AMENDMENT TO THE RULES COMMITTEE PRINT

117–49

OFFERED BY MS. TLAIB OF MICHIGAN

Add at the end the following:

**TITLE VI—RESTORING UNFAIRLY IMPAIRED CREDIT AND PROTECTING CONSUMERS**

**SEC. 601. SHORT TITLE.**

This title may be cited as the “Restoring Unfairly Impaired Credit and Protecting Consumers Act”.

**SEC. 602. FINDINGS.**

Congress finds the following:

(1) **GENERAL FINDINGS.**—

(A) Consumer reporting agencies (“CRAs”) are companies that collect, compile, and provide information about consumers in the form of consumer reports for certain permissible statutory purposes under the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) (“FCRA”). The three largest CRAs in this country are Equifax, TransUnion, and Experian. These CRAs are referred to as na-
tionwide CRAs and the reports that they prepare are commonly referred to as credit reports. Furnishers, such as creditors, lenders, and debt collection agencies, voluntarily submit information to CRAs about their accounts such as the total amount for each loan or credit limit for each credit card and the consumer’s payment history on these products. Reports also include identifying information about a consumer, such as their birthdate, previous mailing addresses, and current and previous employers.

(B) In a December 2012 paper, “Key Dimensions and Processes in the U.S. Credit Reporting System: A review for how the nation’s largest credit bureaus manage consumer data”, the Bureau of Consumer Financial Protection (”Consumer Bureau”) noted that the three nationwide CRAs maintain credit files on approximately 200 million adults and receive information from about 10,000 furnishers. On a monthly basis, these furnishers provide information on over 1.3 billion consumer credit accounts or other trade lines.

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

(D) Consumer reports play an increasingly important role in the lives of American consumers. Most creditors, for example, review these reports to make decisions about whether to extend credit to consumers and what terms and conditions to offer them. As such, information contained in these reports affects whether a person is able to get a private education loan to pay for college costs, to secure a mortgage loan to buy a home, or to obtain a credit card, as well as the terms and conditions under which consumer credit products or services are offered to them.

(E) Credit reports are also increasingly used for many noncredit decisions, including by landlords to determine whether to rent an apartment to a prospective tenant and by employers to decide whether to hire potential job applicants or to offer a promotion to existing employees.

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

(G) The nationwide CRAs have failed to establish and follow reasonable procedures, as required by existing law, to establish the maximum level of accuracy of information contained on consumer reports. Given the repeated failures of these CRAs to comply with accuracy requirements on their own, legislation is intended to provide them with detailed guidance improving the accuracy and completeness of information contained in consumer reports, including procedures, policies, and practices that these CRAs should already be following to ensure full compliance with their existing obligations.

(H) The presence of inaccurate or incomplete information on these reports can result in substantial financial and emotional harm to consumers. Credit reporting errors can lead to the loss of a new employment opportunity or a denial of a promotion in an existing job, stop someone from being able to access credit on favorable terms, prevent a person from obtaining rental housing, or even trigger mental distress.
(I) Current industry practices impose an unfair burden of proof on consumers trying to fix errors on their reports.

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

(K) Recognizing that credit reporting affects the lives of almost all consumers in this country and that the consequences of errors on a consumer report can be catastrophic for a consumer, the Consumer Bureau began accepting consumer complaints about credit reporting in October 2012.

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

(M) In the “Monthly Complaint Report Volume 20”, released in February 2017, the Consumer Bureau noted that 76 percent of credit reporting complaints involved incorrect
information on reports, with consumers fre-
quently expressing their frustrations about the
burdensome and time-consuming process to dis-
puting items.

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

(O) In the summer 2015 “Supervisory
Highlights”, the Consumer Bureau noted that
one or more of the largest CRAs failed to ade-
quately oversee furnishers to ensure that they
were adhering to the CRA’s vetting policies and
to establish proper procedures to verify public
record information.

(P) According to the fall 2016 “Super-
visory Highlights”, Consumer Bureau exam-
iners determined that one or more debt collec-
tors never investigated indirect disputes that
lacked detail or were not accompanied by at-
chments with relevant information from the
consumer. Examiners also found that notifica-
tions sent to consumers about disputes consid-
ered frivolous failed to identify for the consumers the type of material that they could provide in order for the debt collector to complete the investigation of the disputed item.

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

(R) As evidence that the current system lacks sufficient market incentives for CRAs to develop more robust procedures to increase the accuracy and completeness of information on credit reports, litigation discovery documented by the National Consumer Law Center (“NCLC”), as part of a January 2009 report titled, “Automated Injustice: How a Mechanized Dispute System Frustrates Consumers Seeking to Fix Errors in Their Credit Reports”, showed that at least two of the three largest CRAs use quota systems to force employees to process disputes hastily and without the opportunity for conducting meaningful in-
vestigations. At least one nationwide CRA only allowed dispute resolution staff five minutes to handle a consumer’s call. Furthermore, these CRAs were found to have awarded bonuses for meeting quotas and punished those who didn’t meet production numbers with probation.

(S) Unlike most other business relationships, where consumers can register their satisfaction or unhappiness with a particular credit product or service simply by taking their business elsewhere, consumers have no say in whether their information is included in the CRAs databases and limited legal remedies to hold the CRAs accountable for inaccuracies or poor service.

