

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2547
OFFERED BY MR. MCHENRY**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. REQUIREMENT FOR CONFESSIONS OF JUDGE-**
2 **MENT.**

3 (a) IN GENERAL.—Chapter 2 of the Truth in Lend-
4 ing Act (15 U.S.C. 1631 et seq.) is amended by adding
5 at the end the following:

6 **“§ 140B. Unfair credit practices**

7 “In connection with the extension of credit or cre-
8 ation of debt in or affecting commerce, as defined in sec-
9 tion 4 of the Federal Trade Commission Act (15 U.S.C.
10 44), including any advance of funds or sale or assignment
11 of future income or receivables that may or may not be
12 credit, no person may take or receive from another person
13 an obligation that constitutes or contains a cognovit or
14 confession of judgment (for purposes other than executory
15 process in the State of Louisiana), warrant of attorney,
16 or other waiver of the right to notice and the opportunity
17 to be heard in the event of suit or process thereon unless
18 the other person provides to the lender a written affidavit

1 describing the nature of the default and the date on which
2 such default occurred.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 The Truth in Lending Act (15 U.S.C. 1601 et seq.) is
5 amended—

6 (1) in section 103, by adding at the end the fol-
7 lowing:

8 “(ff) The term ‘debt’ means any obligation of a per-
9 son to pay to another person money—

10 “(1) regardless of whether such obligation is
11 absolute or contingent if the understanding between
12 the parties is that any part of the money shall be
13 or may be returned;

14 “(2) that includes the right of the person pro-
15 viding the money to an equitable remedy for breach
16 of performance if the breach gives rise to a right to
17 payment; and

18 “(3) regardless of whether the obligation or
19 right to an equitable remedy described in paragraph
20 (2) has been reduced to judgment, fixed, contingent,
21 matured, unmatured, disputed, undisputed, secured,
22 or unsecured.”; and

23 (2) in section 130(a), by striking “creditor”
24 each place the term appears and inserting “person”.

1 **SEC. 2. ENHANCED PROTECTION AGAINST DEBT COL-**
2 **LECTOR HARASSMENT OF**
3 **SERVICEMEMBERS.**

4 (a) COMMUNICATION IN CONNECTION WITH DEBT
5 COLLECTION.—Section 805 of the Fair Debt Collection
6 Practices Act (15 U.S.C. 1692c) is amended by adding
7 at the end the following:

8 “(e) COMMUNICATIONS CONCERNING SERVICEMEM-
9 BER DEBTS.—

10 “(1) DEFINITION.—In this subsection, the term
11 ‘covered member’ means—

12 “(A) a covered member or a dependent as
13 defined in section 987(i) of title 10, United
14 States Code; and

15 “(B)(i) an individual who was separated,
16 discharged, or released from duty described in
17 such section 987(i)(1), but only during the 365-
18 day period beginning on the date of separation,
19 discharge, or release; or

20 “(ii) a person, with respect to an individual
21 described in clause (i), described in subpara-
22 graph (A), (D), (E), or (I) of section 1072(2)
23 of title 10, United States Code.

24 “(2) PROHIBITIONS.—A debt collector may not,
25 in connection with the collection of any debt of a
26 covered member—

1 “(A) threaten to have the covered member
2 reduced in rank;

3 “(B) threaten to have the covered mem-
4 ber’s security clearance revoked; or

5 “(C) threaten to have the covered member
6 prosecuted under chapter 47 of title 10, United
7 States Code (the Uniform Code of Military Jus-
8 tice).”.

9 (b) UNFAIR PRACTICES.—Section 808 of the Fair
10 Debt Collection Practices Act (15 U.S.C. 1692f) is amend-
11 ed by adding at the end the following:

12 “(9) The representation to any covered member
13 (as defined under section 805(e)(1)) that failure to
14 cooperate with a debt collector will result in—

15 “(A) a reduction in rank of the covered
16 member;

17 “(B) a revocation of the covered member’s
18 security clearance; or

19 “(C) prosecution under chapter 47 of title
20 10, United States Code (the Uniform Code of
21 Military Justice).”.

