

108TH CONGRESS
1ST SESSION

H. R. 2622

To amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2003

Mr. BACHUS (for himself, Ms. HOOLEY of Oregon, Mrs. BIGGERT, Mr. MOORE, Mr. LATOURETTE, Mr. KANJORSKI, Mr. CASTLE, Mrs. MALONEY, Mr. SHADEGG, Mr. FORD, Mr. TIBERI, Mr. HINOJOSA, Mr. HENSARLING, Mr. CROWLEY, Mr. SESSIONS, Mr. ROSS, Mr. MATHESON, Mr. DAVIS of Alabama, Mr. BAKER, Mr. KING of New York, Mr. LUCAS of Oklahoma, Mr. LUCAS of Kentucky, Mr. NEY, Mrs. KELLY, Mr. JONES of North Carolina, Mr. ISRAEL, Ms. HART, Mr. MILLER of North Carolina, Mrs. CAPITO, Mrs. MCCARTHY of New York, Mr. BARRETT of South Carolina, Mr. FEENEY, and Ms. HARRIS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Fair and Accurate Credit Transactions Act of 2003”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act are as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—UNIFORM NATIONAL CONSUMER PROTECTION
STANDARDS

Sec. 101. Uniform national consumer protections standards made permanent.

TITLE II—IDENTITY THEFT PREVENTION

Sec. 201. Investigating changes of address.

Sec. 202. Fraud alerts.

Sec. 203. Truncation of credit card and debit card account numbers.

Sec. 204. Summary of rights of identity theft victims.

Sec. 205. Blocking of information resulting from identity theft.

Sec. 206. Establishment of procedures for depository institutions to identify possible instances of identity theft.

TITLE III—IMPROVING RESOLUTION OF CONSUMER DISPUTES

Sec. 301. Coordination of consumer complaint investigations.

Sec. 302. Notice of dispute through reseller.

Sec. 303. Prompt investigation of disputed consumer information.

TITLE IV—IMPROVING ACCURACY OF CONSUMER RECORDS

Sec. 401. Reconciling addresses.

Sec. 402. Prevention of repollution of consumer reports.

Sec. 403. Notice by users with respect to fraudulent information.

TITLE V—IMPROVEMENTS IN USE OF AND CONSUMER ACCESS
TO CREDIT INFORMATION

Sec. 501. Free reports annually.

Sec. 502. Summary of credit scores.

Sec. 503. Simpler and easier method for consumers to use notification system.

TITLE VI—PROTECTING EMPLOYEE MISCONDUCT
INVESTIGATIONS

Sec. 601. Certain employee investigation communications excluded from definition of consumer report.

1 **SEC. 2. DEFINITIONS.**

2 Section 603 of the Fair Credit Reporting Act (15
3 U.S.C. 1681a) is amended by adding at the end the fol-
4 lowing new subsections:

5 “(r) RESELLER.—The term ‘reseller’ means a con-
6 sumer reporting agency that—

7 “(1) acts as a reseller of information by assem-
8 bling and merging information contained in the
9 database of another consumer reporting agency or
10 multiple consumer reporting agencies; and

11 “(2) does not maintain a permanent database
12 of the assembled or merged information from which
13 new consumer reports are produced.

14 “(s) OTHER DEFINITIONS.—

15 “(1) BOARD; CREDIT; CREDITOR.—The terms
16 ‘Board’, ‘credit’ and ‘creditor’ have the same mean-
17 ings as in section 103 of the Truth in Lending Act.

18 “(2) ELECTRONIC FUND TRANSFER.—The term
19 ‘electronic fund transfer’ has the same meaning as
20 in section 903 of the Electronic Fund Transfer Act.

21 “(3) FEDERAL BANKING AGENCY.—The term
22 ‘Federal banking agency’ has the same meaning as
23 in section 3 of the Federal Deposit Insurance Act.

24 “(4) IDENTITY THEFT.—The term ‘identity
25 theft’ includes a violation of section 1028, 1029, or
26 1030 of title 18, United States Code.”.