(T) Accordingly, despite the existing statutory mandate for CRAs to follow reasonable procedures to assure the maximum possible accuracy of the information whenever they prepare consumer reports, numerous studies, the high volume of consumer complaints submitted to the Consumer Bureau about incorrect information on consumer reports, and supervisory activities by the Consumer Bureau demonstrate
that CRAs continue to skirt their obligations under the law.

(2) PRIVATE EDUCATION LOANS.—

(A) The Consumer Bureau’s October 2014 report titled “Annual Report of the CFPB Student Loan Ombudsman” noted many private education loan borrowers, who sought to negotiate a modified repayment plan when they were experiencing a period of financial distress, were unable to get assistance from their loan holders, which often resulting in them defaulting on their loans. This pattern resembles the difficulty that a significant number of mortgage loan borrowers experienced when they sought to take responsible steps to work with their mortgage loan servicer to avoid foreclosure during the Great Recession.

(B) Although private student loan holders may allow a borrower to postpone payments while enrolled in school full-time, many limit this option to a certain time period, usually 48 to 66 months. This limited time period may not be sufficient for those who need additional time to obtain their degree or who want to continue their education by pursing a graduate or profes-
sional degree. The Consumer Bureau found that borrowers who were unable to make pay-
ments often defaulted or had their accounts sent to collections before they were even able to graduate.

(3) DECEPTIVE PRACTICES AT CERTAIN PRO-
PRIETARY EDUCATION INSTITUTIONS AND CAREER EDUCA
TION PROGRAMS.—

(A) NCLC cited the proliferation of law enforcement actions against many for-profit schools in its June 2014 report, titled “Ensuring Educational Integrity: 10 Steps to Improve State Oversight of For-profit Schools”, to demon-
strate the pervasive problem in this sector of targeting low-income students with deceptive
high-pressure sales techniques involving inflated job placement rates and misleading data on graduate wages, and false representations about the transferability of credits and the employ-
ability of graduates in occupations that require licensure. Student loan borrowers at these schools may be left with nothing but worthless credentials and large debt. Those who default on their student loans face years with damaged credit that will adversely impact their ability to
rent or buy homes, purchase cars, and find employment.

(B) The closure and bankruptcy of Corinthian Colleges, which was found to have deceived students by steering them into high-interest student loans based on misleading graduation rates and employment data, is a good example of the problem. Even after its closure, many Corinthian students remained saddled with student loan debt, worthless degrees, and few prospects for employment.

(C) Attending a two-year, for-profit college costs, on average, four times as much as attending a community college. Students at for-profit colleges represent only about 11 percent of the total higher education population but a startling 44 percent of all Federal student loan defaults, according to the United States Department of Education (“DOE”).

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

(E) As highlighted in a press release titled “Obama Administration Announces Final Rules to Protect Students from Poor-Performing Career College Programs”, that was issued by the DOE on October 30, 2014, “Too often, students at career colleges—including thousands of veterans—are charged excessive costs, but don’t get the education they paid for. Instead, students in such programs are provided with poor quality training, often for low-wage jobs or in occupations where there are simply no job opportunities. They find themselves with large amounts of debt and, too often, end up in default. In many cases, students are drawn into these programs with confusing or misleading information.”.

(4) Medical debt.—
(A) Research by the Consumer Bureau has found that the inclusion of medical collections on consumer reports has unfairly reduced consumers’ credit scores.

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

(C) The Consumer Bureau found that half of all collections trade lines that appear on consumer reports are related to medical bills claimed to be owed to hospitals and other medical providers. These trade lines affect the re-
ports of nearly 1/5 of all consumers in the credit reporting system.

(D) The Consumer Bureau has found that there are no objective or enforceable standards that determine when a debt can or should be reported as a collection trade line. Because debt buyers and collectors determine whether, when, and for how long to report a collection account, there is only a limited relationship between the time period reported, the severity of a delinquency, and when or whether a collection trade line appears on a consumer’s credit report.

(E) Medical bills can be complex and confusing for many consumers, which results in consumers’ uncertainty about what they owe, to whom, when, or for what, that may cause some people, who ordinarily pay their bills on time, to delay or withhold payments on their medical debts. This uncertainty can also result in medical collections appearing on consumer reports. In a December 2014 report titled “Consumer Credit Reports: A Study of Medical and Non-Medical Collections”, the Consumer Bureau found that a large portion of consumers with medical collections show no other evidence of fi-
nancial distress and are consumers who ordinarily pay their other financial obligations on time. Unlike with most credit products or services, such as credit cards, installment loans, utilities, or wireless or cable services that have contractual account disclosures describing the terms and conditions of use, most consumers are not told what their out-of-pocket medical costs will be in advance. Consumers needing urgent or emergency care rarely know, or are provided, the cost of a medical treatment or procedure before the service is rendered.

(F) The Consumer Bureau concluded that the presence of medical collections is less predictive of future defaults or serious delinquencies than the presence of a nonmedical collection in a study titled “Data Point: Medical Debt and Credit Scores”, issued in May 2014.

(G) FICO’s latest credit scoring model, “FICO 9”, changes the treatment of paid collections to disregard any collection matters that the consumer has paid in full. FICO 9, however, is not yet widely used by lenders.

