

Union Calendar No. 287

116TH CONGRESS
1ST SESSION

H. R. 3622

[Report No. 116-362]

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

DECEMBER 23, 2019

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on July 5, 2019]

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 “Re-*
 5 *storing Unfairly Impaired Credit and Protecting Con-*
 6 *sumers Act”.*

7 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 8 *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 con-
 sumer 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 de-
 frauded or misled by proprietary education institution or ca-
 reer education programs.*

*Sec. 106. Establishes right for victims of financial abuse to have adverse informa-
 tion associated with an abuser’s fraudulent activity removed
 from their consumer reports.*

*Sec. 107. Prohibits treatment of credit restoration or rehabilitation as adverse in-
 formation.*

**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 con-
 sumers.*

Sec. 203. Enhances fraud alert protections.

Sec. 204. Amendment to security freezes for consumer reports.

Sec. 205. Clarification of information to be included with agency disclosures.

Sec. 206. Provides access to fraud records for victims.

Sec. 207. Required Bureau to set procedures for reporting identity theft, fraud, and other related crime.

Sec. 208. Establishes the right to free credit monitoring and identity theft protection services for certain consumers.

Sec. 209. Ensures removal of inquiries resulting from identity theft, fraud, or other related crime from consumer reports.

TITLE III—MISCELLANEOUS

Sec. 301. Definitions.

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 (“CRAs”)*
 5 *are companies that collect, compile, and provide*
 6 *information about consumers in the form of con-*
 7 *sumer reports for certain permissible statutory*
 8 *purposes under the Fair Credit Reporting Act*
 9 *(15 U.S.C. 1681 et seq.) (“FCRA”). The three*
 10 *largest CRAs in this country are Equifax,*
 11 *TransUnion, and Experian. These CRAs are re-*
 12 *ferred to as nationwide CRAs and the reports*
 13 *that they prepare are commonly referred to as*
 14 *credit reports. Furnishers, such as creditors,*
 15 *lenders, and debt collection agencies, voluntarily*
 16 *submit information to CRAs about their ac-*
 17 *counts such as the total amount for each loan or*
 18 *credit limit for each credit card and the con-*
 19 *sumer’s payment history on these products. Re-*

1 ports also include identifying information about
2 a consumer, such as their birthdate, previous
3 mailing addresses, and current and previous em-
4 ployers.

5 (B) In a December 2012 paper, “Key Di-
6 mensions and Processes in the U.S. Credit Re-
7 porting System: A review for how the nation’s
8 largest credit bureaus manage consumer data”,
9 the Bureau of Consumer Financial Protection
10 (“Consumer Bureau”) noted that the three na-
11 tionwide CRAs maintain credit files on approxi-
12 mately 200 million adults and receive informa-
13 tion from about 10,000 furnishers. On a monthly
14 basis, these furnishers provide information on
15 over 1.3 billion consumer credit accounts or other
16 trade lines.

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

21 (D) Consumer reports play an increasingly
22 important role in the lives of American con-
23 sumers. Most creditors, for example, review these
24 reports to make decisions about whether to ex-
25 tend credit to consumers and what terms and

1 *conditions to offer them. As such, information*
2 *contained in these reports affects whether a per-*
3 *son is able to get a private education loan to pay*
4 *for college costs, to secure a mortgage loan to buy*
5 *a home, or to obtain a credit card, as well as the*
6 *terms and conditions under which consumer*
7 *credit products or services are offered to them.*

8 *(E) Credit reports are also increasingly*
9 *used for many noncredit decisions, including by*
10 *landlords to determine whether to rent an apart-*
11 *ment to a prospective tenant and by employers*
12 *to decide whether to hire potential job applicants*
13 *or to offer a promotion to existing employees.*

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

18 *(G) The nationwide CRAs have failed to es-*
19 *tablish and follow reasonable procedures, as re-*
20 *quired by existing law, to establish the max-*
21 *imum level of accuracy of information contained*
22 *on consumer reports. Given the repeated failures*
23 *of these CRAs to comply with accuracy require-*
24 *ments on their own, legislation is intended to*
25 *provide them with detailed guidance improving*

1 *the accuracy and completeness of information*
2 *contained in consumer reports, including proce-*
3 *dures, policies, and practices that these CRAs*
4 *should already be following to ensure full compli-*
5 *ance with their existing obligations.*

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

15 *(I) Current industry practices impose an*
16 *unfair burden of proof on consumers trying to*
17 *fix errors on their reports.*

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

22 *(K) Recognizing that credit reporting affects*
23 *the lives of almost all consumers in this country*
24 *and that the consequences of errors on a con-*
25 *sumer report can be catastrophic for a consumer,*

1 *the Consumer Bureau began accepting consumer*
2 *complaints about credit reporting in October*
3 *2012.*

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

10 *(M) In the “Monthly Complaint Report Vol-*
11 *ume 20”, released in February 2017, the Con-*
12 *sumer Bureau noted that 76 percent of credit re-*
13 *porting complaints involved incorrect informa-*
14 *tion on reports, with consumers frequently ex-*
15 *pressing their frustrations about the burdensome*
16 *and time-consuming process to disputing items.*

17 *(N) Other common types of credit reporting*
18 *complaints submitted to the Consumer Bureau*
19 *related to the improper use of a report, trouble*
20 *obtaining a report or credit score, CRAs’ inves-*
21 *tigations, and credit monitoring or identity pro-*
22 *tection.*

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 “Supervisory*
6 *Highlights”, Consumer Bureau examiners deter-*
7 *mined that one or more debt collectors never in-*
8 *vestigated indirect disputes that lacked detail or*
9 *were not accompanied by attachments with rel-*
10 *evant information from the consumer. Exam-*
11 *iners also found that notifications sent to con-*
12 *sumers about disputes considered frivolous failed*
13 *to identify for the consumers the type of material*
14 *that they could provide in order for the debt col-*
15 *lector to complete the investigation of the dis-*
16 *puted item.*