22 **SEC. 3. GAO STUDY AND REPORT.**

23 (a) STUDY.—The Comptroller General of the United
24 States shall conduct a study on the impact of debt collec-
25 tion on covered members (as defined under section

1 805(e)(1) of the Fair Debt Collection Practices Act, as
2 added by section 201), which shall—

3 (1) identify types of false, deceptive, misleading,
4 unfair, abusive, and harassing debt collection prac-
5 tices experienced by covered members and make rec-
6 ommendations to eliminate these practices;

7 (2) identify collection practices of creditors and
8 debt collectors experienced by covered members;

9 (3) discuss the effect of these practices on mili-
10 tary readiness; and

11 (4) discuss any national security implications,
12 including the extent to which covered members with
13 security clearances would be impacted by uncollected
14 debt.

15 (b) REPORT.—Not later than one year after the date
16 of enactment of this Act, the Comptroller General of the
17 United States shall submit to Congress a report on the
18 completed study required under subsection (a).

19 **SEC. 4. PROTECTIONS FOR OBLIGORS AND COSIGNERS IN**
20 **CASES OF DEATH OR TOTAL AND PERMA-**
21 **NENT DISABILITY.**

22 (a) IN GENERAL.—Section 140(g) of the Truth in
23 Lending Act (15 U.S.C. 1650) is amended—

24 (1) in paragraph (2)—

1 (A) in the heading, by striking “IN CASE
2 OF DEATH OF BORROWER”;

3 (B) in subparagraph (A), by inserting after
4 “of the death”, the following: “or total and per-
5 manent disability”; and

6 (C) in subparagraph (C), by inserting after
7 “of the death”, the following: “or total and per-
8 manent disability”; and

9 (2) by adding at the end the following:

10 “(3) DISCHARGE IN CASE OF DEATH OR TOTAL
11 AND PERMANENT DISABILITY OF BORROWER.—The
12 holder of a private education loan may, upon request
13 of the estate of a deceased student obligor or, in the
14 case of a student obligor who incurs a total and per-
15 manent disability, upon certification by a medical
16 professional of such total and permanent disability,
17 discharge the liability of the student obligor on the
18 loan and may not, after such a discharge—

19 “(A) attempt to collect on the outstanding
20 liability of the student obligor; and

21 “(B) in the case of total and permanent
22 disability, monitor the disability status of the
23 student obligor at any point after the date of
24 discharge.

1 “(4) TOTAL AND PERMANENT DISABILITY DE-
2 FINED.—For the purposes of this subsection and
3 with respect to an individual, the term ‘total and
4 permanent disability’ means the individual is totally
5 and permanently disabled, as such term is defined in
6 section 685.102(b) of title 34 of the Code of Federal
7 Regulations.

8 “(5) PRIVATE DISCHARGE IN CASES OF CER-
9 TAIN DISCHARGE FOR DEATH OR DISABILITY.—The
10 holder of a private education loan may, when noti-
11 fied of the discharge of liability of a student obligor
12 on a loan described under section 108(f)(5)(A) of
13 the Internal Revenue Code of 1986, discharge any li-
14 ability of the student obligor (and any cosigner) on
15 any private education loan which the private edu-
16 cation loan holder holds and may not, after such a
17 discharge—

18 “(A) attempt to collect on the outstanding
19 liability of the student obligor; and

20 “(B) in the case of total and permanent
21 disability, monitor the disability status of the
22 student obligor at any point after the date of
23 discharge.”.

24 (b) RULEMAKING.—The Director of the Bureau of
25 Consumer Financial Protection may issue rules to imple-

1 ment the amendments made by subsection (a) as the Di-
2 rector determines appropriate.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect 1 year after the date of the
5 enactment of this Act.

6 **SEC. 5. PROHIBITION ON THE USE OF SOCIAL SECURITY**
7 **NUMBERS.**

8 (a) IN GENERAL.—Section 605 of the Fair Credit
9 Reporting Act (15 U.S.C. 1681e) is amended by adding
10 at the end the following:

11 “(i) PROHIBITION ON THE USE OF SOCIAL SECURITY
12 NUMBERS.—A consumer reporting agency described
13 under section 603(p)—

14 “(1) may not make any consumer report con-
15 taining a social security number; and

16 “(2) may not use the social security number of
17 a consumer as a method to verify the identity of the
18 consumer.”.

19 (b) CONFORMING AMENDMENT.—Section 609(a)(1)
20 of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1))
21 is amended by striking “except that—” and all that fol-
22 lows through “(B) nothing” and inserting “except that
23 nothing”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect on January 1, 2022.