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

(I) The three nationwide CRAs entered into a settlement agreement with the New York State attorney general in 2015 to address deficiencies in their dispute resolution process and enhance the accuracy of items on reports. These policy changes will be implemented in a three-phrased rollout, culminating by June 2018. Subsequently, these CRAs entered into a cooperative agreement with 31 State Attorneys General, which was the basis of the creation of the National Consumer Assistance Plan ("NCAP") to change some of their business practices.

(J) While the CRAs appear to be voluntarily adopting policy changes on a nationwide basis, they are not obligated to do so for consumers who reside in States that are not party to any of the consent orders.

(K) As a result of the settlement agreements, the three nationwide CRAs will set a 180-day waiting period before including medical collections on a report and will remove a medical collection from a report once it is paid by an insurance company. While this change will
benefit many, once a medical collection appears on a report, it will only be deleted or suppressed if it is found to have been the insurance company’s obligation to pay and the insurer pays it. Given the research showing there is little predictive value in medical debt information, medical collections that are paid or settled should quickly be removed from a report, regardless of who pays or settles this debt.

(5) **Financial abuse by known persons.**—

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

(B) By racking up substantial debts in the survivor’s name, abusers are able to exercise financial control over their survivors to make it economically difficult for the survivor, whose
credit is often destroyed, to escape the situation.

(C) Domestic abuse survivors with poor credit are likely to face significant obstacles in establishing financial independence from their abusers. This can be due, in part, because consumer reports may be used when a person attempts to obtain a checking account, housing, insurance, utilities, employment, and even a security clearance as required for certain jobs.

(D) Providing documentation of identity (‘‘ID’’) theft in order to dispute information on one’s consumer report can be particularly challenging for those who know their financial abuser.

(E) While it is easier for consumers who obtain a police report to remove fraudulent information from their consumer report and prevent it from reappearing in the future, according to the Empire Justice Center, safety and other noncredit concerns may impact the capacity of a survivor of financial abuse committed by a known person to turn to law enforcement to get a police report.
(F) According to the Legal Aid Society in New York, domestic abuse survivors, seeking to remove adverse information stemming from financial abuse by contacting their furnishers directly, are likely to face skepticism about claims of ID theft perpetrated by a partner because of an assumption that they are aware of, and may have been complicit in, the activity which the survivor alleges stems from financial abuse.

(6) DECEPTIVE AND MISLEADING MARKETING PRACTICES.—

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

(B) In January 2017, the Consumer Bureau fined TransUnion and Equifax for deceptively marketing credit scores for purchase by consumers as the same credit scores typically used by lenders to determine creditworthiness and for luring consumers into costly subscrip-
tion services that were advertised as “free” or “$1” that automatically charged recurring fees unless cancelled by consumers. The Consumer Bureau also found that Equifax was illegally advertising its products on webpages that consumers accessed through AnnualCreditReport.com before consumers obtained their free disclosures. Because of these troubling practices, TransUnion was ordered to pay $13.9 million in restitution to harmed consumers and a civil penalty of $3 million to the Consumer Bureau. Equifax was ordered to pay more than $3.7 million to affected consumers as well as a civil money penalty of $2.5 million to the Consumer Bureau. As part of the consent orders, the CRAs are also supposed to change the way that they sell their products to consumers. The CRAs must also obtain consumers’ express consent before enrolling them into subscription services as well as make it easier for consumers to cancel these programs.

(C) The Consumer Bureau fined the other nationwide CRA—Experian—in March 2017 for deceiving consumers about the use of credit scores that it marketed and sold to consumers
as credit scores that were used by lenders and for illegally advertising its products on web pages that consumers accessed through AnnualCreditReport.com before they obtained their free annual disclosures. Experian was ordered to pay more than $3.7 million in restitution to harmed consumers and a civil monetary penalty of $2.5 million to the Consumer Bureau.

(D) The Consumer Bureau’s January and March 2017 consent orders with the three nationwide CRAs show that these CRAs have enticed consumers into purchasing products and services that they may not want or need, in some instances by advertising products or services “free” that automatically converted into an ongoing subscription service at the regular price unless cancelled by the consumer. Although these CRAs must now change their deceptive marketing practices, codifying these duties is an appropriate way to ensure that these companies never revert back to such misleading tactics.

(E) Given the ubiquitous use of consumer reports in consumers’ lives and the fact that consumers’ participation in the credit reporting
system is involuntary, CRAs should also prioritize providing consumers with the effective means to safeguard their personal and financial information and improve their credit standing, rather than seeking to exploit consumers’ concerns and confusion about credit reporting and scoring, to boost their companies’ profits.

(F) Vulnerable consumers, who have legitimate concerns about the security of their personal and financial information, deserve clear, accurate, and transparent information about the credit reporting tools that may be available to them, such as fraud alerts and freezes.

(7) PROTECTIONS FOR CONSUMERS’ CREDIT INFORMATION.—

(A) Despite heightened awareness, incidents of ID theft continue to rise. In February 2015, the FTC reported that ID theft was the top consumer complaint that it received for the 15th consecutive year. As these incidents increase, consumers experience significant financial loss and emotional distress from the inability to safeguard effectively and inexpensively their credit information from bad actors.
According to a Carnegie Mellon study, children are 50 times more likely than adults to have their identities stolen. Child identities are valuable to thieves because most children do not have existing files, and their parents may not notice fraudulent activity until their child applies for a student loan, a job, or a credit card. As a result, the fraudulent activity of the bad actors may go undetected for years.

