

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3622  
OFFERED BY MS. TLAIB OF MICHIGAN**

Strike all after the enacting clause and insert the following:

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

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

5 (b) **TABLE OF CONTENTS.**—The table of contents for  
6 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 consumer 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 information 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 VULNERABLE CONSUMERS FROM IDENTITY THEFT, FRAUD, OR A RELATED 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 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 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-

1           pare are commonly referred to as credit reports.  
2           Furnishers, such as creditors, lenders, and debt  
3           collection agencies, voluntarily submit informa-  
4           tion to CRAs about their accounts such as the  
5           total amount for each loan or credit limit for  
6           each credit card and the consumer's payment  
7           history on these products. Reports also include  
8           identifying information about a consumer, such  
9           as their birthdate, previous mailing addresses,  
10          and current and previous employers.

11           (B) In a December 2012 paper, "Key Di-  
12          mensions and Processes in the U.S. Credit Re-  
13          porting System: A review for how the nation's  
14          largest credit bureaus manage consumer data",  
15          the Bureau of Consumer Financial Protection  
16          ("Consumer Bureau") noted that the three na-  
17          tionwide CRAs maintain credit files on approxi-  
18          mately 200 million adults and receive informa-  
19          tion from about 10,000 furnishers. On a  
20          monthly basis, these furnishers provide infor-  
21          mation on over 1.3 billion consumer credit ac-  
22          counts or other trade lines.

23           (C) The 10 largest institutions furnishing  
24          credit information to each of the nationwide

1 CRAs account for more than half of all ac-  
2 counts reflected in consumers' credit files.

3 (D) Consumer reports play an increasingly  
4 important role in the lives of American con-  
5 sumers. Most creditors, for example, review  
6 these reports to make decisions about whether  
7 to extend credit to consumers and what terms  
8 and conditions to offer them. As such, informa-  
9 tion contained in these reports affects whether  
10 a person is able to get a private education loan  
11 to pay for college costs, to secure a mortgage  
12 loan to buy a home, or to obtain a credit card,  
13 as well as the terms and conditions under which  
14 consumer credit products or services are offered  
15 to them.

16 (E) Credit reports are also increasingly  
17 used for many noncredit decisions, including by  
18 landlords to determine whether to rent an  
19 apartment to a prospective tenant and by em-  
20 ployers to decide whether to hire potential job  
21 applicants or to offer a promotion to existing  
22 employees.

23 (F) CRAs have a statutory obligation to  
24 verify independently the accuracy and complete-

1           ness of information included on the reports that  
2           they provide.

3           (G) The nationwide CRAs have failed to  
4           establish and follow reasonable procedures, as  
5           required by existing law, to establish the max-  
6           imum level of accuracy of information contained  
7           on consumer reports. Given the repeated fail-  
8           ures of these CRAs to comply with accuracy re-  
9           quirements on their own, legislation is intended  
10          to provide them with detailed guidance improv-  
11          ing the accuracy and completeness of informa-  
12          tion contained in consumer reports, including  
13          procedures, policies, and practices that these  
14          CRAs should already be following to ensure full  
15          compliance with their existing obligations.

16          (H) The presence of inaccurate or incom-  
17          plete information on these reports can result in  
18          substantial financial and emotional harm to  
19          consumers. Credit reporting errors can lead to  
20          the loss of a new employment opportunity or a  
21          denial of a promotion in an existing job, stop  
22          someone from being able to access credit on fa-  
23          vorable terms, prevent a person from obtaining  
24          rental housing, or even trigger mental distress.

1 (I) Current industry practices impose an  
2 unfair burden of proof on consumers trying to  
3 fix errors on their reports.

4 (J) Consumer reports containing inaccura-  
5 culate or incomplete credit information also un-  
6 dermine the ability of creditors and lenders to  
7 effectively and accurately underwrite and price  
8 credit.

