H. R. ______

To amend the Fair Credit Reporting Act to provide for disaster protection for workers’ credit.

IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the Committee on ____________________

A BILL

To amend the Fair Credit Reporting Act to provide for disaster protection for workers’ credit.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3
4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “Disaster Protection for Workers’ Credit Act”.
6
7 SEC. 2. PURPOSE.
8 The purpose of this Act, and the amendments made
9 by this Act, is to protect consumers’ credit from negative

impacts as a result of financial hardship due to the
coronavirus disease (COVID–19) outbreak and future major disasters.

**SEC. 3. REPORTING OF INFORMATION DURING MAJOR DIS-ASTERS.**

(a) IN GENERAL.—The Fair Credit Reporting Act is amended by inserting after section 605B the following:

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§ 605C. Reporting of information during major disasters

“(a) DEFINITIONS.—In this section:

“(1) COVID–19 EMERGENCY PERIOD.—The term ‘COVID–19 emergency period’ means the period beginning on the date of enactment of this section and ending on the later of—

“(A) 120 days after the date of enactment of this section; or

“(B) 120 days after the date of termination by the Federal Emergency Management Administration of the emergency declared on March 13, 2020, by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 4121 et seq.) relating to the Coronavirus Disease 2019 (COVID-19) pandemic.

“(2) COVERED MAJOR DISASTER PERIOD.—The term ‘covered major disaster period’ means—
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“(A) the period beginning on the date on which a major disaster is declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), under which assistance is authorized under section 408 of such Act (42 U.S.C. 5174), and ending on the date that is 120 days after the end of the incident period designated in such declaration; or

“(B) the period ending 120 days after the date of termination by the Federal Emergency Management Administration of the emergency declared on March 13, 2020, by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 4121 et seq.) relating to the Coronavirus Disease 2019 (COVID-19) pandemic.

“(3) MAJOR DISASTER.—The term ‘major disaster’ means a major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), under which assistance is authorized under section 408 of such Act (42 U.S.C. 5174).

“(b) MORATORIUM ON FURNISHING ADVERSE INFORMATION DURING COVID–19 EMERGENCY PERIOD.—
No person may furnish any adverse item of information
(except information related to a felony criminal conviction)
relating to a consumer that was the result of any action
or inaction that occurred during the COVID–19 emergency period.

“(c) MORATORIUM ON FURNISHING ADVERSE INFORMATION DURING COVERED MAJOR DISASTER PERIOD.—
No person may furnish any adverse item of information
(except information related to a felony criminal conviction)
relating to a consumer that was the result of any action
or inaction that occurred during a covered major disaster
period if the consumer is a resident of the affected area
covered by a declaration made by the President under section 401 of the Robert T. Stafford Disaster Relief and
Emergency Assistance Act (42 U.S.C. 5170), under which
assistance is authorized under section 408 of such Act (42

“(d) INFORMATION EXCLUDED FROM CONSUMER REPORTS.—In addition to the information described in
section 605(a), no consumer reporting agency may make
any consumer report containing an adverse item of inform-
ation (except information related to a felony criminal
conviction) reported relating to a consumer that was the
result of any action or inaction that occurred during the
COVID–19 emergency period or a covered major disaster
(e) SUMMARY OF RIGHTS.—Not later than 60 days after the date of enactment of this subsection, the Bureau shall update the model summary of rights under section 609(e)(1) to include a description of the right of a consumer to—

“(1) request the deletion of adverse items of information under subsection (f); and

“(2) request a consumer report or score, without charge to the consumer, under subsection (g).

(f) DELETION OF ADVERSE ITEMS OF INFORMATION RESULTING FROM THE CORONAVIRUS DISEASE (COVID–19) OUTBREAK AND MAJOR DISASTERS.—

“(1) REPORTING.—

“(A) IN GENERAL.—Not later than 60 days after the date of enactment of this subsection, the Bureau shall create a website for consumers to report, under penalty of perjury, economic hardship as a result of the coronavirus disease (COVID–19) outbreak or a major disaster (if the consumer is a resident of the affected area covered by such major disaster) for the purpose of extending credit report protection for an additional 270 days after the
end of the COVID–19 emergency period or covered major disaster period, as applicable.

“(B) DOCUMENTATION.—The Bureau shall—

“(i) not require any documentation from a consumer to substantiate the economic hardship; and

“(ii) provide notice to the consumer that a report under subparagraph (A) is under penalty of perjury.

“(C) REPORTING PERIOD.—A consumer may report economic hardship under subparagraph (A) during the COVID–19 emergency period or a covered major disaster period, as applicable, and for 60 days thereafter.

“(2) DATABASE.—The Bureau shall establish and maintain a secure database that—

“(A) is accessible to each consumer reporting agency described in section 603(p) and nationwide specialty consumer reporting agency for purposes of fulfilling their duties under paragraph (3) to check and automatically delete any adverse item of information (except information related to a felony criminal conviction) reported that occurred during the COVID–19
emergency period or a covered major disaster period with respect to a consumer; and

“(B) contains the information reported under paragraph (1).