17 *(Q) A February 2014 Consumer Bureau re-*
18 *port titled “Credit Reporting Complaint Snap-*
19 *shot” found that consumers are confused about*
20 *the extent to which the nationwide CRAs are re-*
21 *quired to provide them with validation and doc-*
22 *umentation of a debt that appears on their credit*
23 *report.*

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

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

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

1 CRAs accountable for inaccuracies or poor serv-
2 ice.

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

13 (2) PRIVATE EDUCATION LOANS.—

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

1 *steps to work with their mortgage loan servicer*
2 *to avoid foreclosure during the Great Recession.*

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

15 (3) *DECEPTIVE PRACTICES AT CERTAIN PROPRI-*
16 *ETARY EDUCATION INSTITUTIONS AND CAREER EDU-*
17 *CATION PROGRAMS.—*

18 *(A) NCLC cited the proliferation of law en-*
19 *forcement actions against many for-profit schools*
20 *in its June 2014 report, titled “Ensuring Edu-*
21 *cational Integrity: 10 Steps to Improve State*
22 *Oversight of For-profit Schools”, to demonstrate*
23 *the pervasive problem in this sector of targeting*
24 *low-income students with deceptive high-pressure*
25 *sales techniques involving inflated job placement*

1 *rates and misleading data on graduate wages,*
2 *and false representations about the transfer-*
3 *ability of credits and the employability of grad-*
4 *uates in occupations that require licensure. Stu-*
5 *dent loan borrowers at these schools may be left*
6 *with nothing but worthless credentials and large*
7 *debt. Those who default on their student loans*
8 *face years with damaged credit that will ad-*
9 *versely impact their ability to rent or buy homes,*
10 *purchase cars, and find employment.*

11 *(B) The closure and bankruptcy of Corin-*
12 *thian Colleges, which was found to have deceived*
13 *students by steering them into high-interest stu-*
14 *dent loans based on misleading graduation rates*
15 *and employment data, is a good example of the*
16 *problem. Even after its closure, many Corinthian*
17 *students remained saddled with student loan*
18 *debt, worthless degrees, and few prospects for em-*
19 *ployment.*

20 *(C) Attending a two-year, for-profit college*
21 *costs, on average, four times as much as attend-*
22 *ing a community college. Students at for-profit*
23 *colleges represent only about 11 percent of the*
24 *total higher education population but a startling*
25 *44 percent of all Federal student loan defaults,*

1 *according to the United States Department of*
2 *Education (“DOE”).*

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

15 *(E) As highlighted in a press release titled*
16 *“Obama Administration Announces Final Rules*
17 *to Protect Students from Poor-Performing Career*
18 *College Programs”, that was issued by the DOE*
19 *on October 30, 2014, “[t]oo often, students at*
20 *career colleges—including thousands of vet-*
21 *erans—are charged excessive costs, but don’t get*
22 *the education they paid for. Instead, students in*
23 *such programs are provided with poor quality*
24 *training, often for low-wage jobs or in occupa-*
25 *tions where there are simply no job opportuni-*

1 *ties. They find themselves with large amounts of*
2 *debt and, too often, end up in default. In many*
3 *cases, students are drawn into these programs*
4 *with confusing or misleading information.”.*

5 (4) *MEDICAL DEBT.—*

6 (A) *Research by the Consumer Bureau has*
7 *found that the inclusion of medical collections on*
8 *consumer reports has unfairly reduced con-*
9 *sumers’ credit scores.*

10 (B) *The Consumer Bureau’s review of 5*
11 *million anonymized credit files from September*
12 *2011 to September 2013, for example, found that*
13 *credit scores may underestimate a person’s cred-*
14 *itworthiness by up to 10 points for those who*
15 *owe medical debt, and may underestimate a per-*
16 *son’s creditworthiness by up to 22 points after*
17 *the medical debt has been paid. For consumers*
18 *with lower credit scores, especially those on the*
19 *brink of what is considered subprime, a 10 to 22*
20 *point decrease in their credit scores can have a*
21 *significant impact on their lives, including by*
22 *affecting whether they are able to qualify for*
23 *credit and, if so, the terms and conditions under*
24 *which it is extended to them.*

1 (C) *The Consumer Bureau found that half*
2 *of all collections trade lines that appear on con-*
3 *sumer reports are related to medical bills*
4 *claimed to be owed to hospitals and other med-*
5 *ical providers. These trade lines affect the reports*
6 *of nearly 1/5 of all consumers in the credit re-*
7 *porting system.*

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

18 (E) *Medical bills can be complex and con-*
19 *fusing for many consumers, which results in con-*
20 *sumers' uncertainty about what they owe, to*
21 *whom, when, or for what, that may cause some*
22 *people, who ordinarily pay their bills on time, to*
23 *delay or withhold payments on their medical*
24 *debts. This uncertainty can also result in med-*
25 *ical collections appearing on consumer reports.*

1 *In a December 2014 report titled “Consumer*
2 *Credit Reports: A Study of Medical and Non-*
3 *Medical Collections”, the Consumer Bureau*
4 *found that a large portion of consumers with*
5 *medical collections show no other evidence of fi-*
6 *nancial distress and are consumers who ordi-*
7 *narily pay their other financial obligations on*
8 *time. Unlike with most credit products or serv-*
9 *ices, such as credit cards, installment loans, util-*
10 *ities, or wireless or cable services that have con-*
11 *tractual account disclosures describing the terms*
12 *and conditions of use, most consumers are not*
13 *told what their out-of-pocket medical costs will be*
14 *in advance. Consumers needing urgent or emer-*
15 *gency care rarely know, or are provided, the cost*
16 *of a medical treatment or procedure before the*
17 *service is rendered.*

18 *(F) The Consumer Bureau concluded that*
19 *the presence of medical collections is less pre-*
20 *dictive of future defaults or serious delinquencies*
21 *than the presence of a nonmedical collection in*
22 *a study titled “Data Point: Medical Debt and*
23 *Credit Scores”, issued in May 2014.*