9 (K) Recognizing that credit reporting af-  
10 fects the lives of almost all consumers in this  
11 country and that the consequences of errors on  
12 a consumer report can be catastrophic for a  
13 consumer, the Consumer Bureau began accept-  
14 ing consumer complaints about credit reporting  
15 in October 2012.

16 (L) As of February 2017, the Consumer  
17 Bureau has handled approximately 185,717  
18 credit reporting complaints, making credit re-  
19 porting consistently the third most-complained-  
20 about subject matter on which the Consumer  
21 Bureau accepts consumer complaints.

22 (M) In the “Monthly Complaint Report  
23 Volume 20”, released in February 2017, the  
24 Consumer Bureau noted that 76 percent of  
25 credit reporting complaints involved incorrect

1 information on reports, with consumers fre-  
2 quently expressing their frustrations about the  
3 burdensome and time-consuming process to dis-  
4 puting items.

5 (N) Other common types of credit report-  
6 ing complaints submitted to the Consumer Bu-  
7 reau related to the improper use of a report,  
8 trouble obtaining a report or credit score,  
9 CRAs' investigations, and credit monitoring or  
10 identity protection.

11 (O) In the summer 2015 "Supervisory  
12 Highlights", the Consumer Bureau noted that  
13 one or more of the largest CRAs failed to ade-  
14 quately oversee furnishers to ensure that they  
15 were adhering to the CRA's vetting policies and  
16 to establish proper procedures to verify public  
17 record information.

18 (P) According to the fall 2016 "Super-  
19 visory Highlights", Consumer Bureau exam-  
20 iners determined that one or more debt collec-  
21 tors never investigated indirect disputes that  
22 lacked detail or were not accompanied by at-  
23 tachments with relevant information from the  
24 consumer. Examiners also found that notifica-  
25 tions sent to consumers about disputes consid-

1           ered frivolous failed to identify for the con-  
2           sumers the type of material that they could pro-  
3           vide in order for the debt collector to complete  
4           the investigation of the disputed item.

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

12          (R) As evidence that the current system  
13          lacks sufficient market incentives for CRAs to  
14          develop more robust procedures to increase the  
15          accuracy and completeness of information on  
16          credit reports, litigation discovery documented  
17          by the National Consumer Law Center  
18          (“NCLC”), as part of a January 2009 report  
19          titled, “Automated Injustice: How a Mecha-  
20          nized Dispute System Frustrates Consumers  
21          Seeking to Fix Errors in Their Credit Re-  
22          ports”, showed that at least two of the three  
23          largest CRAs use quota systems to force em-  
24          ployees to process disputes hastily and without  
25          the opportunity for conducting meaningful in-



1           vestigations. At least one nationwide CRA only  
2           allowed dispute resolution staff five minutes to  
3           handle a consumer's call. Furthermore, these  
4           CRAs were found to have awarded bonuses for  
5           meeting quotas and punished those who didn't  
6           meet production numbers with probation.

7           (S) Unlike most other business relation-  
8           ships, where consumers can register their satis-  
9           faction or unhappiness with a particular credit  
10          product or service simply by taking their busi-  
11          ness elsewhere, consumers have no say in  
12          whether their information is included in the  
13          CRAs databases and limited legal remedies to  
14          hold the CRAs accountable for inaccuracies or  
15          poor service.

16          (T) Accordingly, despite the existing statu-  
17          tory mandate for CRAs to follow reasonable  
18          procedures to assure the maximum possible ac-  
19          curacy of the information whenever they pre-  
20          pare consumer reports, numerous studies, the  
21          high volume of consumer complaints submitted  
22          to the Consumer Bureau about incorrect infor-  
23          mation on consumer reports, and supervisory  
24          activities by the Consumer Bureau demonstrate

1           that CRAs continue to skirt their obligations  
2           under the law.