1 **SEC. 6. EXCLUSION OF PAID MEDICAL DEBT.**

2 Section 605(a) of the Fair Credit Reporting Act (15
3 U.S.C. 1681e(a)) is amended by adding at the end the
4 following:

5 “(9) Paid debt arising from the receipt of medi-
6 cally necessary, non-elective medical services, prod-
7 ucts, or devices which from the date of payment,
8 antedate the report by more than 1 year.”.

9 **SEC. 7. PROHIBITION ON INCLUDING ADVERSE INFORMA-**
10 **TION RELATED TO PREDATORY MORTGAGE**
11 **LENDING.**

12 (a) IN GENERAL.—The Fair Credit Reporting Act
13 (15 U.S.C. 1681 et seq.) is amended by inserting after
14 section 605B the following:

15 **“§ 605C. Adverse information relating to predatory**
16 **mortgage lending**

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

25 “(1) resulted from an unfair, deceptive, or abu-
26 sive act or practice, or a fraudulent, discriminatory,

1 or illegal activity of a financial institution, as deter-
2 mined by a court of competent jurisdiction; or

3 “(2) is related to an unfair, deceptive, or abu-
4 sive act or practice, or a fraudulent, discriminatory,
5 or illegal activity of a financial institution that is the
6 subject of a settlement agreement initiated on behalf
7 of a consumer and that is between the financial in-
8 stitution and an agency or department of a local,
9 State, or Federal Government.

10 “(b) COVERED RESIDENTIAL MORTGAGE.—In this
11 section, the term ‘covered residential mortgage loan’
12 means any loan made primarily for personal, family, or
13 household use that is secured by a mortgage, deed of trust,
14 or other equivalent consensual security interest on a dwell-
15 ing (as defined in section 103(w) of the Truth in Lending
16 Act), including a loan in which the proceeds will be used
17 for—

18 “(1) a manufactured home (as defined in sec-
19 tion 603 of the Housing and Community Develop-
20 ment Act of 1974);

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

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

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 605B the
4 following new item:

“605C. Adverse information relating to predatory mortgage lending.”.

5 **SEC. 8. PROHIBITION ON INCLUDING ADVERSE INFORMA-**
6 **TION WHEN FINANCIAL ABUSE HAS BEEN DE-**
7 **TERMINED.**

8 (a) IN GENERAL.—The Fair Credit Reporting Act
9 (15 U.S.C. 1681 et seq.), as amended by section 403, is
10 further amended by inserting after section 605C the fol-
11 lowing:

12 **“§ 605D. Adverse information in cases of financial**
13 **abuse**

14 “A consumer reporting agency may not furnish a con-
15 sumer report containing any adverse item of information
16 about a consumer that resulted from intentionally abusive
17 or harmful financial behavior if—

18 “(1) a court of competent jurisdiction, in a law-
19 suit that is not a class action lawsuit, has deter-
20 mined that the consumer is a victim of such inten-
21 tionally abusive or harmful financial behavior;

22 “(2) such intentionally abusive or harmful fi-
23 nancial behavior was conducted by a spouse, family
24 or household member, caregiver, or person with
25 whom such consumer had a dating relationship; and

1 “(3) such consumer did not participate in or
2 consent to such behavior.”.

3 (b) TABLE OF CONTENTS AMENDMENT.—The table
4 of contents of the Fair Credit Reporting Act is amended
5 by inserting after the item relating to section 605C, as
6 added by section 403, the following new item:

 “605D. Adverse information in cases of financial abuse.”.

7 **SEC. 9. PROHIBITION ON INCLUDING ADVERSE INFORMA-**
8 **TION WHEN A STUDENT OBLIGOR IS DE-**
9 **FRAUDED.**

10 (a) IN GENERAL.—The Fair Credit Reporting Act
11 (15 U.S.C. 1681 et seq.), as amended by section 404, is
12 further amended by inserting after section 605D the fol-
13 lowing:

14 **“§ 605E. Adverse information in cases of a defrauded**
15 **student obligor.**

16 “(b) IN GENERAL.—A consumer reporting agency
17 may not furnish a consumer report containing any adverse
18 item of information about a consumer that resulted from
19 a private student loan obligation if—

20 “(1) such consumer is a student obligor with
21 respect to such private education loan; and

22 “(2) a court of competent jurisdiction, in a law-
23 suit that is not a class action lawsuit, has deter-
24 mined that such consumer is a victim of fraud with
25 respect to such private education loan.