24 *(G) FICO’s latest credit scoring model,*
25 *“FICO 9”, changes the treatment of paid collec-*

1 *tions to disregard any collection matters that the*
2 *consumer has paid in full. FICO 9, however, is*
3 *not yet widely used by lenders.*

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

8 *(I) The three nationwide CRAs entered into*
9 *a settlement agreement with the New York State*
10 *attorney general in 2015 to address deficiencies*
11 *in their dispute resolution process and enhance*
12 *the accuracy of items on reports. These policy*
13 *changes will be implemented in a three-phased*
14 *rollout, culminating by June 2018. Subsequently,*
15 *these CRAs entered into a cooperative agreement*
16 *with 31 State Attorneys General, which was the*
17 *basis of the creation of the National Consumer*
18 *Assistance Plan (“NCAP”) to change some of*
19 *their business practices.*

20 *(J) While the CRAs appear to be volun-*
21 *tarily adopting policy changes on a nationwide*
22 *basis, they are not obligated to do so for con-*
23 *sumers who reside in States that are not party*
24 *to any of the consent orders.*

1 (K) As a result of the settlement agreements,
2 the three nationwide CRAs will set a 180-day
3 waiting period before including medical collec-
4 tions on a report and will remove a medical col-
5 lection from a report once it is paid by an insur-
6 ance company. While this change will benefit
7 many, once a medical collection appears on a re-
8 port, it will only be deleted or suppressed if it
9 is found to have been the insurance company's
10 obligation to pay and the insurer pays it. Given
11 the research showing there is little predictive
12 value in medical debt information, medical col-
13 lections that are paid or settled should quickly be
14 removed from a report, regardless of who pays or
15 settles this debt.

16 (5) *FINANCIAL ABUSE BY KNOWN PERSONS.*—

17 (A) *Financial abuse and exploitation are*
18 *frequently associated with domestic violence.*
19 *This type of abuse may result in fraudulent*
20 *charges to a credit card or having fraudulent ac-*
21 *counts created by the abuser in the survivor's*
22 *name. Financial abuse may also result in the*
23 *survivor's inability to make timely payments on*
24 *their valid obligations due to loss or changes in*
25 *income that can occur when their abuser steals*

1 *from or coerces the survivor to relinquish their*
2 *paychecks or savings.*

3 *(B) By racking up substantial debts in the*
4 *survivor's name, abusers are able to exercise fi-*
5 *nancial control over their survivors to make it*
6 *economically difficult for the survivor, whose*
7 *credit is often destroyed, to escape the situation.*

8 *(C) Domestic abuse survivors with poor*
9 *credit are likely to face significant obstacles in*
10 *establishing financial independence from their*
11 *abusers. This can be due, in part, because con-*
12 *sumer reports may be used when a person at-*
13 *tempts to obtain a checking account, housing, in-*
14 *surance, utilities, employment, and even a secu-*
15 *rity clearance as required for certain jobs.*

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

21 *(E) While it is easier for consumers who ob-*
22 *tain a police report to remove fraudulent infor-*
23 *mation from their consumer report and prevent*
24 *it from reappearing in the future, according to*
25 *the Empire Justice Center, safety and other non-*

1 *credit concerns may impact the capacity of a*
2 *survivor of financial abuse committed by a*
3 *known person to turn to law enforcement to get*
4 *a police report.*

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

14 (6) *DECEPTIVE AND MISLEADING MARKETING*
15 *PRACTICES.—*

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

23 *(B) In January 2017, the Consumer Bu-*
24 *reau fined TransUnion and Equifax for decep-*
25 *tively marketing credit scores for purchase by*

1 consumers as the same credit scores typically
2 used by lenders to determine creditworthiness
3 and for luring consumers into costly subscription
4 services that were advertised as “free” or “\$1”
5 that automatically charged recurring fees unless
6 cancelled by consumers. The Consumer Bureau
7 also found that Equifax was illegally advertising
8 its products on webpages that consumers accessed
9 through *AnnualCreditReport.com* before con-
10 sumers obtained their free disclosures. Because of
11 these troubling practices, TransUnion was or-
12 dered to pay \$13.9 million in restitution to
13 harmed consumers and a civil penalty of \$3 mil-
14 lion to the Consumer Bureau. Equifax was or-
15 dered to pay more than \$3.7 million to affected
16 consumers as well as a civil money penalty of
17 \$2.5 million to the Consumer Bureau. As part of
18 the consent orders, the CRAs are also supposed
19 to change the way that they sell their products
20 to consumers. The CRAs must also obtain con-
21 sumers’ express consent before enrolling them
22 into subscription services as well as make it
23 easier for consumers to cancel these programs.

24 (C) The Consumer Bureau fined the other
25 nationwide CRA—Experian—in March 2017 for

1 *deceiving consumers about the use of credit scores*
2 *that it marketed and sold to consumers as credit*
3 *scores that were used by lenders and for illegally*
4 *advertising its products on web pages that con-*
5 *sumers accessed through*
6 *AnnualCreditReport.com before they obtained*
7 *their free annual disclosures. Experian was or-*
8 *dered to pay more than \$3.7 million in restitu-*
9 *tion to harmed consumers and a civil monetary*
10 *penalty of \$2.5 million to the Consumer Bureau.*

11 *(D) The Consumer Bureau’s January and*
12 *March 2017 consent orders with the three nation-*
13 *wide CRAs show that these CRAs have enticed*
14 *consumers into purchasing products and services*
15 *that they may not want or need, in some in-*
16 *stances by advertising products or services “free”*
17 *that automatically converted into an ongoing*
18 *subscription service at the regular price unless*
19 *cancelled by the consumer. Although these CRAs*
20 *must now change their deceptive marketing prac-*
21 *tices, codifying these duties is an appropriate*
22 *way to ensure that these companies never revert*
23 *back to such misleading tactics.*

