following new item:

“605D. Credit restoration for certain private education loans borrowers.”

SEC. 406. FINANCIAL ABUSE PREVENTION.

(a) In General.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 301, is further amended by inserting after section 605E the following new section:

“§ 605F. Financial abuse prevention

“For a consumer who is the victim of intentionally abusive or harmful financial behavior, as determined by a court of competent jurisdiction including a family court, juvenile court, or other court with personal jurisdiction, that was conducted by a spouse, family or household member, caregiver, or person with whom such consumer had a dating relationship in a manner which resulted in the inclusion of an adverse item of information on the consumer report of the consumer, and the consumer did not participate in or consent to such behavior, the consumer may apply to a court of competent jurisdiction, including a family court, juvenile court, or other court with personal jurisdiction, for an order to require the removal of such adverse information from the consumer’s file maintained by any consumer reporting agency.”.
(b) Table of Contents Amendment.—The table of contents of the Fair Credit Reporting Act, as amended by section 301, is further amended by inserting after the item relating to section 605E the following new item:

“605F. Financial abuse prevention.”.

SEC. 407. Prohibition of Certain Factors Related to Federal Credit Restoration or Rehabilitation.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 502, is further amended—

(1) by adding at the end the following new section:

“§ 632. Prohibition of certain factors related to Federal credit restoration or rehabilitation

“(a) Restriction on Credit Scoring Models.—

A credit scoring model may not—

“(1) take into consideration, in a manner adverse to a consumer’s credit score or educational credit score, any information in a consumer report concerning the consumer’s participation in credit restoration or rehabilitation under section 605C, 605D, or 605E; or

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

“(b) Restriction on Persons Obtaining Consumer Reports.—A person who obtains a consumer re-
port may not—

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

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

“(c) Accuracy and Completeness.—If a person
who furnishes information to a consumer reporting agency
requests the removal of information from a consumer re-
port or a consumer reporting agency removes information
from a consumer report in compliance with the require-
ments under section 605C, 605D, or 605E, or such infor-
mination was removed pursuant at section 605(a)(11), such
report shall be deemed to satisfy the requirements for ac-
curacy and completeness with respect to such information.

“(d) Prohibition Related to Adverse Actions
and Risk-Based Pricing Decisions.—No person shall
use information related to a consumer’s participation in
credit restoration or rehabilitation under section 605C,
605D, or 605E in connection with any determination of—

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

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

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

(2) in the table of contents for such Act, by in-
serting after the item relating to section 631 the fol-
lowing new item:

“632. Prohibition of certain factors related to Federal credit restoration or reha-
bilité.”.

TITLE V—CLARITY IN CREDIT
SCORE FORMATION

SEC. 501. CONSUMER BUREAU STUDY AND REPORT TO
CONGRESS ON THE IMPACT OF NON-TRADI-
TIONAL DATA.

(a) Study.—The Bureau of Consumer Financial
Protection shall carry out a study to assess the impact
(including the availability and affordability of credit and
other noncredit decisions, the potential positive and negative impacts on consumer credit scores, and any unintended consequences) of using traditional modeling techniques or alternative modeling techniques to analyze non-traditional data from a consumer report and of including non-traditional data on consumer reports on the following:

(1) Consumers with no or minimal traditional credit history.

(2) Traditionally underserved communities and populations.

(3) Consumers residing in rural areas.

(4) Consumers residing in urban areas.

(5) Racial and ethnic minorities and women.

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

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

(8) Minority financial institutions (as defined under section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note)) and community financial institutions.
(9) Consumers residing in federally assisted housing, including consumers receiving Federal rental subsidies.

(b) ADDITIONAL CONSIDERATIONS.—In assessing impacts under subsection (a), the Bureau of Consumer Financial Protection shall also consider impacts on—

(1) the privacy, security, and confidentiality of the financial, medical, and personally identifiable information of consumers;

(2) the control of consumers over how such information may or will be used or considered;

(3) the understanding of consumers of how such information may be used or considered and the ease with which a consumer may decide to restrict or prohibit such use or consideration of such information;

(4) potential discriminatory effects; and

(5) disparate outcomes the use or consideration of such information may cause.