3           (2) PRIVATE EDUCATION LOANS.—

4           (A) The Consumer Bureau’s October 2014  
5           report titled “Annual Report of the CFPB Stu-  
6           dent Loan Ombudsman” noted many private  
7           education loan borrowers, who sought to nego-  
8           tiate a modified repayment plan when they were  
9           experiencing a period of financial distress, were  
10          unable to get assistance from their loan holders,  
11          which often resulting in them defaulting on  
12          their loans. This pattern resembles the dif-  
13          ficulty that a significant number of mortgage  
14          loan borrowers experienced when they sought to  
15          take responsible steps to work with their mort-  
16          gage loan servicer to avoid foreclosure during  
17          the Great Recession.

18          (B) Although private student loan holders  
19          may allow a borrower to postpone payments  
20          while enrolled in school full-time, many limit  
21          this option to a certain time period, usually 48  
22          to 66 months. This limited time period may not  
23          be sufficient for those who need additional time  
24          to obtain their degree or who want to continue  
25          their education by pursuing a graduate or profes-

1           sional degree. The Consumer Bureau found  
2           that borrowers who were unable to make pay-  
3           ments often defaulted or had their accounts  
4           sent to collections before they were even able to  
5           graduate.

6           (3) DECEPTIVE PRACTICES AT CERTAIN PRO-  
7           PRIETARY EDUCATION INSTITUTIONS AND CAREER  
8           EDUCATION PROGRAMS.—

9           (A) NCLC cited the proliferation of law  
10          enforcement actions against many for-profit  
11          schools in its June 2014 report, titled “Ensuring  
12          Educational Integrity: 10 Steps to Improve  
13          State Oversight of For-profit Schools”, to dem-  
14          onstrate the pervasive problem in this sector of  
15          targeting low-income students with deceptive  
16          high-pressure sales techniques involving inflated  
17          job placement rates and misleading data on  
18          graduate wages, and false representations about  
19          the transferability of credits and the employ-  
20          ability of graduates in occupations that require  
21          licensure. Student loan borrowers at these  
22          schools may be left with nothing but worthless  
23          credentials and large debt. Those who default  
24          on their student loans face years with damaged  
25          credit that will adversely impact their ability to

1           rent or buy homes, purchase cars, and find em-  
2           ployment.

3           (B) The closure and bankruptcy of Corin-  
4           thian Colleges, which was found to have de-  
5           ceived students by steering them into high-in-  
6           terest student loans based on misleading grad-  
7           uation rates and employment data, is a good  
8           example of the problem. Even after its closure,  
9           many Corinthian students remained saddled  
10          with student loan debt, worthless degrees, and  
11          few prospects for employment.

12          (C) Attending a two-year, for-profit college  
13          costs, on average, four times as much as at-  
14          tending a community college. Students at for-  
15          profit colleges represent only about 11 percent  
16          of the total higher education population but a  
17          startling 44 percent of all Federal student loan  
18          defaults, according to the United States De-  
19          partment of Education (“DOE”).

20          (D) According to NCLC, a dispropor-  
21          tionate number of for-profit students are low-in-  
22          come and people of color. These schools target  
23          veterans, working parents, first-generation stu-  
24          dents, and non-English speaking students, who  
25          may be more likely than their public or private

1 nonprofit school counterparts to drop out, incur  
2 enormous student debt, and default on this  
3 debt. In the 2011–2012 school year, 28 percent  
4 of African Americans and 15 percent of Latinos  
5 attending four-year institutions were enrolled in  
6 a for-profit school, compared to 10 percent of  
7 Whites.

8 (E) As highlighted in a press release titled  
9 “Obama Administration Announces Final Rules  
10 to Protect Students from Poor-Performing Ca-  
11 reer College Programs”, that was issued by the  
12 DOE on October 30, 2014, “[t]oo often, stu-  
13 dents at career colleges—including thousands of  
14 veterans—are charged excessive costs, but don’t  
15 get the education they paid for. Instead, stu-  
16 dents in such programs are provided with poor  
17 quality training, often for low-wage jobs or in  
18 occupations where there are simply no job op-  
19 portunities. They find themselves with large  
20 amounts of debt and, too often, end up in de-  
21 fault. In many cases, students are drawn into  
22 these programs with confusing or misleading in-  
23 formation.”.