1 **TITLE I—UNIFORM NATIONAL**
2 **CONSUMER PROTECTION**
3 **STANDARDS**

4 **SEC. 101. UNIFORM NATIONAL CONSUMER PROTECTIONS**
5 **STANDARDS MADE PERMANENT.**

6 Section 624(d) of the Fair Credit Reporting Act (15
7 U.S.C. 1681t(d)) is amended—

8 (1) by striking “Subsections (b) and (c)” and
9 all that follows through “do not affect any settle-
10 ment,” and inserting “Subsections (b) and (c) do
11 not affect any settlement,”; and

12 (2) by striking “Consumer Credit Reporting
13 Reform Act of 1996” and all that follows through
14 the period at the end of paragraph (2) and inserting
15 “Consumer Credit Reporting Reform Act of 1996.”.

16 **TITLE II—IDENTITY THEFT**
17 **PREVENTION**

18 **SEC. 201. INVESTIGATING CHANGES OF ADDRESS.**

19 (a) IN GENERAL.—Section 605 of the Fair Credit
20 Reporting Act (15 U.S.C. 1681c) is amended by inserting
21 after subsection (f), the following new subsection:

22 “(g) INVESTIGATION OF CHANGES OF ADDRESS.—If
23 a credit card issuer receives a request for an additional
24 credit card with respect to an existing credit card account

1 within 30 days after receiving notification of a change of
2 address for that account, the card issuer shall—

3 “(1) notify the cardholder of the request—

4 “(A) at both the new address and the
5 former address of the cardholder; or

6 “(B) by such other means of communica-
7 tion as the cardholder and the credit card
8 issuer previously agreed to,

9 in accordance with reasonable policies and proce-
10 dures established by the card issuer pursuant to reg-
11 ulations which the Board shall prescribe; and

12 “(2) provide to the cardholder a means of
13 promptly reporting incorrect changes.”.

14 (b) CLERICAL AMENDMENTS.—

15 (1) The heading for section 605 of the Fair
16 Credit Reporting Act is amended to read as follows:

17 **“§ 605. Requirements relating to information con-**
18 **tained in consumer reports and to iden-**
19 **tity theft.”.**

20 (2) The table of sections for title VI of the Con-
21 sumer Credit Protection Act is amended by striking
22 the item relating to section 605 and inserting the
23 following new item:

“605. Requirements relating to information contained in consumer reports and
to identity theft.”.

1 **SEC. 202. FRAUD ALERTS.**

2 Section 605 of the Fair Credit Reporting Act (15
3 U.S.C. 1681c) is amended by adding at the end the fol-
4 lowing new subsection:

5 “(i) FRAUD ALERTS.—

6 “(1) IN GENERAL.—Upon the request of a con-
7 sumer who asserts in good faith a suspicion that the
8 consumer has been or is about to become a victim
9 of fraud or related crime, and upon receiving proper
10 identification, a consumer reporting agency shall in-
11 clude a fraud alert in the file of that consumer.

12 “(2) NOTICE TO USERS.—A consumer reporting
13 agency shall notify each person procuring a con-
14 sumer report with respect to a consumer of the ex-
15 istence of a fraud alert in effect for such consumer,
16 regardless of whether a full credit report, credit
17 score, or summary report is requested.

18 “(3) PROHIBITION.—No user of a consumer re-
19 port with a fraud alert may issue or extend credit
20 in the name of the consumer to a person other than
21 the consumer without attempting to obtain the au-
22 thorization or preauthorization of the consumer in
23 the manner contained in the fraud alert in effect for
24 such consumer.

25 “(4) DEFINITION.—In this subsection, the term
26 ‘fraud alert’ means a clear and conspicuous state-

1 ment in the file of a consumer that notifies all pro-
2 spective users of a consumer report made with re-
3 spect to that consumer that the consumer does not
4 authorize the issuance or extension of credit in the
5 name of the consumer unless—

6 “(A) the issuer or extender of such credit
7 first obtains verbal authorization from the con-
8 sumer at a telephone number designated by the
9 consumer; or

10 “(B) the issuer of such credit utilizes an-
11 other reasonable means of communication to
12 obtain the express authorization or
13 preauthorization of the consumer.

14 “(5) EXCEPTIONS.—

15 “(A) RESELLERS.—

16 “(i) IN GENERAL.—The provisions of
17 this subsection shall not apply to a reseller.

