

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 3997
OFFERED BY MR. ROYCE OF CALIFORNIA AND
MR. KANJORSKI OF PENNSYLVANIA**

Page 63, after line 3, add the following new section:

1 SEC. 4. CLARIFICATION RELATING TO CREDIT MONI-
2 TORING SERVICES.

3 (a) IN GENERAL.—Section 403 of the Credit Repair
4 Organizations Act (15 U.S.C. 1679a) is amended—

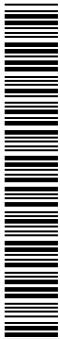
5 (1) by striking “For purposes of this title” and
6 inserting “(a) IN GENERAL.—For purposes of this
7 title”; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(b) CLARIFICATION WITH RESPECT TO CERTAIN
11 CREDIT MONITORING SERVICES UNDER CERTAIN CIR-
12 CUMSTANCES.—

13 “(1) IN GENERAL.—Subject to paragraph (2)—

14 “(A) the provision of, or provision of ac-
15 cess to, credit reports, credit monitoring notifi-
16 cations, credit scores and scoring algorithms,
17 and other credit score-related tools to a con-
18 sumer (including generation of projections and



1 forecasts of such consumer's potential credit
2 scores under various prospective trends or hypo-
3 thetical or alternative scenarios);

4 “(B) any analysis, evaluation, and expla-
5 nation of such actual or hypothetical credit
6 scores, or any similar projections, forecasts,
7 analyses, evaluations or explanations; or

8 “(C) in conjunction with offering any of
9 the services described in subparagraph (A) or
10 (B), the provision of materials or services to as-
11 sist a consumer who is a victim of identity
12 theft,

13 shall not be treated as activities described in clause
14 (i) of subsection (a)(3)(A).

15 “(2) CONDITIONS FOR APPLICATION OF PARA-
16 GRAPH (1).—Paragraph (1) shall apply with respect
17 to any person engaging in any activity described in
18 such paragraph only if—

19 “(A) the person does not represent, ex-
20 pressly or by implication, that such person—

21 “(i) will or can modify or remove, or
22 assist the consumer in modifying or remov-
23 ing, adverse information that is accurate
24 and not obsolete in the consumer's credit
25 report; or



1 “(ii) will or can alter, or assist the
2 consumer in altering, the consumer’s iden-
3 tification to prevent the display of the con-
4 sumer’s credit record, history, or rating for
5 the purpose of concealing adverse informa-
6 tion that is accurate and not obsolete;

7 “(B) in any case in which the person rep-
8 resents, expressly or by implication, that it will
9 or can modify or remove, or assist the consumer
10 in modifying or removing, any information in
11 the consumer’s credit report, except for a rep-
12 resentation with respect to any requirement im-
13 posed on the person under section 611 or
14 623(b) of the Fair Credit Reporting Act, the
15 person discloses, clearly and conspicuously, be-
16 fore the consumer pays or agrees to pay any
17 money or other valuable consideration to such
18 person, whichever occurs first, the following
19 statement:

20 ‘NOTICE: Neither you nor any-
21 one else has the right to have accurate
22 and current information removed from
23 your credit report. If information in
24 your report is inaccurate, you have



1 the right to dispute it by contacting
2 the credit bureau directly.”.

3 “(C) the person provides the consumer in
4 writing with the following statement before any
5 contract or agreement between the consumer
6 and the person is executed:

7 ‘Your Rights Concerning Your Con-
8 sumer Credit File

9 ‘You have a right to obtain a free
10 copy of your credit report once every 12
11 months from each of the nationwide con-
12 sumer reporting agencies. To request your
13 free annual credit report, you may go to
14 www.annualcreditreport.com, or call 877-
15 322-8228, or complete the Annual Credit
16 Report Request Form and mail it to: An-
17 nual Credit Report Request Service, P.O.
18 Box 105281, Atlanta, GA 30348-5281.
19 You can obtain additional copies of your
20 credit report from a credit bureau, for
21 which you may be charged a reasonable
22 fee. There is no fee, however, if you have
23 been turned down for credit, employment,
24 insurance, or a rental dwelling because of
25 information in your credit report within



1 the preceding 60 days. The credit bureau
2 must provide someone to help you interpret
3 the information in your credit file. You are
4 entitled to receive a free copy of your cred-
5 it report if you are unemployed and intend
6 to apply for employment in the next 60
7 days, if you are a recipient of public wel-
8 fare assistance, or if you have reason to
9 believe that there is inaccurate information
10 in your credit report due to fraud.

11 ‘You have the right to cancel your
12 contract with a credit monitoring service
13 without fee or penalty at any time, and in
14 the case in which you have prepaid for a
15 credit monitoring service, you are entitled
16 to a pro rata refund for the remaining
17 term of the credit monitoring service.