24 *(E) Given the ubiquitous use of consumer*
25 *reports in consumers’ lives and the fact that con-*

1 *sumers' participation in the credit reporting sys-*
2 *tem is involuntary, CRAs should also prioritize*
3 *providing consumers with the effective means to*
4 *safeguard their personal and financial informa-*
5 *tion and improve their credit standing, rather*
6 *than seeking to exploit consumers' concerns and*
7 *confusion about credit reporting and scoring, to*
8 *boost their companies' profits.*

9 *(F) Vulnerable consumers, who have legiti-*
10 *mate concerns about the security of their per-*
11 *sonal and financial information, deserve clear,*
12 *accurate, and transparent information about the*
13 *credit reporting tools that may be available to*
14 *them, such as fraud alerts and freezes.*

15 *(7) PROTECTIONS FOR CONSUMERS' CREDIT IN-*
16 *FORMATION.—*

17 *(A) Despite heightened awareness, incidents*
18 *of ID theft continue to rise. In February 2015,*
19 *the FTC reported that ID theft was the top con-*
20 *sumer complaint that it received for the 15th*
21 *consecutive year. As these incidents increase,*
22 *consumers experience significant financial loss*
23 *and emotional distress from the inability to safe-*
24 *guard effectively and inexpensively their credit*
25 *information from bad actors.*

1 (B) According to a Carnegie Mellon study,
2 children are 50 times more likely than adults to
3 have their identities stolen. Child identities are
4 valuable to thieves because most children do not
5 have existing files, and their parents may not
6 notice fraudulent activity until their child ap-
7 plies for a student loan, a job, or a credit card.
8 As a result, the fraudulent activity of the bad ac-
9 tors may go undetected for years.

10 (C) Despite the increasing incidents of chil-
11 dren's ID theft, parents who want to proactively
12 prevent their children from having their identity
13 stolen, may not be able to do so. Only one of the
14 three nationwide CRAs currently allows parents
15 from any State to set up a freeze for a minor
16 child. At the other two nationwide CRAs, par-
17 ents can only obtain a freeze after a child has be-
18 come an ID theft victim because, it is only at
19 this point, that these CRAs have an existing
20 credit file for the child. While many States have
21 enacted laws to address this problem, there is no
22 existing Federal law.

23 (D) According to Javelin Strategy &
24 Research's 2015 Identity Fraud study, \$16 bil-
25 lion was stolen by fraudsters from 12.7 million

1 *American consumers in 2014. Similarly, the*
2 *United States Department of Justice found an*
3 *estimated 7 percent of all residents age 16 or*
4 *older (about 17.6 million persons) in this coun-*
5 *try were victims of one or more incidents of ID*
6 *theft in 2014, and the number of elderly victims*
7 *age 65 or older (about 86 percent) increased*
8 *from 2.1 million in 2012 to 2.6 million in 2014.*

9 *(E) Consumers frequently express concern*
10 *about the security of their financial information.*
11 *According to a 2015 MasterCard survey, a ma-*
12 *jority of consumers (77 percent) have anxiety*
13 *about the possibility that their financial infor-*
14 *mation and Social Security numbers may be sto-*
15 *len or compromised, with about 55 percent of*
16 *consumers indicating that they would rather*
17 *have naked pictures of themselves leaked online*
18 *than have their financial information stolen.*

19 *(F) That survey also revealed that con-*
20 *sumers' fears about the online security of their*
21 *financial information even outweighed con-*
22 *sumers' worries about other physical security*
23 *dangers such as having their houses robbed (59*
24 *percent) or being pickpocketed (46 percent).*

1 (G) According to Consumer Reports, rough-
2 ly 50 million American consumers spent about
3 \$3.5 billion in 2010 to purchase products aimed
4 at protecting their identity, with the annual cost
5 of these services ranging from \$120 to \$300. As
6 risks to consumers' personal and financial infor-
7 mation continue to grow, consumers need addi-
8 tional protections to ensure that they have fair
9 and reasonable access to the full suite of ID theft
10 and fraud prevention measures that may be
11 right for them.

12 **SEC. 3. EFFECTIVE DATE.**

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

16 **SEC. 4. GENERAL BUREAU RULEMAKING.**

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

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

6 **SEC. 101. SHORTENS THE TIME PERIOD THAT MOST AD-**
7 **VERSE CREDIT INFORMATION STAYS ON CON-**
8 **SUMER REPORTS.**

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

11 (1) *in subsection (a)—*

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

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

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

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

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

1 (F) in paragraph (5)—

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

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

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

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

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

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

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

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

1 “(12) *Any other adverse item of information re-*
2 *lating to the collection of debt that did not arise from*
3 *a contract or an agreement to pay by a consumer, in-*
4 *cluding fines, tickets, and other assessments, as deter-*
5 *mined by the Bureau, excluding tax liability.”;*

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

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

13 (b) *CONFORMING AMENDMENTS.—The Fair Credit Re-*
14 *porting Act (15 U.S.C. 1681) is amended—*

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

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

20 **SEC. 102. MANDATES THE EXPEDITED REMOVAL OF FULLY**
21 **PAID OR SETTLED DEBT FROM CONSUMER**
22 **REPORTS.**

23 *Section 605(a) of the Fair Credit Reporting Act (15*
24 *U.S.C. 1681c(a)), as amended by section 101(a)(1), is fur-*

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

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

8 **SEC. 103. IMPOSES RESTRICTIONS ON THE APPEARANCE OF**
9 **MEDICAL COLLECTIONS ON CONSUMER RE-**
10 **PORTS AND REQUIRES THE EXPEDITED RE-**
11 **MOVAL OF FULLY PAID OR SETTLED MEDICAL**
12 **COLLECTIONS FROM CONSUMER REPORTS.**

13 *(a) REMOVAL OF FULLY PAID OR SETTLED MEDICAL*
14 *DEBT FROM CONSUMER REPORTS.—Section 605(a) of the*
15 *Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amend-*
16 *ed by section 102, is further amended by adding at the end*
17 *the following new paragraph:*

18 “(14) *Any other adverse item of information re-*
19 *lated to a fully paid or settled debt arising from the*
20 *receipt of medical services, products, or devices that*
21 *had been characterized as delinquent, charged off, or*
22 *in collection which, from the date of payment or set-*
23 *tlement, antedates the report by more than 45 cal-*
24 *endar days.”.*

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

5 “(15) Any information related to a debt arising
6 from the receipt of medical services, products, or de-
7 vices, if the date on which such debt was placed for
8 collection, charged to profit or loss, or subjected to
9 any similar action antedates the report by less than
10 365 calendar days.”.

