AMENDMENT TO THE RULES COMMITTEE PRINT

116-47

OFFERED BY MR. MCHENRY OF NORTH CAROLINA

Strike all after the enacting clause and insert the following:

SECTION 1. CYBERSECURITY SUPERVISION AND EXAMINATION OF LARGE CONSUMER REPORTING AGENCIES.

(a) In General.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding at the end the following:

“SEC. 630. CYBERSECURITY SUPERVISION AND EXAMINATION OF LARGE CONSUMER REPORTING AGENCIES.

“Consumer reporting agencies described under section 603(p) shall be subject to cybersecurity supervision and examination by the Bureau.”.

(b) Clerical Amendment.—The table of contents of the Fair Credit Reporting Act is amended by adding at the end the following:

“630. Cybersecurity supervision and examination of large consumer reporting agencies.”.
SEC. 2. PROHIBITION ON THE USE OF SOCIAL SECURITY NUMBERS.

(a) In General.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following:

“(i) Prohibition on the Use of Social Security Numbers.—A consumer reporting agency described under section 603(p)—

“(1) may not make any consumer report containing a social security number; and

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

(b) Conforming Amendment.—Section 609(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1)) is amended by striking “except that—” and all that follows through “(B) nothing” and inserting “except that nothing”.

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 2021.

SEC. 3. EXCLUSION OF PAID MEDICAL DEBT.

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

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

SEC. 4. SECURITY FREEZES FOR PROTECTED CONSUMERS.

(a) Placement of Freeze.—Section 605A(j)(2)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(j)(2)(A)) is amended to read as follows:

“(A) In general.—Upon receiving a direct request from a protected consumer’s representative, by mail, toll-free telephone, or secure electronic means, that a consumer reporting agency place a security freeze, and upon receiving sufficient proof of identification and sufficient proof of authority, the consumer reporting agency shall, free of charge, place the security freeze not later than 3 business days after receiving the request directly from the protected consumer’s representative.”.

(b) Removal of Freeze.—Section 605A(j)(4) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(j)(4)) is amended—

(1) in subparagraph (A)(i), by inserting after “Upon the direct request” the following: “, by mail or secure electronic means,”;
(2) in subparagraph (A)(ii), by inserting after “Upon the direct request” the following: “, by mail or secure electronic means,”; and

(3) in subparagraph (C)—

(A) by striking “not later than—” and inserting the “not later than 3 days business days after receiving the request directly from the protected consumer or protected consumer’s representative.”; and

(B) by striking clauses (i) and (ii).

SEC. 5. PUBLIC RECORD DATA SOURCES IN CONSUMER REPORTS.

Section 605(d) of the Fair Credit Reporting Act (15 U.S.C. 1681c(d)) is amended by adding at the end the following:

“(3) PUBLIC RECORD DATA.—If a consumer reporting agency furnishes a consumer report that contains public record data, such consumer reporting agency shall include the source of such public record data in such report.”.
SEC. 6. PROHIBITION ON INCLUDING ADVERSE INFORMATION RELATED TO PREDATORY MORTGAGE LENDING.

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

"§ 605C. Adverse information relating to predatory mortgage lending

“(a) IN GENERAL.—A consumer reporting agency may not furnish any consumer report containing any adverse item of information relating to a covered residential mortgage loan (including the origination and servicing of such a loan, any loss mitigation activities related to such a loan, and any foreclosure, deed in lieu of foreclosure, or short sale related to such a loan), if the action or inaction to which the item of information relates—

“(1) resulted from an unfair, deceptive, or abusive act or practice, or a fraudulent, discriminatory, or illegal activity of a financial institution, as determined by a court of competent jurisdiction; or

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

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

“(1) a manufactured home (as defined in section 603 of the Housing and Community Development Act of 1974);

“(2) any installment sales contract, land contract, or contract for deed on a residential property; or

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

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

“605C. Adverse information relating to predatory mortgage lending.”.
SEC. 7. PROHIBITION ON INCLUDING ADVERSE INFORMATION WHEN FINANCIAL ABUSE HAS BEEN DETERMINED.

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

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

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

“(1) a court of competent jurisdiction, in a lawsuit that is not a class action lawsuit, has determined that the consumer is a victim of such intentionally abusive or harmful financial behavior;

“(2) such intentionally abusive or harmful financial behavior was conducted by a spouse, family or household member, caregiver, or person with whom such consumer had a dating relationship; and

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

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

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

SEC. 8. PROHIBITION ON INCLUDING ADVERSE INFORMATION WHEN A STUDENT OBLIGOR IS DEFRAUDED.

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

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

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

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

“(2) a court of competent jurisdiction, in a lawsuit that is not a class action lawsuit, has determined that such consumer is a victim of fraud with respect to such private education loan.