Despite the increasing incidents of children’s ID theft, parents who want to proactively prevent their children from having their identity stolen, may not be able to do so. Only one of the three nationwide CRAs currently allows parents from any State to set up a freeze for a minor child. At the other two nationwide CRAs, parents can only obtain a freeze after a child has become an ID theft victim because, it is only at this point, that these CRAs have an existing credit file for the child. While many States have enacted laws to address this problem, there is no existing Federal law.

According to Javelin Strategy & Research’s 2015 Identity Fraud study, $16 billion was stolen by fraudsters from 12.7 million
American consumers in 2014. Similarly, the
United States Department of Justice found an
estimated 7 percent of all residents age 16 or
older (about 17.6 million persons) in this coun-
try were victims of one or more incidents of ID
theft in 2014, and the number of elderly victims
age 65 or older (about 86 percent) increased
from 2.1 million in 2012 to 2.6 million in 2014.

(E) Consumers frequently express concern
about the security of their financial informa-
tion. According to a 2015 MasterCard survey,
a majority of consumers (77 percent) have anx-
xiety about the possibility that their financial in-
formation and Social Security numbers may be
stolen or compromised, with about 55 percent
of consumers indicating that they would rather
have naked pictures of themselves leaked online
than have their financial information stolen.

(F) That survey also revealed that con-
sumers’ fears about the online security of their
financial information even outweighed con-
sumers’ worries about other physical security
dangers such as having their houses robbed (59
percent) or being pickpocketed (46 percent).
(G) According to Consumer Reports, roughly 50 million American consumers spent about $3.5 billion in 2010 to purchase products aimed at protecting their identity, with the annual cost of these services ranging from $120 to $300. As risks to consumers’ personal and financial information continue to grow, consumers need additional protections to ensure that they have fair and reasonable access to the full suite of ID theft and fraud prevention measures that may be right for them.

SEC. 603. EFFECTIVE DATE.
Except as otherwise specified, the amendments made by this title shall take effect 2 years after the date of the enactment of this Act.

SEC. 604. GENERAL BUREAU RULEMAKING.
Except as otherwise provided, not later than the end of the 2-year period beginning on the date of the enactment of this Act, the Bureau of Consumer Financial Protection shall issue final rules to implement the amendments made by this title.
Subtitle A—Restoring the Impaired Credit of Victims of Predatory Activities and Unfair Consumer Reporting Practices

SEC. 611. SHORTENS THE TIME PERIOD THAT MOST ADVERSE CREDIT INFORMATION STAYS ON CONSUMER REPORTS.

(a) In General.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended—

(1) in subsection (a)—

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

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

(C) in paragraph (2), by striking “Civil suits, civil judgments, and records” and inserting “Records”;

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

(E) in paragraph (4), by striking “seven years” and inserting “4 years, except as provided in paragraph (8), (10), (11), (12), or (13), or as required by section 605C, 605D, 605E, or 605F”;

(F) in paragraph (5)—
(i) by striking “, other than records of convictions of crimes”; and

(ii) by striking “seven years” and inserting “4 years, except as required by section 605C, 605D, 605E, or 605F”; and

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

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

“(10) A civil suit or civil judgment—

“(A) brought by a private education loan holder that, from the date of successful completion of credit restoration or rehabilitation in accordance with the requirements of section 605D or 605E, antedates the report by 45 calendar days; or

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

“(11) Records of convictions of crimes which antedate the report by more than 7 years.
“(12) Any other adverse item of information relating to the collection of debt that did not arise from a contract or an agreement to pay by a consumer, including fines, tickets, and other assessments, as determined by the Bureau, excluding tax liability.”;

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

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

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

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

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

SEC. 612. MANDATES THE EXPEDITED REMOVAL OF FULLY PAID OR SETTLED DEBT FROM CONSUMER REPORTS.

Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 611(a)(1), is fur-
ther amended by adding at the end the following new paragraph:

“(13) Any other adverse item of information related to a fully paid or settled debt that had been characterized as delinquent, charged off, or in collection which, from the date of payment or settlement, antedates the report by more than 45 calendar days.”.

SEC. 613. 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.

(a) Removal of Fully Paid or Settled Medical Debt From Consumer Reports.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 612, is further amended by adding at the end the following new paragraph:

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

(b) Establishing an Extended Time Period Be-
fore Certain Medical Debt Information May Be
Reported.—Section 605(a) of such Act is further
amended by adding at the end the following new para-
graph:

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

(c) Prohibition on Reporting Medically Nec-
essary Procedures.—Section 605(a) of such Act is fur-
ther amended by adding at the end the following new para-
graph:

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

(d) Technical Amendment.—Section 604(g)(1)(C)
of the Fair Credit Reporting Act (15 U.S.C.
1681b(g)(1)(C)) is further amended by striking “devises”
and inserting “devices”.
SEC. 614. PROVIDES CREDIT RESTORATION FOR VICTIMS OF PREDATORY MORTGAGE LENDING AND SERVICING.

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

“§605C. Credit restoration for victims of 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 the Bureau or a court of competent jurisdiction; or

“(2) is related to an unfair, deceptive, or abusive act, 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 or consumers and that is between the
financial institution and an agency or department of a local, State, or Federal Government, regardless of whether such settlement includes an admission of wrongdoing.