24 (4) MEDICAL DEBT.—

1 (A) Research by the Consumer Bureau has  
2 found that the inclusion of medical collections  
3 on consumer reports has unfairly reduced con-  
4 sumers' credit scores.

5 (B) The Consumer Bureau's review of 5  
6 million anonymized credit files from September  
7 2011 to September 2013, for example, found  
8 that credit scores may underestimate a person's  
9 creditworthiness by up to 10 points for those  
10 who owe medical debt, and may underestimate  
11 a person's creditworthiness by up to 22 points  
12 after the medical debt has been paid. For con-  
13 sumers with lower credit scores, especially those  
14 on the brink of what is considered subprime, a  
15 10 to 22 point decrease in their credit scores  
16 can have a significant impact on their lives, in-  
17 cluding by affecting whether they are able to  
18 qualify for credit and, if so, the terms and con-  
19 ditions under which it is extended to them.

20 (C) The Consumer Bureau found that half  
21 of all collections trade lines that appear on con-  
22 sumer reports are related to medical bills  
23 claimed to be owed to hospitals and other med-  
24 ical providers. These trade lines affect the re-

1 ports of nearly 1/5 of all consumers in the cred-  
2 it reporting system.

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

13 (E) Medical bills can be complex and con-  
14 fusing for many consumers, which results in  
15 consumers' uncertainty about what they owe, to  
16 whom, when, or for what, that may cause some  
17 people, who ordinarily pay their bills on time, to  
18 delay or withhold payments on their medical  
19 debts. This uncertainty can also result in med-  
20 ical collections appearing on consumer reports.  
21 In a December 2014 report titled "Consumer  
22 Credit Reports: A Study of Medical and Non-  
23 Medical Collections", the Consumer Bureau  
24 found that a large portion of consumers with  
25 medical collections show no other evidence of fi-

1           nancial distress and are consumers who ordi-  
2           narily pay their other financial obligations on  
3           time. Unlike with most credit products or serv-  
4           ices, such as credit cards, installment loans,  
5           utilities, or wireless or cable services that have  
6           contractual account disclosures describing the  
7           terms and conditions of use, most consumers  
8           are not told what their out-of-pocket medical  
9           costs will be in advance. Consumers needing ur-  
10          gent or emergency care rarely know, or are pro-  
11          vided, the cost of a medical treatment or proce-  
12          dure before the service is rendered.

13                 (F) The Consumer Bureau concluded that  
14                 the presence of medical collections is less pre-  
15                 dictive of future defaults or serious delin-  
16                 quencies than the presence of a nonmedical col-  
17                 lection in a study titled “Data Point: Medical  
18                 Debt and Credit Scores”, issued in May 2014.

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

24                 (H) VantageScore’s latest credit scoring  
25                 model, “VantageScore 4.0”, will be available in



1 the fall of 2017. This model will penalize med-  
2 ical collections less than non-medical ones.

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

15 (J) While the CRAs appear to be volun-  
16 tarily adopting policy changes on a nationwide  
17 basis, they are not obligated to do so for con-  
18 sumers who reside in States that are not party  
19 to any of the consent orders.

20 (K) As a result of the settlement agree-  
21 ments, the three nationwide CRAs will set a  
22 180-day waiting period before including medical  
23 collections on a report and will remove a med-  
24 ical collection from a report once it is paid by  
25 an insurance company. While this change will

1 benefit many, once a medical collection appears  
2 on a report, it will only be deleted or suppressed  
3 if it is found to have been the insurance com-  
4 pany's obligation to pay and the insurer pays it.  
5 Given the research showing there is little pre-  
6 dictive value in medical debt information, med-  
7 ical collections that are paid or settled should  
8 quickly be removed from a report, regardless of  
9 who pays or settles this debt.