18 “(ii) LIMITATION.—A reseller shall
19 preserve any fraud alert placed on a con-
20 sumer report by another consumer report-
21 ing agency.

22 “(B) EXEMPT INSTITUTIONS.—The re-
23 quirement under this subsection to place a
24 fraud alert in a consumer file shall not apply
25 to—

1 “(i) a check services company, which
2 issues authorizations for the purpose of ap-
3 proving or processing negotiable instru-
4 ments, electronic funds transfers, or simi-
5 lar methods of payments; or

6 “(ii) a deposit account information
7 service company, which issues reports re-
8 garding account closures due to fraud, sub-
9 stantial overdrafts, automated teller ma-
10 chine abuse, or similar negative informa-
11 tion regarding a consumer, to inquiring
12 banks or other financial institutions for
13 use only in reviewing a consumer request
14 for a demand deposit account at the in-
15 quiring bank or financial institution.”.

16 **SEC. 203. TRUNCATION OF CREDIT CARD AND DEBIT CARD**
17 **ACCOUNT NUMBERS.**

18 (a) IN GENERAL.—Except as provided in this section,
19 no person, firm, partnership, association, corporation, or
20 limited liability company that accepts credit cards or debit
21 cards for the transaction of business shall print more than
22 the last 4 digits of the card account number or the expira-
23 tion date upon any receipt provided to the cardholder at
24 the point of the sale or transaction.

1 (b) LIMITATION.—This section applies only to re-
2 cepts that are electronically printed, and does not apply
3 to transactions in which the sole means of recording the
4 person’s credit card or debit card account number is by
5 handwriting or by an imprint or copy of the card.

6 (c) DEFINITIONS.—For purposes of this section, the
7 following definitions shall apply:

8 (1) CREDIT CARD.—The term “credit card” has
9 the same meaning as in section 103(k) of the Truth
10 in Lending Act.

11 (2) DEBIT CARD.—The term “debit card”
12 means any card issued by a financial institution to
13 a consumer for use in initiating electronic fund
14 transfers (as defined in section 903(6) of the Elec-
15 tronic Fund Transfer Act) from the account (as de-
16 fined in such Act) of the consumer at such financial
17 institution for the purpose of transferring money be-
18 tween accounts or obtaining money, property, labor,
19 or services.

20 (d) EFFECTIVE DATE.—This section shall become ef-
21 fective on—

22 (1) January 1, 2007, with respect to any cash
23 register or other machine or device that electroni-
24 cally prints receipts for credit card or debit card

1 transactions that is in use before January 1, 2005;
2 and

3 (2) January 1, 2005, with respect to any cash
4 register or other machine or device that electroni-
5 cally prints receipts for credit card or debit card
6 transactions that is first put into use on or after
7 such date.

8 **SEC. 204. SUMMARY OF RIGHTS OF IDENTITY THEFT VIC-**
9 **TIMS.**

10 (a) IN GENERAL.—Section 609 of the Fair Credit
11 Reporting Act (15 U.S.C. 1681g) is amended by adding
12 at the end the following new subsection:

13 “(d) SUMMARY OF RIGHTS OF IDENTITY THEFT VIC-
14 TIMS.—A consumer reporting agency shall establish rea-
15 sonable policies and procedures for providing consumers
16 who have reason to believe they are the victims of fraud
17 or identity theft involving credit, electronic fund transfers,
18 or accounts or transactions at or with a financial institu-
19 tion with a summary of the rights of consumers under the
20 Consumer Credit Protection Act and other provisions of
21 Federal law and procedures for remedying the effects of
22 any such alleged offense.”.

23 (b) BEST PRACTICES.—The Federal Trade Commis-
24 sion shall develop guidelines for model policies and model

1 procedures with regard to the summary of rights required
2 under the amendment made by subsection (a).

