

**SUBSTITUTE AMENDMENT TO THE AMENDMENT IN  
THE NATURE OF A SUBSTITUTE TO H.R. 3618  
OFFERED BY MR. EMMER OF MINNESOTA**

Strike all after the enacting clause and insert the  
following:

**1 SECTION 1. DEFINITIONS.**

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

5       “(bb) CREDIT SCORE AND EDUCATIONAL CREDIT  
6 SCORE DEFINITIONS.—

7               “(1) CREDIT SCORE.—The term ‘credit score’—

8                       “(A) means a numerical value or a cat-  
9                       egorization derived from a statistical tool or  
10                      modeling system used by a person who makes  
11                      or arranges a loan to predict the likelihood of  
12                      certain credit behaviors, including default (and  
13                      the numerical value or the categorization de-  
14                      rived from such analysis may also be referred to  
15                      as a ‘risk predictor’ or ‘risk score’); and

16                      “(B) does not include—

17                               “(i) any mortgage score or rating of  
18                               an automated underwriting system that

1 considers one or more factors in addition  
2 to credit information, including the loan to  
3 value ratio, the amount of down payment,  
4 or the financial assets of a consumer; or

5 “(ii) any other elements of the under-  
6 writing process or underwriting decision.

7 “(2) EDUCATIONAL CREDIT SCORE.—The term  
8 ‘educational credit score’ means a numerical value or  
9 categorization derived from a statistical tool or mod-  
10 eling system based upon information from a con-  
11 sumer report that assists consumers in under-  
12 standing how a lender or creditor may view the con-  
13 sumer’s creditworthiness in deciding whether to  
14 make a loan or extend credit to that consumer.

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

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

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

3 (1) in section 605(d)(2), by striking “(as de-  
4 fined in section 609(f)(2)(B))”; and

5 (2) in section 615—

6 (A) by striking “as defined in section  
7 609(f)(2)(A)” each place that term appears;  
8 and

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

14 **SEC. 2. DISCLOSURE OF CREDIT SCORE AND EDUCATIONAL**  
15 **CREDIT SCORE.**

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

18 “(f) DISCLOSURE OF CREDIT SCORE AND EDU-  
19 CATIONAL CREDIT SCORE BY CONSUMER REPORTING  
20 AGENCIES.—

21 “(1) IN GENERAL.—Upon the request of a con-  
22 sumer for a credit score or educational credit score,  
23 a consumer reporting agency shall supply to the con-  
24 sumer a statement—

25 “(A) containing—

1           “(i) a current credit score at the time  
2           of the request generated using a commonly  
3           used credit scoring model to generate cred-  
4           it scores, subject to regulations of the Bu-  
5           reau;

6           “(ii) an educational credit score at the  
7           time of the request, if it is not practicable  
8           to generate such a credit score, as deter-  
9           mined by the Bureau; or

10           “(iii) an explanation that the con-  
11           sumer’s file does not have sufficient infor-  
12           mation from which to generate such a  
13           credit score or educational credit score;  
14           and

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

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

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

21           “(iii) the credit score itself.

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

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

6           “(B) develop or disclose an educational  
7           credit score if the agency does not develop edu-  
8           cational credit scores that assist in under-  
9           standing the general credit behavior of a con-  
10          sumer and predicting the future credit behavior  
11          of the consumer.”.

12 **SEC. 3. DISCLOSURE OF DIFFERENCES BETWEEN CREDIT**  
13 **SCORES AND EDUCATIONAL CREDIT SCORES.**

14          Section 609(f) of the Fair Credit Reporting Act (15  
15 U.S.C. 1681g(f)), as amended by section 2, is further  
16 amended by adding at the end the following new para-  
17 graphs:

18           “(3) WEBSITE DISCLAIMER.—A consumer re-  
19          porting agency that generates or provides credit  
20          scores or educational credit scores shall clearly and  
21          conspicuously display on the home page of the agen-  
22          cy’s Internet website, and as part of any application,  
23          solicitation, or marketing material or media pro-  
24          viding information related to a credit score or edu-  
25          cational credit score, the following notice, in boldface

1 type of 18-point font or larger and in a text box  
2 with boldface outer borders:

3 **“CREDIT SCORE DISCLAIMER.”**

4 There is no “one” credit score. There are many scor-  
5 ing formulas derived from a wide variety of models avail-  
6 able to a consumer and used by lenders and creditors. Dif-  
7 ferent lenders and creditors use different scoring formulas  
8 to determine whether to extend credit or make a loan to  
9 you, and the terms of the credit or loan. An educational  
10 credit score is not a credit score that a person who makes  
11 a loan or extends credit to you is likely to use. Educational  
12 credit scores are merely intended to be used as an edu-  
13 cational tool to help consumers understand how the infor-  
14 mation contained in a consumer report may affect the  
15 terms and conditions of a loan or extension of credit that  
16 may be available to a consumer. Lenders and creditors  
17 may also rely on information not contained in your con-  
18 sumer report and not reflected in the calculation of your  
19 credit score.’.