11 (c) *PROHIBITION ON REPORTING MEDICALLY NEC-*
12 *CESSARY PROCEDURES.*—Section 605(a) of such Act is fur-
13 ther amended by adding at the end the following new para-
14 graph:

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

17 (d) *TECHNICAL AMENDMENT.*—Section 604(g)(1)(C) of
18 the Fair Credit Reporting Act (15 U.S.C. 1681b(g)(1)(C))
19 is further amended by striking “devises” and inserting “de-
20 vices”.

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

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

7 **“§ 605C. Credit restoration for victims of predatory**
8 **mortgage lending**

9 “(a) *IN GENERAL.*—*A consumer reporting agency may*
10 *not furnish any consumer report containing any adverse*
11 *item of information relating to a covered residential mort-*
12 *gage loan (including the origination and servicing of such*
13 *a loan, any loss mitigation activities related to such a loan,*
14 *and any foreclosure, deed in lieu of foreclosure, or short sale*
15 *related to such a loan), if the action or inaction to which*
16 *the item of information relates—*

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

22 “(2) *is related to an unfair, deceptive, or abusive*
23 *act, practice, or a fraudulent, discriminatory, or ille-*
24 *gal activity of a financial institution that is the sub-*
25 *ject of a settlement agreement initiated on behalf of*
26 *a consumer or consumers and that is between the fi-*

1 *nancial institution and an agency or department of*
 2 *a local, State, or Federal Government, regardless of*
 3 *whether such settlement includes an admission of*
 4 *wrongdoing.*

5 “(b) *COVERED RESIDENTIAL MORTGAGE LOAN DE-*
 6 *FINED.*—*In this section, the term ‘covered residential mort-*
 7 *gage loan’ means any loan primarily for personal, family,*
 8 *or household use that is secured by a mortgage, deed of trust,*
 9 *or other equivalent consensual security interest on a dwell-*
 10 *ing (as defined in section 103(w) of the Truth in Lending*
 11 *Act), including a loan in which the proceeds will be used*
 12 *for—*

13 “(1) *a manufactured home (as defined in section*
 14 *603 of the Housing and Community Development Act*
 15 *of 1974 (42 U.S.C. 5402));*

16 “(2) *any installment sales contract, land con-*
 17 *tract, or contract for deed on a residential property;*
 18 *or*

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

21 (b) *TABLE OF CONTENTS AMENDMENT.*—*The table of*
 22 *contents of the Fair Credit Reporting Act is amended by*
 23 *inserting after the item relating to section 605B the fol-*
 24 *lowing new item:*

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

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

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

9 (a) *IN GENERAL.*—*The Fair Credit Reporting Act (15*
 10 *U.S.C. 1681 et seq.), as amended by section 104, is further*
 11 *amended by inserting after section 605C the following new*
 12 *section:*

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

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

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

24 “(2) *CERTIFICATION.*—*The Bureau shall certify*
 25 *a consumer described in paragraph (1) as a quali-*

1 *fying private education loan borrower with respect to*
2 *a private education loan if the Bureau or a court of*
3 *competent jurisdiction determines that the consumer*
4 *has a valid defraudment claim with respect to such*
5 *loan.*

6 “(b) *REMOVAL OF ADVERSE INFORMATION.*—*Upon re-*
7 *ceipt of a notice described in subsection (d)(5), a consumer*
8 *reporting agency shall remove any adverse information re-*
9 *lating to any private education loan with respect to which*
10 *a consumer is a qualifying private education loan borrower*
11 *from any consumer report within 45 calendar days of re-*
12 *ceipt of such notification.*

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

22 “(d) *PROCEDURES.*—*The Bureau shall—*

23 “(1) *establish procedures for a consumer to sub-*
24 *mit a request described in subsection (a);*

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

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

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

15 “(5) establish procedures, including the manner,
16 form, and content of the notice informing a consumer
17 reporting agency of the obligation to remove any ad-
18 verse information as described in subsection (c).

19 “(e) *STANDARDIZED REPORTING CODES.*—A consumer
20 reporting agency shall develop standardized reporting codes
21 for use by private education loan holders to identify and
22 report a qualifying private education loan borrower’s status
23 of a request to remove any adverse information relating to
24 any private education loan with respect to which such con-
25 sumer is a qualifying private education loan borrower. A

1 consumer report in which a person furnishes such codes
2 shall be deemed to comply with the requirements for accu-
3 racy and completeness required under sections 623(a)(1)
4 and 630. Such codes shall not appear on any report pro-
5 vided to a third party, and shall be removed from the con-
6 sumer's credit report upon the successful restoration of the
7 consumer's credit under this section.