“(b) COVERED RESIDENTIAL MORTGAGE LOAN DEFINED.—In this section, the term ‘covered residential mortgage loan’ means any loan 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 (42 U.S.C. 5402));

“(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 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. Credit restoration for victims of predatory mortgage lending.”.
(c) Effective Date.—The amendments made by this section shall take effect at the end of the 18-month period beginning on the date of the enactment of this Act.

SEC. 615. PROVIDES CREDIT RELIEF FOR PRIVATE EDUCATION LOANS BORROWERS WHO WERE DEFRAUDED OR MISLEAD BY PROPRIETARY EDUCATION INSTITUTION OR CAREER EDUCATION PROGRAMS.

(a) In General.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 614, is further amended by inserting after section 605C the following new section:

“§ 605D. Private education loan credit restoration for defrauded student borrowers who attend certain proprietary educational institution or career education programs

“(a) Process for Certification as a Qualifying Private Education Loan Borrower.—

“(1) In General.—A consumer may submit a request to the Bureau, along with a defraudment claim, to be certified as a qualifying private education loan borrower with respect to a private education loan.

“(2) Certification.—The Bureau shall certify a consumer described in paragraph (1) as a quali-
fying private education loan borrower with respect to
a private education loan if the Bureau or a court of
competent jurisdiction determines that the consumer
has a valid defraudment claim with respect to such
loan.

“(b) REMOVAL OF ADVERSE INFORMATION.—Upon
receipt of a notice described in subsection (d)(5), a con-
sumer reporting agency shall remove any adverse informa-
tion relating to any private education loan with respect
to which a consumer is a qualifying private education loan
borrower from any consumer report within 45 calendar
days of receipt of such notification.

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

“(d) PROCEDURES.—The Bureau shall—
“(1) establish procedures for a consumer to
submit a request described in subsection (a);
“(2) establish procedures to efficiently review, accept, and process such a request;

“(3) develop ongoing outreach initiatives and education programs to inform consumers of the circumstances under which such consumer may be eligible to be certified as a qualifying private education loan borrower with respect to a private education loan;

“(4) establish procedures, including the manner, form, and content of the notice informing a private educational loan holder of the prohibition on reporting any adverse information relating to a private education loan with respect to which a consumer is a qualifying private education loan borrower; and

“(5) establish procedures, including the manner, form, and content of the notice informing a consumer reporting agency of the obligation to remove any adverse information as described in subsection (e).

“(e) **STANDARDIZED REPORTING CODES.**—A consumer reporting agency shall develop standardized reporting codes for use by private education loan holders to identify and report a qualifying private education loan borrower’s status of a request to remove any adverse information relating to any private education loan with respect
to which such consumer is a qualifying private education loan borrower. A consumer report in which a person furnishes such codes shall be deemed to comply with the requirements for accuracy and completeness required under sections 623(a)(1) and 630. Such codes shall not appear on any report provided to a third party, and shall be removed from the consumer’s credit report upon the successful restoration of the consumer’s credit under this section.

“(f) Defraudment Claim Defined.—For purposes of this section, the term ‘defraudment claim’ means a claim made with respect to a consumer who is a borrower of a private education loan with respect to a proprietary educational institution or career education program in which the consumer alleges that—

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

“(A) engaged in an unfair, deceptive, or abusive act or practice, or a fraudulent, discriminatory, or illegal activity—

“(i) as defined by State law of the State in which the proprietary educational institution or career education program is headquarteried or maintains or maintained significant operations; or

“(ii) under Federal law;
“(B) is the subject of an enforcement order, a settlement agreement, a memorandum of understanding, a suspension of tuition assistance, or any other action relating to an unfair, deceptive, or abusive act or practice that is between the proprietary educational institution or career education program and an agency or department of a local, State, or Federal Government; or

“(C) misrepresented facts to students or accrediting agencies or associations about graduation or gainful employment rates in recognized occupations or failed to provide the coursework necessary for students to successfully obtain a professional certification or degree from the proprietary educational institution or career education program; or

“(2) the consumer has submitted a valid defense to repayment claim with respect to such loan, as determined by the Secretary of Education.”.

(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 (as added by section 104) the following new item:

“605D. Private education loan credit restoration for defrauded student borrowers who attend certain proprietary educational institution or career education programs.”
SEC. 616. ESTABLISHES RIGHT FOR VICTIMS OF FINANCIAL ABUSE TO HAVE ADVERSE INFORMATION ASSOCIATED WITH AN ABUSER’S FRAUDULENT ACTIVITY REMOVED FROM THEIR CONSUMER REPORTS.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 615, is further amended by inserting after section 605D the following new section:

“§ 605E. Financial abuse prevention

“For a consumer who is the victim of intentionally abusive or harmful financial behavior, as determined by a court of competent jurisdiction including a family court, juvenile court, or other court with personal jurisdiction, that was conducted by a spouse, family or household member, caregiver, or person with whom such consumer had a dating relationship in a manner which resulted in the inclusion of an adverse item of information on the consumer report of the consumer, and the consumer did not participate in or consent to such behavior, the consumer may apply to a court of competent jurisdiction, including a family court, juvenile court, or other court with personal jurisdiction, for an order to require the removal of such adverse information from the consumer’s file maintained by any consumer reporting agency.”.
(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. Financial abuse prevention.”.

SEC. 617. PROHIBITS TREATMENT OF CREDIT RESTORATION OR REHABILITATION AS ADVERSE INFORMATION.