3 **SEC. 205. BLOCKING OF INFORMATION RESULTING FROM**
4 **IDENTITY THEFT.**

5 Section 605 of the Fair Credit Reporting Act (15
6 U.S.C. 1681e) is amended by inserting after subsection
7 (i) (as added by section 202 of this title) the following
8 new subsection:

9 “(j) **BLOCK OF INFORMATION RESULTING FROM**
10 **IDENTITY THEFT.**—

11 “(1) **BLOCK.**—Except as provided in paragraph
12 (3) and not later than 30 days after the date of re-
13 ceipt of proof of the identity of a consumer and an
14 official copy of a police report evidencing the claim
15 of the consumer of identity theft, a consumer report-
16 ing agency shall block the reporting of any informa-
17 tion identified by the consumer in the file of the con-
18 sumer resulting from the alleged identity theft, so
19 that the information cannot be reported.

20 “(2) **NOTIFICATION.**—A consumer reporting
21 agency shall promptly notify the furnisher of infor-
22 mation identified by the consumer under paragraph
23 (1)—

24 “(A) that the information may be a result
25 of identity theft;

1 “(B) that a police report has been filed;

2 “(C) that a block has been requested under
3 this subsection; and

4 “(D) of the effective date of the block.

5 “(3) AUTHORITY TO DECLINE OR RESCIND.—

6 “(A) IN GENERAL.—A consumer reporting
7 agency may decline to block, or may rescind
8 any block, of consumer information under this
9 subsection if—

10 “(i) the consumer reporting agency
11 reasonably determined that—

12 “(I) the information was blocked
13 due to a misrepresentation of fact by
14 the consumer relevant to the request
15 to block; or

16 “(II) the consumer knowingly ob-
17 tained possession of goods, services, or
18 moneys as a result of the blocked
19 transaction or transactions, or the
20 consumer should have known that the
21 consumer obtained possession of
22 goods, services, or moneys as a result
23 of the blocked transaction or trans-
24 actions; or

1 “(ii) the consumer agrees that the
2 blocked information or portions of the
3 blocked information were blocked in error.

4 “(B) NOTIFICATION TO CONSUMER.—If
5 the block of information is declined or rescinded
6 under this paragraph, the affected consumer
7 shall be notified promptly, in the same manner
8 as consumers are notified of the reinsertion of
9 information under section 611(a)(5)(B).

10 “(C) SIGNIFICANCE OF BLOCK.—For pur-
11 poses of this paragraph, if a consumer report-
12 ing agency rescinds a block, the presence of in-
13 formation in the file of a consumer prior to the
14 blocking of such information is not evidence of
15 whether the consumer knew or should have
16 known that the consumer obtained possession of
17 any goods, services, or monies as a result of the
18 block.

19 “(4) EXCEPTIONS.—

20 “(A) NEGATIVE INFORMATION DATA.—A
21 consumer reporting agency shall not be required
22 to comply with this subsection when such agen-
23 cy is issuing information for authorizations, for
24 the purpose of approving or processing nego-
25 tiable instruments, electronic funds transfers,

1 or similar methods of payment, based solely on
2 negative information, including—

3 “(i) dishonored checks;

4 “(ii) accounts closed for cause;

5 “(iii) substantial overdrafts;

6 “(iv) abuse of automated teller ma-
7 chines; or

8 “(v) other information which indicates
9 a risk of fraud occurring.

10 “(B) RESELLERS.—

11 “(i) NO RESELLER FILE.—The provi-
12 sions of this subsection do not apply to a
13 consumer reporting agency if the consumer
14 reporting agency—

15 “(I) is a reseller;

16 “(II) is not, at the time of the re-
17 quest of the consumer under para-
18 graph (1), otherwise furnishing or re-
19 selling a consumer report concerning
20 the information identified by the con-
21 sumer; and

22 “(III) informs the consumer, by
23 any means, that the consumer may re-
24 port the identity theft to the Federal

1 Trade Commission to obtain consumer
2 information regarding identity theft.

3 “(ii) RESELLER WITH FILE.—The
4 sole obligation of the consumer reporting
5 agency under this subsection, with regard
6 to any request of a consumer under this
7 subsection, shall be to block the consumer
8 report maintained by the consumer report-
9 ing agency from any subsequent use if—

10 “(I) the consumer, in accordance
11 with the provisions of paragraph (1),
12 identifies, to a consumer reporting
13 agency, information in the file of the
14 consumer that resulted from identity
15 theft; and

16 “(II) the consumer reporting
17 agency is a reseller of the identified
18 information.