8 “(f) *DEFRAUDMENT CLAIM DEFINED.*—For purposes
9 of this section, the term ‘defraudment claim’ means a claim
10 made with respect to a consumer who is a borrower of a
11 private education loan with respect to a proprietary edu-
12 cational institution or career education program in which
13 the consumer alleges that—

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

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

19 “(i) as defined by State law of the
20 State in which the proprietary educational
21 institution or career education program is
22 headquartered or maintains or maintained
23 significant operations; or

24 “(ii) under Federal law;

1 “(B) is the subject of an enforcement order,
2 a settlement agreement, a memorandum of un-
3 derstanding, a suspension of tuition assistance,
4 or any other action relating to an unfair, decep-
5 tive, or abusive act or practice that is between
6 the proprietary educational institution or career
7 education program and an agency or department
8 of a local, State, or Federal Government; or

9 “(C) misrepresented facts to students or ac-
10 crediting agencies or associations about gradua-
11 tion or gainful employment rates in recognized
12 occupations or failed to provide the coursework
13 necessary for students to successfully obtain a
14 professional certification or degree from the pro-
15 prietary educational institution or career edu-
16 cation program; or

17 “(2) the consumer has submitted a valid defense
18 to repayment claim with respect to such loan, as de-
19 termined by the Secretary of Education.”.

20 (b) *TABLE OF CONTENTS AMENDMENT.*—The table of
21 contents of the Fair Credit Reporting Act is amended by
22 inserting after the item relating to section 605C (as added
23 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.”.

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

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

10 **“§ 605E. Financial abuse prevention**

11 *“For a consumer who is the victim of intentionally*
12 *abusive or harmful financial behavior, as determined by a*
13 *court of competent jurisdiction including a family court,*
14 *juvenile court, or other court with personal jurisdiction,*
15 *that was conducted by a spouse, family or household mem-*
16 *ber, caregiver, or person with whom such consumer had a*
17 *dating relationship in a manner which resulted in the in-*
18 *clusion of an adverse item of information on the consumer*
19 *report of the consumer, and the consumer did not partici-*
20 *pate in or consent to such behavior, the consumer may*
21 *apply to a court of competent jurisdiction, including a fam-*
22 *ily court, juvenile court, or other court with personal juris-*
23 *isdiction, for an order to require the removal of such adverse*
24 *information from the consumer's file maintained by any*
25 *consumer reporting agency.”.*

1 (b) *TABLE OF CONTENTS AMENDMENT.*—The table of
2 contents of the Fair Credit Reporting Act is amended by
3 inserting after the item relating to section 605D the fol-
4 lowing new item:

“605E. Financial abuse prevention.”.

5 **SEC. 107. PROHIBITS TREATMENT OF CREDIT RESTORA-**
6 **TION OR REHABILITATION AS ADVERSE IN-**
7 **FORMATION.**

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

10 (1) by adding at the end the following new sec-
11 tion:

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

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

16 “(1) take into consideration, in a manner ad-
17 verse to a consumer’s credit score or educational cred-
18 it score, any information in a consumer report con-
19 cerning the consumer’s participation in credit res-
20 toration or rehabilitation under section 605C, 605D,
21 or 605E; or

22 “(2) treat negatively, in a manner adverse to a
23 consumer’s credit score or educational credit score, the
24 absence of payment history data for an existing ac-
25 count, whether the account is open or closed, where

1 *the absence of such information is the result of a con-*
2 *sumer’s participation in credit restoration or reha-*
3 *bilitation under section 605C, 605D, or 605E.*

4 “(b) *RESTRICTION ON PERSONS OBTAINING CON-*
5 *SUMER REPORTS.—A person who obtains a consumer re-*
6 *port may not—*

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

12 “(2) *treat negatively the absence of payment his-*
13 *tory data for an existing account, whether the account*
14 *is open or closed, where the absence of such informa-*
15 *tion is the result of a consumer’s participation in*
16 *credit restoration or rehabilitation under section*
17 *605C, 605D, or 605E.*

18 “(c) *ACCURACY AND COMPLETENESS.—If a person who*
19 *furnishes information to a consumer reporting agency re-*
20 *quests the removal of information from a consumer report*
21 *or a consumer reporting agency removes information from*
22 *a consumer report in compliance with the requirements*
23 *under section 605C, 605D, or 605E, or such information*
24 *was removed pursuant at section 605(a)(11), such report*

1 *shall be deemed to satisfy the requirements for accuracy and*
2 *completeness with respect to such information.*

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

8 “(1) *the consumer’s eligibility or continued eligi-*
9 *bility for an extension of credit;*

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

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

14 (2) *in the table of contents for such Act, by add-*
15 *ing at the end the following new item:*

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

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 Re-*
10 *porting Act (15 U.S.C. 1681a(q)(4)) is amended to read as*
11 *follows:*

12 *“(4) IDENTITY THEFT REPORT.—The term ‘iden-*
13 *tity theft report’ has the meaning given that term by*
14 *rule of the Bureau, and means, at a minimum, a re-*
15 *port—*

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, fraud,*
24 *or a related crime, or alleges harm from the un-*

1 *authorized disclosure of the consumer’s financial*
2 *or personally identifiable information;*

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

9 *“(iii) the filing of which subjects the person*
10 *filing the report to criminal penalties relating to*
11 *the filing of false information if, in fact, the in-*
12 *formation in the report is false.”.*

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

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

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

24 *(1) in paragraph (1)—*

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

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

6 “(E) The term ‘security freeze’—

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

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

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

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

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

1 (1) *in subsection (a)—*

2 (A) *in the subsection heading, by striking*
3 “ONE-CALL” *and inserting “ONE-YEAR”;*

4 (B) *in paragraph (1)—*

5 (i) *in the paragraph heading, by strik-*
6 ing “INITIAL ALERTS” *and inserting “IN*
7 GENERAL”;

8 (ii) *by inserting “or harmed by the un-*
9 authorized disclosure of the consumer’s fi-

10 nancial or personally identifiable informa-

11 tion,” after “identity theft,”;

12 (iii) *in subparagraph (A), by striking*
13 “and” *at the end;*

14 (iv) *in subparagraph (B)—*

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

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

19 (v) *by adding at the end the following*
20 new subparagraph:

21 “(C) *upon the expiration of the 1-year pe-*
22 riod described in subparagraph (A) or a subse-

23 quent 1-year period, and in response to a direct

24 request by the consumer or such representative,

25 continue the fraud alert for a period of 1 addi-

1 *tional year if the information asserted in this*
2 *paragraph remains applicable.”; and*