“(3) Deletion of adverse items of information by nationwide consumer reporting and nationwide specialty consumer reporting agencies.—

“(A) In general.—Each consumer reporting agency described in section 603(p) and each nationwide specialty consumer reporting agency shall, using the information contained in the database established under paragraph (2), delete from the file of each consumer named in the database each adverse item of information (except information related to a felony criminal conviction) that was a result of an action or inaction that occurred during the COVID–19 emergency period or a covered major disaster period up to 270 days following the end of the such period.

“(B) Timeline.—Each consumer reporting agency described in section 603(p) and each nationwide specialty consumer reporting agency shall check the database at least weekly and de-
lete adverse items of information as soon as practicable after information that is reported under paragraph (1) appears in the database established under paragraph (2).

“(4) REQUEST FOR DELETION OF ADVERSE ITEMS OF INFORMATION.—

“(A) IN GENERAL.—A consumer who has filed a report of economic hardship with the Bureau may submit a request, without charge to the consumer, to a consumer reporting agency to delete from the consumer’s file an adverse item of information (except information related to a felony criminal conviction) that was a result of an action or inaction that occurred during the COVID–19 emergency period or a covered major disaster period up to 270 days following the end of the such period.

“(B) TIMING.—A consumer may submit a request under subparagraph (A), not later than 270-day period described in that subparagraph.

“(C) REMOVAL AND NOTIFICATION.—Upon receiving a request under this paragraph to delete an adverse item of information, a consumer reporting agency shall—
“(i) delete the adverse item of information (except information related to a felony criminal conviction) from the consumer’s file; and

“(ii) notify the consumer and the furnisher of the adverse item of information of the deletion.

“(g) FREE CREDIT REPORT AND SCORES.—

“(1) IN GENERAL.—During the COVID–19 emergency period or a covered major disaster period and ending 12 months after the expiration of the COVID–19 emergency period or covered major disaster period, as applicable, each consumer reporting agency as described under 603(p) and nationwide specialty consumer reporting agency shall make all disclosures described under section 609 upon request by a consumer, by mail or online, without charge to the consumer and without limitation as to the number of requests. A consumer reporting agency shall also supply a consumer, upon request and without charge, with a credit score that—

“(A) is derived from a credit scoring model that is widely distributed to users by the consumer reporting agency for the purpose of any extension of credit or other transaction des-
ignated by the consumer who is requesting the credit score; or

“(B) is widely distributed to lenders of common consumer loan products and predicts the future credit behavior of the consumer.

“(2) TIMING.—A file disclosure or credit score under paragraph (1) shall be provided to the consumer not later than—

“(A) 7 days after the date on which the request is received if the request is made by mail; and

“(B) not later than 15 minutes if the request is made online.

“(3) ADDITIONAL REPORTS.—A file disclosure provided under paragraph (1) shall be in addition to any disclosure requested by the consumer under section 612(a).

“(4) PROHIBITION.—A consumer reporting agency that receives a request under paragraph (1) may not request or require any documentation from the consumer that demonstrates that the consumer was impacted by the coronavirus disease (COVID–19) outbreak or a major disaster (except to verify that the consumer resides in an area covered by the
major disaster) as a condition of receiving the file disclosure or score.

“(h) POSTING OF RIGHTS.—Not later than 30 days after the date of enactment of this section, each consumer reporting agency shall prominently post and maintain a direct link on the homepage of the public website of the consumer reporting agency information relating to the right of consumers to—

“(1) request the deletion of adverse items of information (except information related to a felony criminal conviction) under subsection (f); and

“(2) request consumer file disclosures and scores, without charge to the consumer, under subsection (g).

“(i) BAN ON REPORTING MEDICAL DEBT INFORMATION RELATED TO COVID–19 OR A MAJOR DISASTER.—

“(1) FURNISHING BAN.—No person shall furnish adverse information to a consumer reporting agency related to medical debt if such medical debt is with respect to medical expenses related to treatments arising from COVID–19 or a major disaster (whether or not the expenses were incurred during the COVID–19 emergency period or covered major disaster period).
“(2) CONSUMER REPORT BAN.—No consumer reporting agency may make a consumer report containing adverse information related to medical debt if such medical debt is with respect to medical expenses related to treatments arising from COVID–19 or a major disaster (whether or not the expenses were incurred during the COVID–19 emergency period or covered major disaster period).

“(j) CREDIT SCORING MODELS.—A person that creates and implements credit scoring models may not treat the absence, omission, or deletion of any information pursuant to this section as a negative factor or negative value in credit scoring models created or implemented by such person.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of contents for the Fair Credit Reporting Act is amended by inserting after the item relating to section 605B the following:

“605C. Reporting of information during major disasters.”.

SEC. 4. LIMITATIONS ON NEW CREDIT SCORING MODELS DURING THE COVID–19 EMERGENCY AND MAJOR DISASTERS.

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

(1) by adding at the end the following:
§ 630. Limitations on new credit scoring models during the COVID–19 emergency and major disasters

“With respect to a person that creates and implements credit scoring models, such person may not, during the COVID–19 emergency period or a covered major disaster period (as such terms are defined under section 605C), create or implement a new credit scoring model (including a revision to an existing scoring model) if the new credit scoring model would identify a significant percentage of consumers as being less creditworthy when compared to the previous credit scoring models created or implemented by such person.”; and

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

“630. Limitations on new credit scoring models during major disasters.”.