1 “(c) PRIVATE EDUCATION LOAN DEFINED.—For the
2 purposes of this section, the term ‘private education loan’
3 has the meaning given the term in section in section
4 140(a) of the Truth in Lending Act.”.

5 (b) TABLE OF CONTENTS AMENDMENT.—The table
6 of contents of the Fair Credit Reporting Act is amended
7 by inserting after the item relating to section 605D, as
8 added by section 404, the following new item:

“605E. Adverse information in cases of a defrauded student obligor.”.

9 **SEC. 10. STUDY AND REPORT TO CONGRESS ON USE OF**
10 **NON-TRADITIONAL DATA IN CREDIT SCOR-**
11 **ING.**

12 (a) STUDY.—The Bureau of Consumer Financial
13 Protection shall carry out a study about the use of non-
14 traditional data—

15 (1) by consumer reporting agencies when com-
16 piling and furnishing consumer reports; and

17 (2) by persons that create, maintain, or pur-
18 chase credit scoring models used in making credit
19 decisions.

20 (b) REPORT.—Not later than 18 months after the
21 date of the enactment of this section, the Bureau of Con-
22 sumer Financial Protection shall issue a report to the
23 Committee on Financial Services of the House of Rep-
24 resentatives and the Committee on Banking, Housing, and
25 Urban Affairs of the Senate containing all findings and

1 determinations, including any recommendations for any
2 legislative or regulatory changes, made in carrying out the
3 study required under subsection (a).

4 (c) DEFINITIONS.—For the purposes of this section,
5 the terms “consumer reporting agency” and “consumer
6 report” shall have the meanings given the terms in section
7 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

8 **SEC. 11. ADVERSE INFORMATION IN CASES OF TRAF-**
9 **FICKING.**

10 (a) IN GENERAL.—The Fair Credit Reporting Act
11 (15 U.S.C. 1681 et seq.), as amended by section 405, is
12 further amended by inserting after section 605E the fol-
13 lowing:

14 **“§ 605F. Adverse information in cases of trafficking**

15 “(a) IN GENERAL.—A consumer reporting agency
16 may not furnish a consumer report containing any adverse
17 item of information about a consumer that resulted from
18 a severe form of trafficking in persons or sex trafficking
19 if a court of competent jurisdiction, in a lawsuit that is
20 not a class action lawsuit, has determined that the con-
21 sumer is a victim of trafficking.

22 “(b) RULEMAKING.—

23 “(1) IN GENERAL.—The Director shall, not
24 later than 180 days after the date of the enactment

1 of this section, issue a rule to implement subsection
2 (a).

3 “(2) CONTENTS.—The rule issued pursuant to
4 paragraph (1) shall establish a method by which
5 consumers may submit documentation to consumer
6 reporting agencies, including—

7 “(A) documentation of a determination by
8 a court of competent jurisdiction that such con-
9 sumer is a victim of trafficking; and

10 “(B) documentation that identifies items
11 of adverse information that should not be fur-
12 nished by the consumer reporting agency be-
13 cause the items resulted from the severe from
14 of trafficking in persons or sex trafficking of
15 which the consumer is a victim.

16 “(c) VICTIM OF TRAFFICKING DEFINED.—For the
17 purposes of this section, the term “victim of trafficking”
18 means a person who—

19 “(1) is a victim of a severe form of trafficking
20 in persons or sex trafficking, as such terms are de-
21 fined in section 103 of the Trafficking Victims Pro-
22 tection Act of 2000; and

23 “(2) has been listed as a victim in a criminal
24 case against a person who has been found guilty of

1 a severe form of trafficking in persons or sex traf-
2 ficking.”.

3 (b) TABLE OF CONTENTS AMENDMENT.—The table
4 of contents of the Fair Credit Reporting Act is amended
5 by inserting after the item relating to section 605E, as
6 added by section 405, the following new item:

“605F. Adverse information in cases of trafficking.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply on the earlier of—

9 (1) the date that is 30 days after the date on
10 which the Director of the Bureau of Consumer Fi-
11 nancial Protection issues a rule pursuant to section
12 605F(b) of the Fair Credit Reporting Act (as added
13 by subsection (a)); or

14 (2) the date that is 2 years after the date of the
15 enactment of section 605F of the Fair Credit Re-
16 porting Act (as added by subsection (a)).

17 **SEC. 12. EFFECTIVE DATE.**

18 Except as otherwise provided, this Act and the
19 amendments made by this Act shall take effect on the date
20 that is 180 days after the date of enactment of this Act.