19 “(iii) NOTICE.—In carrying out its
20 obligation under clause (ii), the reseller
21 shall promptly provide a notice to the con-
22 sumer of the decision to block the file.
23 Such notice shall contain the name, ad-
24 dress, and telephone number of each con-
25 sumer reporting agency from which the

1 consumer information was obtained for re-
2 sale.”.

3 **SEC. 206. ESTABLISHMENT OF PROCEDURES FOR DEPOSI-**
4 **TORY INSTITUTIONS TO IDENTIFY POSSIBLE**
5 **INSTANCES OF IDENTITY THEFT.**

6 (a) IN GENERAL.—Section 605 of the Fair Credit
7 Reporting Act (15 U.S.C. 1681e) is amended by inserting
8 after subsection (j) (as added by section 205 of this title)
9 the following new subsection:

10 “(k) ‘RED FLAG’ GUIDELINES REQUIRED.—The
11 Federal banking agencies shall jointly establish and main-
12 tain guidelines for use by insured depository institutions
13 in identifying patterns, practices, and specific forms of ac-
14 tivity that indicate the possible existence of identity theft,
15 and update such guidelines as often as necessary.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall take effect at the end-of the 1-year
18 period beginning the date of the enactment of this Act.

1 **TITLE III—IMPROVING RESOLU-**
2 **TION OF CONSUMER DIS-**
3 **PUTES**

4 **SEC. 301. COORDINATION OF CONSUMER COMPLAINT IN-**
5 **VESTIGATIONS.**

6 Section 621 of the Fair Credit Reporting Act (15
7 U.S.C. 1681s) is amended by adding at the end the fol-
8 lowing new subsections:

9 “(f) COORDINATION OF CONSUMER COMPLAINT IN-
10 VESTIGATIONS.— Not later than 365 days after the date
11 of enactment of the Fair and Accurate Credit Trans-
12 actions Act of 2003, the Federal Trade Commission shall
13 prescribe rules in accordance with section 553 of title 5,
14 United States Code—

15 “(1) to develop procedures for referral of con-
16 sumer complaints under this title about identity
17 theft and fraud alerts between and among the con-
18 sumer reporting agencies and the Commission; and

19 “(2) to develop a model form and model proce-
20 dures to be used by consumers who are victims of
21 identity fraud for contacting and informing creditors
22 and consumer reporting agencies of the fraud.”.

23 **SEC. 302. NOTICE OF DISPUTE THROUGH RESELLER.**

24 Section 611(a)(1)(A) of the Fair Credit Reporting
25 Act (15 U.S.C. 1681i(a)(1)(A)) is amended by inserting

1 “, or indirectly through a reseller,” after “notifies the
2 agency directly”.

3 **SEC. 303. PROMPT INVESTIGATION OF DISPUTED CON-**
4 **SUMER INFORMATION.**

5 (A) **STUDY REQUIRED.**—The Board of Governors of
6 the Federal Reserve System and the Federal Trade Com-
7 mission shall each study the extent to which, and the man-
8 ner in which, consumer reporting agencies and furnishers
9 of consumer information to consumer reporting agencies
10 are complying with the procedures, time lines, and require-
11 ments under the Fair Credit Reporting Act for the prompt
12 investigation of the disputed accuracy of any consumer in-
13 formation and the prompt correction or deletion, in ac-
14 cordance with such Act, of any inaccurate or incomplete
15 information or information that cannot be verified.

16 (b) **REPORT REQUIRED.**—Before the end of the 6-
17 month period beginning on the date of the enactment of
18 this Act, the Board of Governors of the Federal Reserve
19 System and the Federal Trade Commission shall each sub-
20 mit a progress report to the Congress on the results of
21 the study required under subsection (a).