(e) CONSIDERATION OF RECENT GOVERNMENT STUDIES.—In assessing impacts under subsection (a), the Bureau of Consumer Financial Protection shall also consider recent Government studies on alternative data, including—
(1) the report of the Bureau of Consumer Financial Protection titled “CFPB Data Point: Becoming Credit Visible” (published June 2017); and


(d) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Bureau of Consumer Financial Protection shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations, including any recommendations for any legislative or regulatory changes, made in carrying out the study required under subsection (a).

(e) DEFINITIONS.—In this section:

(1) ALTERNATIVE MODELING TECHNIQUES.—The term “alternative modeling techniques” means statistical and mathematical techniques that are not traditional modeling techniques, including decision trees, random forests, artificial neural networks, nearest neighbor, genetic programming, and boosting algorithms.
(2) **CONSUMER REPORT.**—The term “consumer report” has the meaning given such term in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

(3) **NON-TRADITIONAL DATA.**—The term “non-traditional data” means data related to telecommunications, utility payments, rent payments, remittances, wire transfers, data not otherwise regularly included in consumer reports issued by consumer reporting agencies described under section 603(p), and such other items as the Bureau of Consumer Financial Protection deems appropriate.

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

**SEC. 502. CONSUMER BUREAU OVERSIGHT OF CREDIT SCORING MODELS.**

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 701, is further amended—

(1) by adding at the end the following new section:
§ 631. Credit scoring models

(a) Validated Credit Scoring Models.—Not later than 1 year after the date of the enactment of this section, the Bureau shall (in consultation with the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Board of Directors of the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board) issue final regulations applicable to any person that creates, maintains, utilizes, or purchases credit scoring models used in making credit decisions to establish standards for validating the accuracy and predictive value of all such credit scoring models, both before release for initial use and at regular intervals thereafter, for as long as such credit scoring models are made available for purchase or use by such person.

(b) Prohibition.—At least once every 2 years, the Bureau shall conduct a review of credit scoring models to determine whether the use of any particular factors, or the weight or consideration given to certain factors by credit scoring models, is inappropriate, including if such factors do not enhance or contribute to the accuracy and predictive value of the models. Upon the conclusion of its review, the Bureau may prohibit a person described in subsection (a) from weighing, considering, or including certain factors in, or making available for purchase or use,
certain credit scoring models or versions, as the Bureau
determines appropriate.”; and
(2) in the table of contents for such Act, as
amended by section 701, by adding after the item
relating to section 630 the following new item:
“631. Credit scoring models.”.

TITLE VI—RESTRICTIONS ON
CREDIT CHECKS FOR EMPLOYMENT DECISIONS

SEC. 601. PROHIBITION ON THE USE OF CREDIT INFORMATION FOR MOST EMPLOYMENT DECISIONS.

(a) IN GENERAL.—Section 604 of the Fair Credit
Reporting Act (15 U.S.C. 1681b) is amended—
(1) in subsection (a)(3)(B), by inserting “, subject to the requirements of subsection (b)” after
“purposes”; and
(2) in subsection (b)—
(A) in paragraph (1)—
(i) by amending the paragraph heading to read as follows: “USE OF CONSUMER REPORTS FOR EMPLOYMENT PURPOSES”;
(ii) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively (and conforming the
margins accordingly);
(iii) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively (and conforming the margins accordingly);

(iv) by striking the period at the end of clause (ii) (as so redesignated) and inserting ‘‘; and’’;

(v) by striking ‘‘agency may furnish’’ and inserting ‘‘agency—

“(A) may furnish’’; and

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

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

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

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

“(A) IN GENERAL.—A person may use a consumer report for employment purposes with
respect to any consumer in which any information contained in the report bears on the consumer’s creditworthiness, credit standing, or credit capacity only if—

“(i) either—

“(I) the person is required to obtain the report by a Federal, State, or local law or regulation; or

“(II) the information contained in the report is being used with respect to a national security investigation (as defined in paragraph (4)(D));

“(ii) none of the cost associated with obtaining the consumer report will be passed on to the consumer to whom the report relates; and

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

“(I) in an aggregate format that protects a consumer’s personally identifiable information; or

“(II) as may be necessary to comply with any applicable Federal,
State, or local equal employment opportunity law or regulation.