“(c) PRIVATE EDUCATION LOAN DEFINED.—For the purposes of this section, the term ‘private education loan’ has the meaning given the term in section in section 140(a) of the Truth in Lending Act.”.
(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Fair Credit Reporting Act is amended by inserting after the item relating to section 605D the following new item:

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

SEC. 9. BUREAU LIST OF CREDIT REPORTING AGENCIES.

The Bureau of Consumer Financial Protection shall maintain a list of credit reporting agencies in the United States and publish such list on the Bureau of Consumer Financial Protection.

SEC. 10. STUDY AND REPORT TO CONGRESS ON USE OF NON-TRADITIONAL DATA IN CREDIT SCORING.

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

(1) by consumer reporting agencies when compiling and furnishing consumer reports; and

(2) by persons that create, maintain, or purchase credit scoring models used in making credit decisions.

(b) REPORT.—Not later than 18 months after the date of the enactment of this section, the Bureau of Consumer Financial Protection shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and
Urban Affairs of the Senate containing all findings and determinations, including any recommendations for any legislative or regulatory changes, made in carrying out the study required under subsection (a).

(c) DEFINITIONS.—For the purposes of this section, the terms “consumer reporting agency” and “consumer report” shall have the meanings given the terms in section 603 of the Fair Credit Reporting Act.

SEC. 11. CONSUMER BUREAU STUDY AND REPORT TO CONGRESS ON THE IMPACT OF NON-TRADITIONAL DATA.

(a) STUDY.—The Bureau of Consumer Financial Protection shall carry out a study to assess the impact (including the availability and affordability of credit and other noncredit decisions, the potential positive and negative impacts on consumer credit scores, and any unintended consequences) of using traditional modeling techniques or alternative modeling techniques to analyze non-traditional data from a consumer report and of including non-traditional data on consumer reports on the following:

(1) Consumers with no or minimal traditional credit history.

(2) Traditionally underserved communities and populations.

(3) Consumers residing in rural areas.
(4) Consumers residing in urban areas.
(5) Racial and ethnic minorities and women.
(6) Consumers across various income strata, particularly consumers earning less than 120 percent of the area median income (as defined by the Secretary of Housing and Urban Development).
(7) Immigrants, refugees, and non-permanent residents.
(8) Minority financial institutions (as defined under section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note)) and community financial institutions.
(9) Consumers residing in federally assisted housing, including consumers receiving Federal rental subsidies.

(b) ADDITIONAL CONSIDERATIONS.—In assessing impacts under subsection (a), the Bureau of Consumer Financial Protection shall also consider impacts on—
(1) the privacy, security, and confidentiality of the financial, medical, and personally identifiable information of consumers;
(2) the control of consumers over how such information may or will be used or considered;
(3) the understanding of consumers of how such information may be used or considered and the ease with which a consumer may decide to restrict or prohibit such use or consideration of such information;

(4) potential discriminatory effects; and

(5) disparate outcomes the use or consideration of such information may cause.

(e) CONSIDERATION OF RECENT GOVERNMENT STUDIES.—In assessing impacts under subsection (a), the Bureau of Consumer Financial Protection shall also consider recent Government studies on alternative data, including—

(1) the report of the Bureau of Consumer Financial Protection titled “CFPB Data Point: Becoming Credit Visible” (published June 2017); and


(d) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Bureau of Consumer Financial Protection shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs
of the Senate containing all findings and determinations, including any recommendations for any legislative or regulatory changes, made in carrying out the study required under subsection (a).

(e) DEFINITIONS.—In this section:

(1) ALTERNATIVE MODELING TECHNIQUES.—The term “alternative modeling techniques” means statistical and mathematical techniques that are not traditional modeling techniques, including decision trees, random forests, artificial neural networks, nearest neighbor, genetic programming, and boosting algorithms.

(2) CONSUMER REPORT.—The term “consumer report” has the meaning given such term in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

(3) NON-TRADITIONAL DATA.—The term “non-traditional data” means data related to telecommunications, utility payments, rent payments, remittances, wire transfers, data not otherwise regularly included in consumer reports issued by consumer reporting agencies described under section 603(p), and such other items as the Bureau of Consumer Financial Protection deems appropriate.
(4) TRADITIONAL MODELING TECHNIQUES.—

The term “traditional modeling techniques” means statistical and mathematical techniques (including models, algorithms, linear and logistic regression methods, and their outputs) that are traditionally used in automated underwriting processes.

SEC. 12. SECURITIES AND EXCHANGE COMMISSION RESERVE FUND.

Clause (i) of section 4(i)(2)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(i)(2)(B)(i)) is amended by inserting before the semicolon the following: “, except that for fiscal year 2021, the amount deposited may not exceed $30,000,000”.

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