10 (5) FINANCIAL ABUSE BY KNOWN PERSONS.—

11 (A) Financial abuse and exploitation are  
12 frequently associated with domestic violence.  
13 This type of abuse may result in fraudulent  
14 charges to a credit card or having fraudulent  
15 accounts created by the abuser in the survivor's  
16 name. Financial abuse may also result in the  
17 survivor's inability to make timely payments on  
18 their valid obligations due to loss or changes in  
19 income that can occur when their abuser steals  
20 from or coerces the survivor to relinquish their  
21 paychecks or savings.

22 (B) By racking up substantial debts in the  
23 survivor's name, abusers are able to exercise fi-  
24 nancial control over their survivors to make it  
25 economically difficult for the survivor, whose

1 credit is often destroyed, to escape the situa-  
2 tion.

3 (C) Domestic abuse survivors with poor  
4 credit are likely to face significant obstacles in  
5 establishing financial independence from their  
6 abusers. This can be due, in part, because con-  
7 sumer reports may be used when a person at-  
8 tempts to obtain a checking account, housing,  
9 insurance, utilities, employment, and even a se-  
10 curity clearance as required for certain jobs.

11 (D) Providing documentation of identity  
12 (“ID”) theft in order to dispute information on  
13 one’s consumer report can be particularly chal-  
14 lenging for those who know their financial  
15 abuser.

16 (E) While it is easier for consumers who  
17 obtain a police report to remove fraudulent in-  
18 formation from their consumer report and pre-  
19 vent it from reappearing in the future, accord-  
20 ing to the Empire Justice Center, safety and  
21 other noncredit concerns may impact the capac-  
22 ity of a survivor of financial abuse committed  
23 by a known person to turn to law enforcement  
24 to get a police report.

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

10 (6) DECEPTIVE AND MISLEADING MARKETING  
11 PRACTICES.—

12 (A) The Consumer Bureau's February  
13 2015 report titled "Consumer Voices on Credit  
14 Reports and Scores" found that some con-  
15 sumers did not obtain a copy of their consumer  
16 report due to concerns about security or of  
17 being trapped into purchasing unwanted prod-  
18 ucts like an additional report or a credit moni-  
19 toring service.

20 (B) In January 2017, the Consumer Bu-  
21 reau fined TransUnion and Equifax for decep-  
22 tively marketing credit scores for purchase by  
23 consumers as the same credit scores typically  
24 used by lenders to determine creditworthiness  
25 and for luring consumers into costly subscrip-

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

22                   (C) The Consumer Bureau fined the other  
23          nationwide CRA—Experian—in March 2017  
24          for deceiving consumers about the use of credit  
25          scores that it marketed and sold to consumers

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

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

23 (E) Given the ubiquitous use of consumer  
24 reports in consumers’ lives and the fact that  
25 consumers’ participation in the credit reporting

1 system is involuntary, CRAs should also  
2 prioritize providing consumers with the effective  
3 means to safeguard their personal and financial  
4 information and improve their credit standing,  
5 rather than seeking to exploit consumers' con-  
6 cerns and confusion about credit reporting and  
7 scoring, to boost their companies' profits.

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

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

16 (A) Despite heightened awareness, inci-  
17 dents of ID theft continue to rise. In February  
18 2015, the FTC reported that ID theft was the  
19 top consumer complaint that it received for the  
20 15th consecutive year. As these incidents in-  
21 crease, consumers experience significant finan-  
22 cial loss and emotional distress from the inabil-  
23 ity to safeguard effectively and inexpensively  
24 their credit 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  
9 actors may go undetected for years.