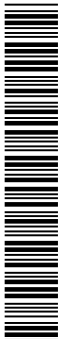
18 ‘The Federal Trade Commission regu-
19 lates credit bureaus and credit monitoring
20 services. For more information contact:

21 ‘Federal Trade Commission

22 ‘Washington, D.C. 20580

23 ‘1-877-FTC-HELP

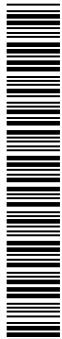
24 ‘www.ftc.gov’”.



1 “(D) in any case in which the person offers
2 a subscription to a credit file monitoring pro-
3 gram to a consumer, the consumer may cancel
4 the subscription at any time upon written notice
5 to the person without penalty or fee for such
6 cancellation and, in any case in which the con-
7 sumer is billed for the subscription on other
8 than a monthly basis, within 60 days of receipt
9 of the consumer’s notice of cancellation, the
10 person shall make a pro rata refund to the con-
11 sumer of a subscription fee prepaid by the con-
12 sumer, calculated from the date that the person
13 receives the consumer’s notice of cancellation
14 until the end of the subscription period.

15 (b) CLARIFICATION OF NONEXEMPT STATUS.—Sec-
16 tion 403(a) of the Credit Repair Organizations Act (15
17 U.S.C. 1679a) (as so redesignated by subsection (a) of
18 this section) is amended, in paragraph (3)(B)(i), by insert-
19 ing “and is not for its own profit or for that of its mem-
20 bers” before the semicolon at the end.

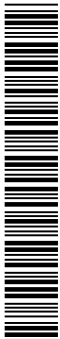
21 (c) REVISION OF DISCLOSURE REQUIREMENT.—Sec-
22 tion 405(a) of the Credit Repair Organizations Act (15
23 U.S.C. 1679c) is amended by striking everything after the
24 heading of the disclosure statement contained in such sec-



1 tion and inserting the following new text of the disclosure
2 statement:

3 “You have a right to dispute inaccurate infor-
4 mation in your credit report by contacting the credit
5 bureau directly. However, neither you nor any “cred-
6 it repair” company or credit repair organization has
7 the right to have accurate, current, and verifiable in-
8 formation removed from your credit report. The
9 credit bureau must remove accurate, negative infor-
10 mation from your report only if it is over 7 years
11 old. Bankruptcy information can be reported for 10
12 years.

13 “You have a right to obtain a free copy of your
14 credit report once every 12 months from each of the
15 nationwide consumer reporting agencies. To request
16 your free annual credit report, you may go to
17 www.annualcreditreport.com, or call 877-322-8228,
18 or complete the Annual Credit Report Request Form
19 and mail it to: Annual Credit Report Request Serv-
20 ice, P.O. Box 105281, Atlanta, GA 30348-5281.
21 You can obtain additional copies of your credit re-
22 port from a credit bureau, for which you may be
23 charged a reasonable fee. There is no fee, however,
24 if you have been turned down for credit, employ-
25 ment, insurance, or a rental dwelling because of in-



1 formation in your credit report within the preceding
2 60 days. The credit bureau must provide someone to
3 help you interpret the information in your credit file.
4 You are entitled to receive a free copy of your credit
5 report if you are unemployed and intend to apply for
6 employment in the next 60 days, if you are a recipi-
7 ent of public welfare assistance, or if you have rea-
8 son to believe that there is inaccurate information in
9 your credit report due to fraud.

10 “You have a right to sue a credit repair organi-
11 zation that violates the Credit Repair Organization
12 Act. This law prohibits deceptive practices by credit
13 repair organizations.

14 “You have the right to cancel your contract
15 with any credit repair organization for any reason
16 within 3 business days from the date you signed it.

17 “Credit bureaus are required to follow reason-
18 able procedures to ensure that the information they
19 report is accurate. However, mistakes may occur.

20 “You may, on your own, notify a credit bureau
21 in writing that you dispute the accuracy of informa-
22 tion in your credit file. The credit bureau must then
23 reinvestigate and modify or remove inaccurate or in-
24 complete information. The credit bureau may not
25 charge any fee for this service. Any pertinent infor-



1 mation and copies of all documents you have con-
2 cerning an error should be given to the credit bu-
3 reau.

4 “If the credit bureau’s reinvestigation does not
5 resolve the dispute to your satisfaction, you may
6 send a brief statement to the credit bureau, to be
7 kept in your file, explaining why you think the
8 record is inaccurate. The credit bureau must include
9 a summary of your statement about disputed infor-
10 mation with any report it issues about you.

11 “The Federal Trade Commission regulates
12 credit bureaus and credit repair organizations. For
13 more information contact:

14 “Federal Trade Commission

15 “Washington, D.C. 20580

16 “1-877-FTC-HELP

17 “(877 382-4357)

18 “www.ftc.gov”.