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

(1) by adding at the end the following new section:

“§ 630. Prohibition of certain factors related to Federal credit restoration or rehabilitation

“(a) Restriction on Credit Scoring Models.—

A credit scoring model may not—

“(1) take into consideration, in a manner adverse to a consumer’s credit score or educational credit score, any information in a consumer report concerning the consumer’s participation in credit restoration or rehabilitation under section 605C, 605D, or 605E; or

“(2) treat negatively, in a manner adverse to a consumer’s credit score or educational credit score, the absence of payment history data for an existing account, whether the account is open or closed,
where the absence of such information is the result of a consumer’s participation in credit restoration or rehabilitation under section 605C, 605D, or 605E.

“(b) RESTRICTION ON PERSONS OBTAINING CONSUMER REPORTS.—A person who obtains a consumer report may not—

“(1) take into consideration, in a manner adverse to a consumer, any information in a consumer report concerning the consumer’s participation in credit restoration or rehabilitation under section 605C, 605D, or 605E; or

“(2) treat negatively the absence of payment history data for an existing account, whether the account is open or closed, where the absence of such information is the result of a consumer’s participation in credit restoration or rehabilitation under section 605C, 605D, or 605E.

“(c) ACCURACY AND COMPLETENESS.—If a person who furnishes information to a consumer reporting agency requests the removal of information from a consumer report or a consumer reporting agency removes information from a consumer report in compliance with the requirements under section 605C, 605D, or 605E, or such information was removed pursuant at section 605(a)(11), such
41 report shall be deemed to satisfy the requirements for ac-
curacy and completeness with respect to such information.

“(d) Prohibition Related to Adverse Actions
AND Risk-Based Pricing Decisions.—No person shall
use information related to a consumer’s participation in
credit restoration or rehabilitation under section 605C,
605D, or 605E in connection with any determination of—

“(1) the consumer’s eligibility or continued eli-
gibility for an extension of credit;

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

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

(2) in the table of contents for such Act, by
adding at the end the following new item:

“630. Prohibition of certain factors related to Federal credit restoration or reha-
bilitation.”.
Subtitle B—Expanding Access to Tools to Protect Vulnerable Consumers From Identity Theft, Fraud, or a Related Crime, and Protect Victims From Further Harm

SEC. 621. IDENTITY THEFT REPORT DEFINITION.

Paragraph (4) of section 603(q) of the Fair Credit Reporting Act (15 U.S.C. 1681a(q)(4)) is amended to read as follows:

“(4) IDENTITY THEFT REPORT.—The term ‘identity theft report’ has the meaning given that term by rule of the Bureau, and means, at a minimum, a report—

“(A) that is a standardized affidavit that alleges that a consumer has been a victim of identity theft, fraud, or a related crime, or has been harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information, that was developed and made available by the Bureau; or

“(B)(i) that alleges an identity theft, fraud, or a related crime, or alleges harm from the unauthorized disclosure of the consumer’s financial or personally identifiable information;
“(ii) that is a copy of an official, valid report filed by a consumer with an appropriate Federal, State, or local law enforcement agency, including the United States Postal Inspection Service, or such other government agency deemed appropriate by the Bureau; and

“(iii) the filing of which subjects the person filing the report to criminal penalties relating to the filing of false information if, in fact, the information in the report is false.”.

SEC. 622. AMENDMENT TO PROTECTION FOR FILES AND CREDIT RECORDS OF PROTECTED CONSUMERS.

(a) Amendment to Definition of “File”.—Section 603(g) of the Fair Credit Reporting Act (15 U.S.C. 1681a(g)) is amended by inserting “, except that such term excludes a record created pursuant to section 605A(j)” after “stored”.

(b) Amendment to Protection for Files and Credit Records.—Section 605A(j) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(j)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)(ii), by striking “an incapacitated person or a protected person” and inserting “a person”; and
(B) by amending subparagraph (E) to read as follows:

“(E) The term ‘security freeze’—

“(i) has the meaning given in subsection (i)(1)(C); and

“(ii) with respect to a protected consumer for whom the consumer reporting agency does not have a file, means a record that is subject to a security freeze that a consumer reporting agency is prohibited from disclosing to any person requesting the consumer report for the purpose of opening a new account involving the extension of credit.”; and

(2) in paragraph (4)(D), by striking “a protected consumer or a protected consumer’s representative under subparagraph (A)(i)” and inserting “a protected consumer described under subparagraph (A)(ii) or a protected consumer’s representative”.

SEC. 623. ENHANCES FRAUD ALERT PROTECTIONS.