22 (c) **RECOMMENDATIONS.**—The report under sub-
23 section (b) shall include such recommendations as the
24 Board and the Commission determine to be appropriate
25 for legislative or administrative action to ensure that—

1 (1) consumer disputes with consumer reporting
2 agencies over the accuracy or completeness of infor-
3 mation in a consumer’s file are promptly and fully
4 investigated and any incorrect, incomplete, or un-
5 verifiable information is immediately corrected or de-
6 leted;

7 (2) furnishers of information to consumer re-
8 porting agencies maintain full and prompt compli-
9 ance with the duties and responsibilities established
10 under section 623 of the Fair Credit Reporting Act;
11 and

12 (3) consumer reporting agencies establish and
13 maintain appropriate internal controls and manage-
14 ment review procedures for maintaining full and
15 continuous compliance with the procedures, time
16 lines, and requirements under the Fair Credit Re-
17 porting Act for the prompt investigation of the dis-
18 puted accuracy of any consumer information and the
19 prompt correction or deletion, in accordance with
20 such Act, of any inaccurate or incomplete informa-
21 tion or information that cannot be verified.

22 (d) DEFINITIONS.—For purposes of this section, the
23 terms “consumer”, “consumer report”, and “consumer re-
24 porting agency” have the same meaning as in the Fair
25 Credit Reporting Act.

1 **TITLE IV—IMPROVING ACCU-**
2 **RACY OF CONSUMER**
3 **RECORDS**

4 **SEC. 401. RECONCILING ADDRESSES.**

5 Section 605 of the Fair Credit Reporting Act (15
6 U.S.C. 1681e) is amended by inserting after subsection
7 (g) (as added by section 201 of this Act) the following
8 new subsection.

9 “(h) NOTICE OF DISCREPANCY.—In any case in
10 which a person has requested a consumer report relating
11 to a consumer, and the request includes an address for
12 the consumer that substantially differs from the most re-
13 cent address in the file of the consumer, the consumer re-
14 porting agency shall—

15 “(1) notify the requester of the discrepancy;
16 and

17 “(2) reconcile or resolve, within 30 days, any
18 substantial variation between the most recent ad-
19 dress in the file of the consumer at the agency and
20 the address contained in the request, in accordance
21 with reasonable policies and procedures established
22 by the consumer reporting agency.”.

1 **SEC. 402. PREVENTION OF REPOLLUTION OF CONSUMER**
2 **REPORTS.**

3 Section 623(a)(1) of the Fair Credit Reporting Act
4 (15 U.S.C. 1681s-2(a)(1)) is amended by adding at the
5 end the following new subparagraph:

6 “(D) INFORMATION KNOWN TO INCLUDE
7 IDENTITY THEFT ACTIVITY.—A person may not
8 furnish information to any consumer reporting
9 agency that the person knows or has reason to
10 believe has resulted from fraudulent activity, in-
11 cluding identity theft.”.

12 **SEC. 403. NOTICE BY USERS WITH RESPECT TO FRAUDU-**
13 **LENT INFORMATION.**

14 Section 615 of the Fair Credit Reporting Act (15
15 U.S.C. 1681m) is amended by adding at the end the fol-
16 lowing new subsection:

17 “(e) NOTICE OF FRAUDULENT INFORMATION RE-
18 LATING TO IDENTITY THEFT.—Any assignee or agent, in-
19 cluding a debt collector (as defined in title VIII), of a per-
20 son who uses a consumer report on any consumer, who
21 learns that any information in such consumer report is
22 fraudulent and may be the result of identity theft shall
23 notify the person of such fraudulent information.”.

1 **TITLE V—IMPROVEMENTS IN**
2 **USE OF AND CONSUMER AC-**
3 **CESS TO CREDIT INFORMA-**
4 **TION**

5 **SEC. 501. FREE REPORTS ANNUALLY.**

6 Section 612(c) of the Fair Credit Reporting Act (15
7 U.S.C. 1681j(c)) is amended to read as follows:

8 “(c) FREE ANNUAL DISCLOSURE.—Upon the request
9 of the consumer, a consumer reporting agency shall make
10 all disclosures pursuant to section 609 once during any
11 12-month period without charge to the consumer.”.

12 **SEC. 502. SUMMARY OF CREDIT SCORES.**

13 Section 609(a)(1) of the Fair Credit Reporting Act
14 (15 U.S.C. 1681g(a)(1)) is amended by striking “except
15 that nothing” and all that follows through the period at
16 the end and inserting “including a summary of how any
17 individual credit score of the consumer was derived and
18 how such score might be improved.”.