10 (C) Despite the increasing incidents of  
11 children's ID theft, parents who want to  
12 proactively prevent their children from having  
13 their identity stolen, may not be able to do so.  
14 Only one of the three nationwide CRAs cur-  
15 rently allows parents from any State to set up  
16 a freeze for a minor child. At the other two na-  
17 tionwide CRAs, parents can only obtain a freeze  
18 after a child has become an ID theft victim be-  
19 cause, it is only at this point, that these CRAs  
20 have an existing credit file for the child. While  
21 many States have enacted laws to address this  
22 problem, there is no 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 informa-  
11 tion. According to a 2015 MasterCard survey,  
12 a majority of consumers (77 percent) have anx-  
13 iety about the possibility that their financial in-  
14 formation and Social Security numbers may be  
15 stolen or compromised, with about 55 percent  
16 of 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,  
2 roughly 50 million American consumers spent  
3 about \$3.5 billion in 2010 to purchase products  
4 aimed at protecting their identity, with the an-  
5 nual cost of these services ranging from \$120  
6 to \$300. As risks to consumers' personal and fi-  
7 nancial information continue to grow, con-  
8 sumers need additional protections to ensure  
9 that they have fair and reasonable access to the  
10 full suite of ID theft and fraud prevention  
11 measures that may be 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 enact-  
19 ment of this Act, the Bureau of Consumer Financial Pro-  
20 tection shall issue final rules to implement the amend-  
21 ments made 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  
10 Reporting Act (15 U.S.C. 1681c) is amended—

11 (1) in subsection (a)—

12 (A) by striking “Except as authorized  
13 under 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  
24 (13), or as required by section 605C, 605D,  
25 605E, or 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  
12 the governing statute of limitations has expired,  
13 whichever 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  
22 a covered residential mortgage loan that ante-  
23 dates 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 relating to the collection of debt that did not arise  
3 from a contract or an agreement to pay by a con-  
4 sumer, including fines, tickets, and other assess-  
5 ments, as determined by the Bureau, excluding tax  
6 liability.”;

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

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

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

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

19           (2) in section 625(b)(5)(A), by striking “section  
20 605(g)” and inserting “section 605(f)”.

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

24           Section 605(a) of the Fair Credit Reporting Act (15  
25 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  
8 days.”.

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

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

20 “(14) Any other adverse item of information re-  
21 lated to a fully paid or settled debt arising from the  
22 receipt of medical services, products, or devices that  
23 had been characterized as delinquent, charged off, or  
24 in collection which, from the date of payment or set-

1 tlement, antedates the report by more than 45 cal-  
2 endar days.”.

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

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

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

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

20 (d) TECHNICAL AMENDMENT.—Section 604(g)(1)(C)  
21 of the Fair Credit Reporting Act (15 U.S.C.  
22 1681b(g)(1)(C)) is further amended by striking “devises”  
23 and inserting “devices”.

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  
5 (15 U.S.C. 1681 et seq.) is amended by inserting after  
6 section 605B the following new section:

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

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

22 “(2) is related to an unfair, deceptive, or abu-  
23 sive act, practice, or a fraudulent, discriminatory, or  
24 illegal activity of a financial institution that is the  
25 subject of a settlement agreement initiated on behalf  
26 of a consumer or consumers and that is between the



1 financial 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  
7 mortgage loan’ means any loan primarily for personal,  
8 family, or household use that is secured by a mortgage,  
9 deed of trust, or other equivalent consensual security in-  
10 terest on a dwelling (as defined in section 103(w) of the  
11 Truth in Lending Act), including a loan in which the pro-  
12 ceeds will be used for—

13 “(1) a manufactured home (as defined in sec-  
14 tion 603 of the Housing and Community Develop-  
15 ment Act 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  
22 of contents of the Fair Credit Reporting Act is amended  
23 by inserting after the item relating to section 605B the  
24 following new item:

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

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect at the end of the 18-month  
3 period 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  
10 (15 U.S.C. 1681 et seq.), as amended by section 104, is  
11 further amended by inserting after section 605C the fol-  
12 lowing new 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  
7       receipt of a notice described in subsection (d)(5), a con-  
8       sumer reporting agency shall remove any adverse informa-  
9       tion relating to any private education loan with respect  
10      to which a consumer is a qualifying private education loan  
11      borrower from any consumer report within 45 calendar  
12      days of receipt 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  
17      a qualifying private education loan borrower with respect  
18      to a private education loan and, as applicable, an expla-  
19      nation of the consumer’s right to have adverse information  
20      relating to such loan removed from their consumer report  
21      by a consumer reporting agency.