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

(1) in subsection (a)—
(A) in the subsection heading, by striking “ONE-CALL” and inserting “ONE-YEAR”;

(B) in paragraph (1)—

(i) in the paragraph heading, by striking “INITIAL ALERTS” and inserting “IN GENERAL”;

(ii) by inserting “or harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information,” after “identity theft,”;

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

(iv) in subparagraph (B)—

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

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

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

“(C) upon the expiration of the 1-year period described in subparagraph (A) or a subsequent 1-year period, and in response to a direct request by the consumer or such representative, continue the fraud alert for a period of 1 addi-
tional year if the information asserted in this paragraph remains applicable.’’; and

(C) in paragraph (2)—

(i) in the paragraph heading, by inserting “AND CREDIT OR EDUCATIONAL CREDIT SCORES” after “REPORTS”;

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

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

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

(2) in subsection (b)—

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

(B) in paragraph (1)—

(i) in subparagraph (B)—

(I) by striking “5-year period beginning on the date of such request” and inserting “such 7-year period”; and
(II) by striking “and” at the end;

(ii) in subparagraph (C)—

(I) by striking “extended” and inserting “7-year”; and

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

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

“(D) upon the expiration of such 7-year period or a subsequent 7-year period, and in response to a direct request by the consumer or such representative, continue the fraud alert for a period of 7 additional years if the consumer or such representative submits an updated identity theft report.”; and

(C) in paragraph (2)—

(i) in the paragraph heading, by inserting “AND CREDIT OR EDUCATIONAL CREDIT SCORES” after “REPORTS”; and

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

“(A) disclose to the consumer that the consumer may request a free copy of the file and credit score or educational credit score of the consumer pursuant to section 612(d) during
each 12-month period beginning on the date on
which the 7-year fraud alert was included in the
file and ending on the date of the last day that
the 7-year fraud alert applies to the consumer’s
file; and”;

(3) in subsection (c)—

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

(B) by redesignating paragraphs (1), (2),
and (3), as subparagraphs (A), (B), and (C),
respectively (and conforming the margins ac-
cordingly);

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

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

and

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

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

“(A) disclose to the active duty military con-
sumer that the active duty military con-
sumer’s file includes an active duty alert;”;

(3) in subsection (c)—

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

(B) by redesignating paragraphs (1), (2),
and (3), as subparagraphs (A), (B), and (C),
respectively (and conforming the margins ac-
cordingly);

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

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

and

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

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

“(A) disclose to the active duty military con-
sumer that the active duty military con-
sumer may request a free copy of the file and credit score or educational credit score of the active duty military consumer pursuant to section 612(d), during each 12-month period beginning on the date that the activity duty military alert is requested and ending on the date of the last day the active duty alert applies to the file of the active duty military consumer; and

“(B) provide to the active duty military consumer all disclosures required to be made under section 609, without charge to the consumer, not later than 3 business days after any request described in subparagraph (A).”; (4) by amending subsection (d) to read as follows:

“(d) PROCEDURES.—Each consumer reporting agency described in section 603(p) shall include on the webpage required under subsection (i) policies and procedures to comply with this section, including policies and procedures—

“(1) that inform consumers of the availability of 1-year fraud alerts, 7-year fraud alerts, active duty alerts, and security freezes (as applicable);
“(2) that allow consumers to request 1-year fraud alerts, 7-year fraud alerts, and active duty alerts (as applicable) and to place, temporarily lift, or fully remove a security freeze in a simple and easy manner; and

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

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

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

(7) in subsection (g)—

(A) by inserting “or has been harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information, or to inform such agency of the consumer’s participation in credit restoration or rehabilitation under section 605C, 605D, or 605E,” after “identity theft,”; and
(B) by inserting “or security freezes” after “request alerts”;

(8) in subsection (h)—

(A) in paragraph (1)—

(i) in the paragraph heading, by striking “INITIAL” and inserting “1-YEAR”; and

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

and

(B) in paragraph (2)—

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

(ii) by striking “extended” and inserting “7-year” each place such term appears;

and

(9) in subsection (i)(4)—

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

and

(B) by redesignating subparagraphs (F), (G), (H), and (J) as subparagraphs (E), (F), (G), and (H), respectively.
SEC. 624. AMENDMENT TO SECURITY FREEZES FOR CONSUMER REPORTS.

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

(1) by amending the subsection heading to read as follows: “SECURITY FREEZES FOR CONSUMER REPORTS”;

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

(3) by adding at the end the following:

“(7) RELATION TO STATE LAW.—This subsection does not modify or supersede the laws of any State relating to security freezes or other similar actions, except to the extent those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this subsection, a term or provision of a State law is not inconsistent with the provisions of this subsection if the term or provision affords greater protection to the consumer than the protection provided under this subsection as determined by the Bureau.”.
(b) Amendment to Webpage Requirements.—Section 605A(i)(6)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(i)(6)(A)) is amended—

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

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

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

(e) Amendment to Exceptions for Certain Persons.—Section 605A(i)(4)(A) of the Consumer Credit Protection Act (15 U.S.C. 1681c–1(i)(4)(A)) is amended to read as follows:

“(A) A person, or the person’s subsidiary, affiliate, agent, subcontractor, or assignee with whom the consumer has, or prior to assignment had, an authorized account, contract, or debtor-creditor relationship for the purposes of reviewing the active account or collecting the financial obligation owed on the account, contract, or debt.”.

(e) Effective Date.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.
SEC. 625. CLARIFICATION OF INFORMATION TO BE INCLUDED WITH AGENCY DISCLOSURES.

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

(1) in subparagraph (B)—

(A) by striking “consumer reporting agency described in section 603(p)” and inserting “consumer reporting agency described in subsection (p) or (x) of section 603”;

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

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

(2) in subparagraph (E), by striking “outdated under section 605 or” and inserting “outdated, required to be removed, or”.

SEC. 626. PROVIDES ACCESS TO FRAUD RECORDS FOR VICTIMS.