19 **SEC. 503. SIMPLER AND EASIER METHOD FOR CONSUMERS**
20 **TO USE NOTIFICATION SYSTEM.**

21 (a) IN GENERAL.—Section 604(e)(5)(A)(i) of the
22 Fair Credit Reporting Act (15 U.S.C. 1681b(e)(5)(A)(i))
23 is amended by inserting “in a simple and easy manner
24 and” after “notify the agency,”.

1 (b) TECHNICAL AND CONFORMING AMENDMENT.—
2 Section 615(d) of the Fair Credit Reporting Act (15
3 U.S.C. 1681m(d)) is amended—

4 (1) by redesignating paragraphs (2), (3), and
5 (4), as paragraphs (3), (4) and (5); and

6 (2) by inserting after paragraph (1) the fol-
7 lowing new paragraph:

8 “(2) SIMPLE AND EASY NOTIFICATION.—Any
9 statement given the consumer under paragraph
10 (1)(E) shall be in a simple and easy to understand
11 format and shall afford a simple and easy method
12 for the consumer to respond.”.

13 **TITLE VI—PROTECTING EM-**
14 **PLOYEE MISCONDUCT INVES-**
15 **TIGATIONS**

16 **SEC. 601. CERTAIN EMPLOYEE INVESTIGATION COMMU-**
17 **NICATIONS EXCLUDED FROM DEFINITION OF**
18 **CONSUMER REPORT.**

19 (a) IN GENERAL.—Section 603 of the Fair Credit
20 Reporting Act (15 U.S.C. 1681a) is amended—

21 (1) by redesignating subsection (p) as sub-
22 section (q); and

23 (2) by inserting after subsection (o) the fol-
24 lowing new subsection:

1 “(p) EXCLUSION OF CERTAIN COMMUNICATIONS FOR
2 EMPLOYEE INVESTIGATIONS.—

3 “(1) COMMUNICATIONS DESCRIBED IN THIS
4 SUBSECTION.—A communication is described in this
5 subsection if—

6 “(A) but for subsection (d)(2)(D), the
7 communication would be a consumer report;

8 “(B) the communication is made to an em-
9 ployer in connection with an investigation of—

10 “(i) suspected misconduct relating to
11 employment; or

12 “(ii) compliance with Federal, State,
13 or local laws and regulations, the rules of
14 a self-regulatory organization, or any pre-
15 existing written policies of the employer;

16 “(C) the communication is not made for
17 the purpose of investigating a consumer’s credit
18 worthiness, credit standing, or credit capacity;
19 and

20 “(D) the communication is not provided to
21 any person except—

22 “(i) to the employer or an agent of
23 the employer;

24 “(ii) to any Federal or State officer,
25 agency, or department, or any officer,

1 agency, or department of a unit of general
2 local government;

3 “(iii) to any self-regulatory organiza-
4 tion with regulatory authority over the ac-
5 tivities of the employer or employee;

6 “(iv) as otherwise required by law; or

7 “(v) pursuant to section 608.

8 “(2) SUBSEQUENT DISCLOSURE.—After taking
9 any adverse action based in whole or in part on a
10 communication described in paragraph (1), the em-
11 ployer shall disclose to the consumer a summary
12 containing the nature and substance of the commu-
13 nication upon which the adverse action is based, ex-
14 cept that the sources of information acquired solely
15 for use in preparing what would be but for sub-
16 section (d)(2)(D) an investigative consumer report
17 need not be disclosed.

18 “(3) SELF-REGULATORY ORGANIZATION DE-
19 FINED.—For purposes of this subsection, the term
20 ‘self-regulatory organization’ includes any self-regu-
21 latory organization (as defined in section 3(a)(26) of
22 the Securities Exchange Act of 1934), any entity es-
23 tablished under Title I of the Sarbanes-Oxley Act of
24 2002, any board of trade designated by the Com-

1 modity Futures Trading Commission, and any fu-
2 tures association registered with such Commission.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENT.—

4 Section 603(d)(2)(D) of the Fair Credit Reporting Act (15
5 U.S.C. 1681a(d)(2)(D)) is amended by inserting “or (p)”
6 after “subsection (o)”.

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