20 **“(4) DISCLAIMER FOR EDUCATIONAL CREDIT**  
21 **SCORES.—**If an educational credit score is provided  
22 pursuant to paragraph (1), a consumer reporting  
23 agency shall clearly and conspicuously include in a  
24 prominent location on the statement, in boldface

1 type of 18-point font or larger, and in a text box  
2 with boldface outer borders, the following notice:

3 **“EDUCATIONAL CREDIT SCORE DISCLAIMER.”**

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

16 “(1) Each company may use a different for-  
17 mula for calculating credit scores and the differences  
18 in the formulas may lead to differences in your  
19 scores.

20 “(2) Companies may produce scores that give  
21 results on different scales.

22 “(3) Not all lenders or creditors report to  
23 every consumer reporting agency, and therefore the  
24 information contained in your consumer report that  
25 the consumer reporting agencies use to calculate

1 your educational credit score may differ among  
2 agencies.’.”.

3 **SEC. 4. FREE CONSUMER REPORTS AND CREDIT SCORES**  
4 **FROM PRIVATE EDUCATIONAL LENDERS.**

5 Section 609 of the Fair Credit Reporting Act (15  
6 U.S.C. 1681g) is amended by adding at the end the fol-  
7 lowing new subsection:

8 “(h) DISCLOSURE OF CONSUMER REPORTS AND  
9 CREDIT SCORES BY PRIVATE EDUCATIONAL LENDERS.—

10 “(1) IN GENERAL.—If a private educational  
11 lender obtains from an outside source a copy of any  
12 consumer reports or credit scores and uses such re-  
13 ports or scores in connection with an application of  
14 a consumer for a private education loan, the private  
15 educational lender shall provide to the consumer a  
16 copy of any such reports or scores, along with the  
17 statement described under subsection (f)(1).

18 “(2) RULE OF CONSTRUCTION.—Nothing in  
19 this subsection shall be construed to require a pri-  
20 vate educational lender to disclose to a consumer  
21 any proprietary scoring information or modeling  
22 used in the development of a credit score or edu-  
23 cational credit score.

24 “(3) DEFINITIONS.—In this section, the terms  
25 ‘private education loan’ and ‘private educational



1 lender' have the meanings given such terms, respec-  
2 tively, in section 140 of the Truth in Lending Act.”.

3 **SEC. 5. FREE CONSUMER REPORTS AND CREDIT SCORES**  
4 **FROM MOTOR VEHICLE LENDERS OR INDI-**  
5 **RECT AUTO LENDERS.**

6 Section 609 of the Fair Credit Reporting Act (15  
7 U.S.C. 1681g), as amended by section 4, is further  
8 amended by adding at the end the following new sub-  
9 section:

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

13 “(1) **IN GENERAL.—**If a motor vehicle lender or  
14 indirect auto lender obtains from an outside source  
15 a copy of any consumer reports or credit scores and  
16 uses such reports or scores in connection with an ap-  
17 plication of a consumer for a motor vehicle loan or  
18 lease, the motor vehicle lender or indirect auto lend-  
19 er shall provide to the consumer a document, sepa-  
20 rate from the consumer’s lease or purchase agree-  
21 ment, disclosing any consumer reports and credit  
22 scores, including the statement described in sub-  
23 section (f)(1), used by the lender to determine  
24 whether to extend credit to the consumer.

1           “(2) RULE OF CONSTRUCTION.—Nothing in  
2 this subsection shall be construed to require a motor  
3 vehicle lender or indirect auto lender to disclose any  
4 proprietary scoring information or modeling used in  
5 the development of a credit score or educational  
6 credit score.

7           “(3) DEFINITIONS.—

8           “(A) INDIRECT AUTO LENDER.—The term  
9 ‘indirect auto lender’ has the meaning given the  
10 term by the Bureau, and shall include a person  
11 extending a loan made with respect to a car,  
12 boat, motorcycle, recreational vehicle, or other  
13 similar vehicle used primarily for personal or  
14 household purposes.

15           “(B) MOTOR VEHICLE LENDER.—The  
16 term ‘motor vehicle lender’ has the meaning  
17 given the term by the Board of Governors of  
18 the Federal Reserve System, and shall include  
19 a person extending a loan made with respect to  
20 a car, boat, motorcycle, recreational vehicle, or  
21 other similar vehicle used primarily for personal  
22 or household purposes.”.