“(B) DISCLOSURES.—A person who procures, or causes to be procured, a consumer report described in subparagraph (A) for employment purposes shall, in the disclosure made pursuant to paragraph (2), include—

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

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

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

“(C) ADVERSE ACTIONS.—In using a consumer report described in subparagraph (A) for employment purposes and before taking an adverse action based in whole or in part on the report, the person intending to take such adverse action shall, in addition to the information described in paragraph (3), provide to the consumer to whom the report relates—

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

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

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

“(D) National security investigations.—The requirements of paragraph (4)
shall apply to a consumer report described
under subparagraph (A).

“(E) Non-circumvention.—With respect
to a consumer report in which any information
contained in the report bears on the consumer’s
creditworthiness, credit standing, or credit ca-
capacity, if a person is prohibited from using the
consumer report pursuant to subparagraph (A),
such person may not, directly or indirectly, ei-
ther orally or in writing, require, request, sug-
gest, or cause any employee or prospective em-
ployee to submit such information to the person
as a condition of employment.

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

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

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

(c) RULE OF CONSTRUCTION.—The amendments
made by this Act may not be construed as limiting the
ability of a person to use non-financial or non-credit re-
lated consumer report information.
TITLE VII—PROHIBITION ON MISLEADING AND UNFAIR CONSUMER REPORTING PRACTICES

SEC. 701. PROHIBITION ON AUTOMATIC RENEWALS FOR PROMOTIONAL CONSUMER REPORTING AND CREDIT SCORING PRODUCTS AND SERVICES.

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

(1) by adding at the end the following new section:

“§ 630. Promotional periods

“(a) TERMINATION NOTICE.—With respect to any product or service related to a consumer report or a credit score that is provided to a consumer under promotional terms, the seller or provider of such product or service shall provide clear and conspicuous notice to the consumer within a reasonable period of time before the promotional period ends.

“(b) OPT-IN.—With respect to any such product or service, the seller or provider may not continue to sell or provide such product or service to the consumer after the end of the promotional period unless the consumer specifically agrees at the end of the promotional period to continue receiving the product or service.”; and
(2) in the table of contents for such Act, by inserting after the item relating to section 629 the following new item:

“630. Promotional periods.”.

SEC. 702. PROHIBITION ON MISLEADING AND DECEPTIVE MARKETING RELATED TO THE PROVISION OF CONSUMER REPORTING AND CREDIT SCORING PRODUCTS AND SERVICES.

Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by section 206, is further amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “request, except” and all that follows through “consumer to whom” and inserting “request, unless the consumer to whom”;

(ii) by striking “disclosure; and” and inserting “disclosure.”; and

(iii) by striking subparagraph (B);

and

(B) in paragraph (6), by inserting “or educational credit score (if applicable) under subsection (f) or section 612” before the period at the end; and
(2) by adding at the end the following new subsection:

“(j) DISCLOSURES ON PRODUCTS AND SERVICES.—The Bureau, in consultation with the Federal Trade Commission, shall issue regulations within 18 months of the date of the enactment of this subsection requiring each consumer reporting agency and reseller to clearly and conspicuously disclose all material terms and conditions, including any fee and pricing information associated with any products or services offered, advertised, marketed, or sold to consumers by the agency or reseller. Such disclosures shall be made in all forms of communication to consumers and displayed prominently on the agency or reseller’s website and all other locations where products or services are offered, advertised, marketed, or sold to consumers.”.

SEC. 703. PROHIBITION ON EXCESSIVE DIRECT-TO-CONSUMER SALES.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 407, is further amended—

(1) by adding after section 632 the following new section:
§ 633. Fair and reasonable fees for products and services

“The Bureau may, with respect to any product or service offered by a consumer reporting agency to a consumer, set a fair and reasonable maximum fee that may be charged for such product or service, except where such maximum fee is otherwise provided under this title.”; and

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

“633. Fair and reasonable fees for products and services.”.