3 *(C) in paragraph (2)—*

4 *(i) in the paragraph heading, by in-*
5 *serting “AND CREDIT OR EDUCATIONAL*
6 *CREDIT SCORES” after “REPORTS”;*

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

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

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

17 *(2) in subsection (b)—*

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

20 *(B) in paragraph (1)—*

21 *(i) in subparagraph (B)—*

22 *(I) by striking “5-year period be-*
23 *ginning on the date of such request”*
24 *and inserting “such 7-year period”;*

25 *and*

1 (II) by striking “and” at the end;

2 (ii) in subparagraph (C)—

3 (I) by striking “extended” and in-
4 serting “7-year”; and

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

7 (iii) by adding at the end the following
8 new subparagraph:

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

16 (C) in paragraph (2)—

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

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

22 “(A) disclose to the consumer that the con-
23 sumer may request a free copy of the file and
24 credit score or educational credit score of the
25 consumer pursuant to section 612(d) during each

1 12-month period beginning on the date on which
2 the 7-year fraud alert was included in the file
3 and ending on the date of the last day that the
4 7-year fraud alert applies to the consumer's file;
5 and”;

6 (3) in subsection (c)—

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

9 (B) by redesignating paragraphs (1), (2),
10 and (3), as subparagraphs (A), (B), and (C), re-
11 spectively (and conforming the margins accord-
12 ingly);

13 (C) by striking “Upon the direct request”
14 and inserting:

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

16 and

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

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

24 “(A) disclose to the active duty military
25 consumer that the active duty military consumer

1 *may request a free copy of the file and credit*
2 *score or educational credit score of the active*
3 *duty military consumer pursuant to section*
4 *612(d), during each 12-month period beginning*
5 *on the date that the activity duty military alert*
6 *is requested and ending on the date of the last*
7 *day the active duty alert applies to the file of the*
8 *active duty military consumer; and*

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

14 *(4) by amending subsection (d) to read as fol-*
15 *lows:*

16 *“(d) PROCEDURES.—Each consumer reporting agency*
17 *described in section 603(p) shall include on the webpage re-*
18 *quired under subsection (i) policies and procedures to com-*
19 *ply with this section, including policies and procedures—*

20 *“(1) that inform consumers of the availability of*
21 *1-year fraud alerts, 7-year fraud alerts, active duty*
22 *alerts, and security freezes (as applicable);*

23 *“(2) that allow consumers to request 1-year*
24 *fraud alerts, 7-year fraud alerts, and active duty*
25 *alerts (as applicable) and to place, temporarily lift,*

1 or fully remove a security freeze in a simple and easy
2 manner; and

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

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

12 (6) in subsection (f), by striking “or active duty
13 alert” and inserting “active duty alert, or security
14 freeze (as applicable)”;

15 (7) in subsection (g)—

16 (A) by inserting “or has been harmed by the
17 unauthorized disclosure of the consumer’s finan-
18 cial or personally identifiable information, or to
19 inform such agency of the consumer’s participa-
20 tion in credit restoration or rehabilitation under
21 section 605C, 605D, or 605E,” after “identity
22 theft,”; and

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

25 (8) in subsection (h)—

1 (A) in paragraph (1)—

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

4 (ii) by striking “initial” and inserting
5 “1-year” each place such term appears; and

6 (B) in paragraph (2)—

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

9 and

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

12 and

13 (9) in subsection (i)(4)—

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

15 and

16 (B) by redesignating subparagraphs (F),

17 (G), (H), and (J) as subparagraphs (E), (F),

18 (G), and (H), respectively.

19 **SEC. 204. AMENDMENT TO SECURITY FREEZES FOR CON-**
20 **SUMER REPORTS.**

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

23 (1) by amending the subsection heading to read
24 as follows: “SECURITY FREEZES FOR CONSUMER RE-
25 PORTS”;

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

6 (3) by adding at the end the following:

7 “(7) *RELATION TO STATE LAW.*—This subsection
8 does not modify or supersede the laws of any State re-
9 lating to security freezes or other similar actions, ex-
10 cept to the extent those laws are inconsistent with any
11 provision of this title, and then only to the extent of
12 the inconsistency. For purposes of this subsection, a
13 term or provision of a State law is not inconsistent
14 with the provisions of this subsection if the term or
15 provision affords greater protection to the consumer
16 than the protection provided under this subsection as
17 determined by the Bureau.”.

18 (b) *AMENDMENT TO WEBPAGE REQUIREMENTS.*—Sec-
19 tion 605A(i)(6)(A) of the Fair Credit Reporting Act (15
20 U.S.C. 1681c–1(i)(6)(A)) is amended—

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

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

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

1 (c) *AMENDMENT TO EXCEPTIONS FOR CERTAIN PER-*
2 *SONS.—Section 605A(i)(4)(A) of the Consumer Credit Pro-*
3 *tection Act (15 U.S.C. 1681c–1(i)(4)(A)) is amended to read*
4 *as follows:*

5 “(A) *A person, or the person’s subsidiary,*
6 *affiliate, agent, subcontractor, or assignee with*
7 *whom the consumer has, or prior to assignment*
8 *had, an authorized account, contract, or debtor-*
9 *creditor relationship for the purposes of review-*
10 *ing the active account or collecting the financial*
11 *obligation owed on the account, contract, or*
12 *debt.”.*

13 (e) *EFFECTIVE DATE.—The amendments made by sub-*
14 *section (a) shall take effect on the date of the enactment*
15 *of this Act.*

16 **SEC. 205. CLARIFICATION OF INFORMATION TO BE IN-**
17 **CLUDED WITH AGENCY DISCLOSURES.**

18 Section 609(c)(2) of such Act (15 U.S.C. 1681g(c)(2))
19 *is amended—*

20 (1) *in subparagraph (B)—*

21 (A) *by striking “consumer reporting agency*
22 *described in section 603(p)” and inserting “con-*
23 *sumer reporting agency described in subsection*
24 *(p) or (x) of section 603”;*