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

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

1           “(2) establish procedures to efficiently review,  
2           accept, 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 eli-  
6           gible 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 man-  
10          ner, form, and content of the notice informing a pri-  
11          vate educational loan holder of the prohibition on re-  
12          porting 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 man-  
16          ner, form, and content of the notice informing a con-  
17          sumer reporting agency of the obligation to remove  
18          any adverse information as described in subsection  
19          (c).

20          “(e) STANDARDIZED REPORTING CODES.—A con-  
21          sumer reporting agency shall develop standardized report-  
22          ing codes for use by private education loan holders to iden-  
23          tify and report a qualifying private education loan bor-  
24          rower’s status of a request to remove any adverse informa-  
25          tion relating to any private education loan with respect

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

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

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

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

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

25 “(ii) under Federal law;

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

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

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

21           (b) TABLE OF CONTENTS AMENDMENT.—The table  
22           of contents of the Fair Credit Reporting Act is amended  
23           by inserting after the item relating to section 605C (as  
24           added by section 104) the following new item:

          “605D. Private education loan credit restoration for defrauded student bor-  
          rowers 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  
7 (15 U.S.C. 1681 et seq.), as amended by section 105, is  
8 further amended by inserting after section 605D the fol-  
9 lowing new 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  
13 a 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  
17 a dating relationship in a manner which resulted in the  
18 inclusion of an adverse item of information on the con-  
19 sumer report of the consumer, and the consumer did not  
20 participate in or consent to such behavior, the consumer  
21 may apply to a court of competent jurisdiction, including  
22 a family court, juvenile court, or other court with personal  
23 jurisdiction, for an order to require the removal of such  
24 adverse information from the consumer’s file maintained  
25 by any consumer reporting agency.”.

1 (b) TABLE OF CONTENTS AMENDMENT.—The table  
2 of contents of the Fair Credit Reporting Act is amended  
3 by inserting after the item relating to section 605D the  
4 following 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  
9 seq.) 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.—**  
15 **A credit scoring model may not—**

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

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



1 where the absence of such information is the result  
2 of a consumer's participation in credit restoration or  
3 rehabilitation 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  
13 history data for an existing account, whether the ac-  
14 count is open or closed, where the absence of such  
15 information is the result of a consumer's participa-  
16 tion in credit restoration or rehabilitation under sec-  
17 tion 605C, 605D, or 605E.

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

1 report shall be deemed to satisfy the requirements for ac-  
2 curacy and 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 eli-  
9 gibility 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  
15 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

1 the unauthorized disclosure of the consumer's  
2 financial 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  
8 deemed appropriate by the Bureau; and

9 “(iii) the filing of which subjects the per-  
10 son filing the report to criminal penalties relat-  
11 ing to the filing of false information if, in fact,  
12 the information 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”.—Sec-  
17 tion 603(g) of the Fair Credit Reporting Act (15 U.S.C.  
18 1681a(g)) is amended by inserting “, except that such  
19 term excludes a record created pursuant to section  
20 605A(j)” after “stored”.

21 (b) AMENDMENT TO PROTECTION FOR FILES AND  
22 CREDIT RECORDS.—Section 605A(j) of the Fair Credit  
23 Reporting Act (15 U.S.C. 1681e–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  
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

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

5 (C) in paragraph (2)—

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

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

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

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

19 (2) in subsection (b)—

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

22 (B) in paragraph (1)—

23 (i) in subparagraph (B)—

24 (I) by striking “5-year period be-  
25 ginning 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 sserting “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. 1681e–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.—

19               The Fair Credit Reporting Act (15 U.S.C. 1681  
20       et seq.), as amended by section 107, is further  
21       amended—

22               (1) by adding at the end the following new sec-  
23       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.”.