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

(1) in paragraph (1)—

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

(B) by striking “claim of identity theft” and inserting “claim of fraudulent activity”; and
(C) by striking “any transaction alleged to be a result of identity theft” and inserting “any fraudulent transaction”;

(2) in paragraph (2)(B)—

(A) by striking “identity theft, at the election of the business entity” and inserting “fraudulent activity”;

(B) by amending clause (i) to read as follows:

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

(C) by amending clause (ii) to read as follows:

“(ii) an affidavit of fact that is acceptable to the business entity for that purpose.”;

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

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

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

SEC. 627. REQUIRED BUREAU TO SET PROCEDURES FOR REPORTING IDENTITY THEFT, FRAUD, AND OTHER RELATED CRIME.

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

(1) in the paragraph heading, by striking “MODEL FORM” and inserting “STANDARDIZED AFFIDAVIT”;

(2) by striking “The Commission” and inserting “The Bureau”;

(3) by striking “model form” and inserting “standardized affidavit”;

(4) by inserting after “identity theft” the following: “, fraud, or a related crime, or otherwise are harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information,”; and

(5) by striking “fraud.” and inserting “identity theft, fraud, or other related crime. Such standardized affidavit and procedures shall not include a requirement that a consumer obtain a police report.”.

SEC. 628. ESTABLISHES THE RIGHT TO FREE CREDIT MONITORING AND IDENTITY THEFT PROTECTION SERVICES FOR CERTAIN CONSUMERS.

(a) ENFORCEMENT OF CREDIT MONITORING FOR SERVICEMEMBERS.—
IN GENERAL.—Subsection (k) of section 605A (15 U.S.C. 1681c–1(a)) is amended by striking paragraph (4).

EFFECTIVE DATE.—This subsection and the amendments made by this subsection shall take effect on the date of the enactment of this Act.

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

“(k) CREDIT MONITORING AND IDENTITY THEFT PROTECTION SERVICES.—

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

“(2) FEES.—
“(A) CLASSES OF CONSUMERS.—The Bureau may establish classes of consumers eligible to receive credit monitoring and identity theft protection services free of charge.

“(B) NO FEE.—A consumer reporting agency described in section 603(p) may not charge a consumer a fee to receive credit monitoring and identity theft protection services if the consumer or a representative of the consumer—

“(i) asserts in good faith a suspicion that the consumer has been or is about to become a victim of identity theft, fraud, or a related crime, or harmed by the unauthorized disclosure of the consumer’s financial or personally identifiable information;

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

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

“(iv) is an active duty military consumer or a member of the National Guard
as defined in section 101(c) of title 10, United States Code);

“(v) is 65 years of age or older; or

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

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

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

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

“(4) RELATION TO STATE LAW.—This subsection does not modify or supersede the laws of any State relating to credit monitoring and identity theft protection services or other similar actions, except to the extent those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this subsection, a term or provision of a State law is not inconsistent with the provisions of this subsection if
the term or provision affords greater protection to
the consumer than the protection provided under
this subsection as determined by the Bureau.”.

SEC. 629. ENSURES REMOVAL OF INQUIRIES RESULTING
FROM IDENTITY THEFT, FRAUD, OR OTHER
RELATED CRIME FROM CONSUMER REPORTS.

Section 605(a) of the Fair Credit Reporting Act (15
U.S.C. 1681c(a)), as amended by section 613, is further
amended by adding at the end the following:

“(17) Information about inquiries made for a
credit report based on requests that the consumer
reporting agency verifies were initiated as the result
of identity theft, fraud, or other related crime.”.

Subtitle C—Miscellaneous

SEC. 631. DEFINITIONS.

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

“(bb) DEFINITIONS RELATED TO DAYS.—

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

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

SEC. 632. TECHNICAL CORRECTION RELATED TO RISK-
BASED PRICING NOTICES.

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

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

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

SEC. 633. FCRA FINDINGS AND PURPOSE; VOIDS CERTAIN
CONTRACTS NOT IN THE PUBLIC INTEREST.

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

(1) in subsection (a)—

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

“(1) Many financial and non-financial decisions af-
fecting consumers’ lives depend upon fair, complete, and
accurate credit reporting. Inaccurate and incomplete cred-
it reports directly impair the efficiency of the financial sys-

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tem and undermine the integrity of using credit reports
in other circumstances, and unfair credit reporting and
credit scoring methods undermine the public confidence
which is essential to the continued functioning of the financial services system and the provision of many other consumer products and services.”; and

(B) in paragraph (4), by inserting after “agencies” the following: “, furnishers, and credit scoring developers”; and

(2) in subsection (b)—

(A) by striking “It is the purpose of this title to require” and inserting the following: “The purpose of this title is the following:

“(1) To require”; and

(B) by adding at the end the following:

“(2) To prohibit any practices and procedures with respect to credit reports and credit scores that are not in the public interest.”.

(b) Voiding of Certain Contracts Not in the Public Interest.—

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 617, is further amended—

(1) by adding at the end the following new sec-
§ 631. Voiding of certain contracts not in the public interest

(a) IN GENERAL.—Any provision contained in a contract that requires a person to not follow a provision of this title, that is against the public interest, or that otherwise circumvents the purposes of this title shall be null and void.

(b) RULE OF CONSTRUCTION.—Nothing in subsection (a) shall be construed as affecting other provisions of a contract that are not described under subsection (a)."; and

(2) in the table of contents for such Act, by adding at the end the following new item:

"631. Voiding of certain contracts not in the public interest."