SEC. 704. FAIR ACCESS TO CONSUMER REPORTING AND CREDIT SCORING DISCLOSURES FOR NON-NATIVE ENGLISH SPEAKERS AND THE VISUALLY AND HEARING IMPAIRED.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 903, is further amended—

(1) by adding at the end the following new section:

§ 635. Fair access to information for nonnative English speakers and the visually and hearing impaired

“(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Bureau shall issue a rule to require consumer reporting agencies and persons who furnish information to consumer reporting
agencies under this title, to the maximum extent reasonably practicable—

“(1) to provide any information, disclosures, or other communication with consumers—

“(A) in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis; and

“(B) in formats accessible to individuals with hearing or vision impairments; and

“(2) to ensure that—

“(A) customer service representatives, including employees assigned to handle disputes or appeals under sections 611 and 623, who are available to assist consumers are highly familiar with the requirements of this title;

“(B) such representatives are available during regular business hours and outside of regular business hours, including evenings and weekends; and

“(C) at least one among such representatives is fluent in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis.
“(b) BUREAU CONSULTATION.—The Bureau shall consult with advocates for civil rights, consumer groups, community groups, and organizations that serve traditionally underserved communities and populations in issuing the rule described in subsection (a).”; and

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

“635. Fair access to information for nonnative English speakers and the visually and hearing impaired.”.

SEC. 705. COMPARISON SHOPPING FOR LOANS WITHOUT HARM TO CREDIT STANDING.

Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by section 401, is further amended by adding at the end the following new subsection:

“(h) ENCOURAGING COMPARISON SHOPPING FOR LOANS.—

“(1) IN GENERAL.—With respect to multiple enquiries of the same type made to a consumer reporting agency for a consumer report or credit score with respect to a consumer, any credit scoring model shall treat such enquiries as a single enquiry if the enquiries are made within a 120-day period.

“(2) DEFINITION OF ENQUIRIES OF THE SAME TYPE.—With respect to multiple enquiries made to a consumer reporting agency for a consumer report
or credit score with respect to a consumer, such
enquiries are ‘of the same type’ if the consumer re-
porting agency has reason to believe that the
enquiries are all made for the purpose of deter-
mining the consumer’s creditworthiness for an exten-
sion of credit described in one of the following:

“(A) A covered residential mortgage loan
(as defined in section 605C).
“(B) A motor vehicle loan or lease (as de-
scribed in section 609(i)).
“(C) A private education loan.
“(D) Any other consumer financial product
or service, as determined by the Bureau.”.

SEC. 706. NATIONWIDE CONSUMER REPORTING AGENCIES
REGISTRY.

The Fair Credit Reporting Act (15 U.S.C. 1681 et
seq.), as amended by section 704, is further amended—
(1) by adding at the end the following new sec-
tion:

“§636. Nationwide consumer reporting agencies reg-
istry
“(a) In General.—Not later than 1 year after the
date of enactment of this section, the Bureau shall estab-
lish and maintain a publicly accessible registry of con-
sumer reporting agencies described in subsection (p) or
(x) of section 603 (and any other agencies the Bureau determines provide similar services to such consumer reporting agencies) that includes current contact information of each such agency, including the Internet website address of the Internet website described under section 611(h), and information on how consumers can obtain their consumer report, credit scores, or educational credit scores (as applicable) by toll-free telephone, postal mail, or electronic means.

“(b) Registry Requirements.—The registry described in subsection (a) shall—

“(1) identify the largest agencies and the markets and demographics covered by such agencies; and

“(2) disclose, with respect to each agency, whether the agency is subject to the supervisory authority of the Bureau under this title.

“(c) Information Updates.—Each agency described under subsection (a) shall submit to the Bureau contact information for the registry, including any updates to such information. The Bureau shall—

“(1) independently verify information submitted by each agency; and

“(2) update the registry not less frequently than annually.”; and
(2) in the table of contents for such Act by adding at the end the following new item:

"636. Nationwide consumer reporting agencies registry."

TITLE VIII—PROTECTIONS AGAINST IDENTITY THEFT, FRAUD, OR A RELATED CRIME

SEC. 801. IDENTITY THEFT REPORT DEFINITION.

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

“(4) IDENTITY THEFT REPORT.—The term ‘identity theft report’ has the meaning given that term by rule of the Bureau, and means, at a minimum, a report—

“(A) that is a standardized affidavit that alleges that a consumer has been a victim of identity theft, fraud, or a related crime, or has been harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information, that was developed and made available by the Bureau; or

“(B)(i) that alleges an identity theft, fraud, or a related crime, or alleges harm from the unauthorized disclosure of the consumer’s financial or personally identifiable information;
“(ii) that is a copy of an official, valid report filed by a consumer with an appropriate Federal, State, or local law enforcement agency (including the United States Postal Inspection Service), or such other government agency deemed appropriate by the Bureau; and

“(iii) the filing of which subjects the person filing the report to criminal penalties relating to the filing of false information if the information in the report is actually false.”.