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

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

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

8 **SEC. 206. PROVIDES ACCESS TO FRAUD RECORDS FOR VIC-**
9 **TIMS.**

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

12 (1) in paragraph (1)—

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

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

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

21 (2) in paragraph (2)(B)—

22 (A) by striking “identity theft, at the elec-
23 tion of the business entity” and inserting “fraud-
24 ulent activity”;

1 (B) by amending clause (i) to read as fol-
2 lows:

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

5 (C) by amending clause (ii) to read as fol-
6 lows:

7 “(ii) an affidavit of fact that is accept-
8 able to the business entity for that pur-
9 pose.”;

10 (3) in paragraph (3)(C), by striking “identity
11 theft” and inserting “fraudulent activity”;

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

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

18 **SEC. 207. REQUIRED BUREAU TO SET PROCEDURES FOR RE-**
19 **PORTING IDENTITY THEFT, FRAUD, AND**
20 **OTHER RELATED CRIME.**

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

23 (1) in the paragraph heading, by striking
24 “MODEL FORM” and inserting “STANDARDIZED AFFI-
25 DAVIT”;

1 **(b) FREE CREDIT MONITORING AND IDENTITY THEFT**
2 **PROTECTION SERVICES FOR CERTAIN CONSUMERS.**—Sub-
3 *section (k) of section 605A (15 U.S.C. 1681c–1), is amended*
4 *to read as follows:*

5 **“(k) CREDIT MONITORING AND IDENTITY THEFT PRO-**
6 **TECTION SERVICES.**—

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

18 **“(2) FEES.**—

19 **“(A) CLASSES OF CONSUMERS.**—*The Bu-*
20 *reau may establish classes of consumers eligible*
21 *to receive credit monitoring and identity theft*
22 *protection services free of charge.*

23 **“(B) NO FEE.**—*A consumer reporting agen-*
24 *cy described in section 603(p) may not charge a*
25 *consumer a fee to receive credit monitoring and*

1 *identity theft protection services if the consumer*
2 *or a representative of the consumer—*

3 “(i) *asserts in good faith a suspicion*
4 *that the consumer has been or is about to*
5 *become a victim of identity theft, fraud, or*
6 *a related crime, or harmed by the unauthor-*
7 *ized disclosure of the consumer’s financial*
8 *or personally identifiable information;*

9 “(ii) *is unemployed and intends to*
10 *apply for employment in the 60-day period*
11 *beginning on the date on which the request*
12 *is made;*

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

15 “(iv) *is an active duty military con-*
16 *sumer or a member of the National Guard*
17 *(as defined in section 101(c) of title 10,*
18 *United States Code);*

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

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

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

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

4 “(B) to set a fair and reasonable fee that a
5 consumer reporting agency may charge a con-
6 sumer (other than a consumer described under
7 paragraph (2)(B)) for such credit monitoring
8 and identity theft protection services.

9 “(4) *RELATION TO STATE LAW.*—This subsection
10 does not modify or supersede of the laws of any State
11 relating to credit monitoring and identity theft pro-
12 tection services or other similar actions, except to the
13 extent those laws are inconsistent with any provision
14 of this title, and then only to the extent of the incon-
15 sistency. For purposes of this subsection, a term or
16 provision of a State law is not inconsistent with the
17 provisions of this subsection if the term or provision
18 affords greater protection to the consumer than the
19 protection provided under this subsection as deter-
20 mined by the Bureau.”.

1 **SEC. 209. ENSURES REMOVAL OF INQUIRIES RESULTING**
2 **FROM IDENTITY THEFT, FRAUD, OR OTHER**
3 **RELATED CRIME FROM CONSUMER REPORTS.**

4 *Section 605(a) of the Fair Credit Reporting Act (15*
5 *U.S.C. 1681c(a)), as amended by section 103, is further*
6 *amended by adding at the end the following:*

7 *“(17) Information about inquiries made for a*
8 *credit report based on requests that the consumer re-*
9 *porting agency verifies were initiated as the result of*
10 *identity theft, fraud, or other related crime.”.*

11 **TITLE III—MISCELLANEOUS**

12 **SEC. 301. DEFINITIONS.**

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

16 *“(b) DEFINITIONS RELATED TO DAYS.—*

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

20 *“(2) BUSINESS DAY.—The term ‘business day’*
21 *means a day between and including Monday to Fri-*
22 *day, and excluding any federally recognized holi-*
23 *day.”.*

1 **SEC. 302. TECHNICAL CORRECTION RELATED TO RISK-**
2 **BASED PRICING NOTICES.**

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

5 *(1) in subparagraph (A), by striking “this sec-*
6 *tion” and inserting “this subsection”; and*

7 *(2) in subparagraph (B), by striking “This sec-*
8 *tion” and inserting “This subsection”.*

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

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

14 *(1) in subsection (a)—*

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

17 *“(1) Many financial and non-financial decisions af-*
18 *fecting consumers’ lives depend upon fair, complete, and ac-*
19 *curate credit reporting. Inaccurate and incomplete credit*
20 *reports directly impair the efficiency of the financial system*
21 *and undermine the integrity of using credit reports in other*
22 *circumstances, and unfair credit reporting and credit scor-*
23 *ing methods undermine the public confidence which is es-*
24 *sential to the continued functioning of the financial services*
25 *system and the provision of many other consumer products*
26 *and services.”; and*

1 *wise circumvents the purposes of this title shall be null and*
2 *void.*

3 “(b) *RULE OF CONSTRUCTION.*—*Nothing in subsection*
4 *(a) shall be construed as affecting other provisions of a con-*
5 *tract that are not described under subsection (a).”*; and

6 (2) *in the table of contents for such Act, by add-*
7 *ing at the end the following new item:*

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

Union Calendar No. 287

116TH CONGRESS
1ST Session

H. R. 3622

[Report No. 116-362]

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.

DECEMBER 23, 2019

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed