

116TH CONGRESS
1ST SESSION

H. R. 3622

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

IN THE HOUSE OF REPRESENTATIVES

JULY 5, 2019

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

A BILL

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

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

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

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

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

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

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

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

TITLE III—MISCELLANEOUS

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

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) GENERAL FINDINGS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (2) PRIVATE EDUCATION LOANS.—

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

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

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

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

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

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

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

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

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

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

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

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

10 (4) MEDICAL DEBT.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (5) FINANCIAL ABUSE BY KNOWN PERSONS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (1) in subsection (a)—

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

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

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

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

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

6 (F) in paragraph (5)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 **SEC. 105. PROVIDES CREDIT RELIEF FOR PRIVATE EDU-**
 7 **CATION LOANS BORROWERS WHO WERE DE-**
 8 **FRAUDED OR MISLEAD BY PROPRIETARY**
 9 **EDUCATION INSTITUTION OR CAREER EDU-**
 10 **CATION PROGRAMS.**

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

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

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

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

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

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

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

24 “(d) PROCEDURES.—The Bureau shall—

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

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

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

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

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

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

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

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

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

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

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

1 headquartered or maintains or maintained
2 significant operations; or

3 “(ii) under Federal law;

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

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

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

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

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

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

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

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

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

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

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

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

“605E. Financial abuse prevention.”.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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, in fact, the information in the report is false.”.

SEC. 202. 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)—

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

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

6 “(E) The term ‘security freeze’—

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

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

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

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

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

4 (1) in subsection (a)—

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

7 (B) in paragraph (1)—

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

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

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

17 (iv) in subparagraph (B)—

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

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

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

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

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

(C) in paragraph (2)—

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

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

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

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

(2) in subsection (b)—

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

(B) in paragraph (1)—

(i) in subparagraph (B)—

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

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

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

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

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

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

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

18 (C) in paragraph (2)—

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

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

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

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

8 (3) in subsection (c)—

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

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

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

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

18 and

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

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

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

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

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

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

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

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

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

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

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

21 (7) in subsection (g)—

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

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

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

6 (8) in subsection (h)—

7 (A) in paragraph (1)—

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

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

13 (B) in paragraph (2)—

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

16 and

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

19 and

20 (9) in subsection (i)(4)—

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

22 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (1) in subparagraph (B)—

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

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

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

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

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

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

21 (1) in paragraph (1)—

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

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

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

4 (2) in paragraph (2)(B)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 “(2) FEES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 **TITLE III—MISCELLANEOUS**

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

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

19 “(bb) DEFINITIONS RELATED TO DAYS.—

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

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

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

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

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

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

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

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

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

16 (1) in subsection (a)—

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

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

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

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

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

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

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

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

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

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

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

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

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