SEC. 802. AMENDMENT TO PROTECTION FOR FILES AND CREDIT RECORDS OF PROTECTED CONSUMERS.

(a) Amendment to Definition of “File”.—Section 603(g) of the Fair Credit Reporting Act (15 U.S.C. 1681a(g)) is amended by inserting “, except that such term excludes a record created pursuant to section 605A(j)” after “stored”.

(b) Amendment to Protection for Files and Credit Records.—Section 605A(j) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(j)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)(ii), by striking “an incapacitated person or a protected person” and inserting “a person”; and
(B) by amending subparagraph (E) to read as follows:

“(E) The term ‘security freeze’—

“(i) has the meaning given in subsection (i)(1)(C); and

“(ii) with respect to a protected consumer for whom the consumer reporting agency does not have a file, means a record that is subject to a security freeze that a consumer reporting agency is prohibited from disclosing to any person requesting the consumer report for the purpose of opening a new account involving the extension of credit.”; and

(2) in paragraph (4)(D), by striking “a protected consumer or a protected consumer’s representative under subparagraph (A)(i)” and inserting “a protected consumer described under subparagraph (A)(ii) or a protected consumer’s representative”.

SEC. 803. ENHANCEMENT TO FRAUD ALERT PROTECTIONS.

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

(1) in subsection (a)—
(A) in the subsection heading, by striking “ONE-CALL” and inserting “ONE-YEAR”;

(B) in paragraph (1)—

(i) in the paragraph heading, by striking “INITIAL ALERTS” and inserting “IN GENERAL”;

(ii) by inserting “or has been or is about to be harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information,” after “identity theft,”;

(iii) in subparagraph (A)—

(I) by inserting “(which period may be extended upon request of the consumer or such representative)” after “1 year”; and

(II) by striking “and” at the end;

(iv) in subparagraph (B)—

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

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

(v) by adding at the end the following new subparagraph:
“(C) upon the expiration of the period described in subparagraph (A) or any extension of such period, and in response to a direct request by the consumer or such representative, continue the fraud alert for a period of 1 additional year if the information asserted in this paragraph remains applicable.”; and

(C) in paragraph (2)—

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

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

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

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

(2) in subsection (b)—

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

(B) in paragraph (1)—
(i) in subparagraph (A), by inserting
“(which period may be extended upon re-
quest of the consumer or such representa-
tive)”;

(ii) in subparagraph (B)—

(I) by striking “the 5-year period
beginning on the date of such re-
quest” and inserting “such 7-year pe-
riod (including any extension of such
period)”; and

(II) by striking “and” at the end;

(iii) in subparagraph (C)—

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

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

(iv) by adding at the end the following
new subparagraph:
“(D) upon the expiration of such 7-year
period or any extension of such period, and in
response to a direct request by the consumer or
such representative, continue the fraud alert for
a period of 7 additional years if the consumer
or such representative submits an updated iden-
tity theft report.”; and
(C) in paragraph (2)—

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

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

“(A) disclose to the consumer that the consumer may request a free copy of the file and credit score or educational credit score of the consumer pursuant to section 612(d) during each 12-month period beginning on the date on which the 7-year fraud alert was included in the file and ending on the date of the last day that the 7-year fraud alert applies to the consumer’s file; and”;

(3) in subsection (c)—

(A) in paragraph (1), by inserting “or educational credit score” after “credit score”;

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

(C) by striking “Upon the direct request” and inserting:
“(1) IN GENERAL.—Upon the direct request”; and

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

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

“(A) disclose to the active duty military consumer that the active duty military consumer may request a free copy of the file and credit score or educational credit score of the active duty military consumer pursuant to section 612(d), during each 12-month period beginning on the date that the activity duty military alert is requested and ending on the date of the last day the active duty alert applies to the file of the active duty military consumer; and

“(B) provide to the active duty military consumer all disclosures required to be made under section 609, without charge to the consumer, not later than 3 business days after any request described in subparagraph (A).”;}
(4) by amending subsection (d) to read as follows:

“(d) PROCEDURES.—Each consumer reporting agency described in section 603(p) shall include on the webpage required under subsection (i) policies and procedures to comply with this section, including policies and procedures—

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

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

“(3) for asserting in good faith a suspicion that the consumer has been or is about to become a victim of identity theft, fraud, or a related crime, or harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information, for a consumer seeking a 1-year fraud alert or security freeze.”;

(5) in subsection (e), by inserting “1-year or 7-year” before “fraud alert”;
(6) in subsection (f), by striking “or active duty alert” and inserting “active duty alert, or security freeze (as applicable)”;

(7) in subsection (g)—

(A) by inserting “or has been harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information, or to inform such agency of the consumer’s participation in credit restoration or rehabilitation under section 605C, 605D, or 605E,” after “identity theft,”; and

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

(8) in subsection (h)—

(A) in paragraph (1)—

(i) in the paragraph heading, by striking “INITIAL” and inserting “1-YEAR”; and

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

and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking “EXTENDED” and inserting “7-YEAR”; and
(ii) by striking “extended” and inserting “7-year” each place such term appears; and

(9) in subsection (i)(4)—

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

and

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

SEC. 804. AMENDMENT TO SECURITY FREEZES FOR CONSUMER REPORTS.

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

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

(2) in paragraph (3)(E), by striking “Upon receiving” and all that follows through “subparagraph (C),” and inserting “Upon receiving a direct request from a consumer for a temporary removal of a security freeze, a consumer reporting agency shall”;

(3) by adding at the end the following:

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

(b) Amendment to Webpage Requirements.—

Section 605A(i)(6)(A) of the Fair Credit Reporting Act
(15 U.S.C. 1681c–1(i)(6)(A)) is amended—

(1) in clause (ii), by striking “initial fraud
alert” and inserting “1-year fraud alert”;

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

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

(c) Amendment to Exceptions for Certain
Persons.—Section 605A(i)(4)(A) of the Fair Credit Re-
porting Act (15 U.S.C. 1681c–1(i)(4)(A)) is amended to
read as follows:

“(A) A person, or the person’s subsidiary,
affiliate, agent, subcontractor, or assignee with
whom the consumer has, or prior to assignment
had, an authorized account, contract, or debtor-
creditor relationship for the purposes of reviewing the active account or collecting the financial obligation owed on the account, contract, or debt.”.

(e) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 805. CLARIFICATION OF INFORMATION TO BE INCLUDED WITH AGENCY DISCLOSURES.

Section 609(c)(2) of the Fair Credit Reporting Act (15 U.S.C. 1681g(e)(2)) is amended—

(1) in subparagraph (B)—

(A) by striking “consumer reporting agency described in section 603(p)” and inserting “consumer reporting agency described in subsection (p) or (x) of section 603”;

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

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

(2) in subparagraph (E), by striking “outdated under section 605 or” and inserting “outdated, required to be removed, or”.

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SEC. 806. PROVIDES ACCESS TO FRAUD RECORDS FOR VICTIMS.

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

(1) in paragraph (1)—

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

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

and

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

(2) in paragraph (2)(B)—

(A) by striking “identity theft, at the election of the business entity” and inserting “fraudulent activity”;

(B) by amending clause (i) to read as follows:

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

(C) by amending clause (ii) to read as follows:

“(ii) an affidavit of fact that is acceptable to the business entity for that purpose.”;
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(3) in paragraph (3), by striking “identity theft” and inserting “fraudulent activity”;

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

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

SEC. 807. REQUIRED BUREAU TO SET PROCEDURES FOR REPORTING IDENTITY THEFT, FRAUD, AND OTHER RELATED CRIME.

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

(1) in the paragraph heading, by striking “MODEL FORM” and inserting “STANDARDIZED AFFIDAVIT”;

(2) by striking “The Commission” and inserting “The Bureau”;

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

(4) by inserting after “identity theft” the following: “, fraud, or a related crime, or otherwise are harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information,”; and
by striking “fraud.” and inserting “identity
theft, fraud, or other related crime. Such standard-
ized affidavit and procedures shall not include a re-
quirement that a consumer obtain a police report.”.

SEC. 808. ESTABLISHES THE RIGHT TO FREE CREDIT MONI-
TORING AND IDENTITY THEFT PROTECTION
SERVICES FOR CERTAIN CONSUMERS.

(a) Enforcement of Credit Monitoring for
Servicemembers.—

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

(2) Effective date.—This subsection and the
amendment made by this subsection shall take effect
on the date of the enactment of this Act.

(b) Free Credit Monitoring and Identity
Theft Protection Services for Certain Con-
sumers.—Subsection (k) of section 605A (15 U.S.C.
1681c–1), is amended to read as follows:

“(k) Credit Monitoring and Identity Theft
Protection Services.—

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

“(2) FEES.—

“(A) CLASSES OF CONSUMERS.—The Bureau may establish classes of consumers eligible to receive credit monitoring and identity theft protection services free of charge.

“(B) NO FEE.—A consumer reporting agency described in section 603(p) may not charge a consumer a fee to receive credit monitoring and identity theft protection services if the consumer or a representative of the consumer—

“(i) asserts in good faith a suspicion that the consumer has been or is about to become a victim of identity theft, fraud, or a related crime, or harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information;
“(ii) is unemployed and intends to apply for employment in the 60-day period beginning on the date on which the request is made;

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

“(iv) is an active duty military consumer or a member of the National Guard (as defined in section 101(e) of title 10, United States Code);

“(v) is 65 years of age or older; or

“(vi) is a member of a class established by the Bureau under subparagraph (A).

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

“(A) to define the scope of credit monitoring and identity theft protection services required under this subsection; and

“(B) to set a fair and reasonable fee that a consumer reporting agency may charge a consumer (other than a consumer described under paragraph (2)(B)) for such credit monitoring and identity theft protection services.
“(4) Relation to state law.—This subsection does not modify or supersede of the laws of any State relating to credit monitoring and identity theft protection services or other similar actions, except to the extent those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this subsection, a term or provision of a State law is not inconsistent with the provisions of this subsection if the term or provision affords greater protection to the consumer than the protection provided under this subsection as determined by the Bureau.”

SEC. 809. ENSURES REMOVAL OF INQUIRIES RESULTING FROM IDENTITY THEFT, FRAUD, OR OTHER RELATED CRIME FROM CONSUMER REPORTS.

Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 403, is further amended by adding at the end the following:

“(17) Information about inquiries made for a credit report based on requests that the consumer reporting agency verifies were initiated as the result of identity theft, fraud, or other related crime.”.
TITLE IX—MISCELLANEOUS

SEC. 901. DEFINITIONS.

Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as amended by section 302, is further amended by adding at the end the following:

“(dd) DEFINITIONS RELATED TO DAYS.—

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

“(2) BUSINESS DAY.—The term ‘business day’ means a day between and including Monday to Friday, and excluding any federally recognized holiday.”.

SEC. 902. TECHNICAL CORRECTION RELATED TO RISK-BASED PRICING NOTICES.

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

(1) in subparagraph (A), by striking “this section” and inserting “this subsection”; and

(2) in subparagraph (B), by striking “This section” and inserting “This subsection”.

SEC. 903. FCRA FINDINGS AND PURPOSE; VOIDS CERTAIN
CONTRACTS NOT IN THE PUBLIC INTEREST.

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

(1) in subsection (a)—

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

“(1) Many financial and non-financial decisions af-
flecting consumers’ lives depend upon fair, complete, and
accurate credit reporting. Inaccurate and incomplete cred-
report directly impair the efficiency of the financial sys-
tem and undermine the integrity of using credit reports
in other circumstances, and unfair credit reporting and
credit scoring methods undermine the public confidence
which is essential to the continued functioning of the fi-
nancial services system and the provision of many other
consumer products and services.”; and

(B) in paragraph (4), by inserting after

“agencies” the following: “, furnishers, and
credit scoring developers”; and

(2) in subsection (b)—

(A) by striking “It is the purpose of this
title to require” and inserting the following:

“The purpose of this title is the following:

“(1) To require”; and
(B) by adding at the end the following:

“(2) To prohibit any practices and procedures with respect to credit reports and credit scores that are not in the public interest.”.

(b) VOIDING OF CERTAIN CONTRACTS NOT IN THE PUBLIC INTEREST.—

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 703, is further amended—

(1) by adding at the end the following new section:

“§ 634. Voiding of certain contracts not in the public interest

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

“(b) RULE OF CONSTRUCTION.—Nothing in subsection (a) shall be construed as affecting other provisions of a contract that are not described under subsection (a).”; and
(2) in the table of contents for such Act, by inserting after the item relating to section 633 the following new item:

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