

**[DISCUSSION DRAFT]**

117<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R.** \_\_\_\_\_

To amend the Fair Credit Reporting act to restore the impaired credit of victims of predatory activities and unfair consumer reporting practices, to expand access to tools to protect vulnerable consumers from identity theft, fraud, or a related crime, and protect victims from further harm, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

M\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**A BILL**

To amend the Fair Credit Reporting act to restore the impaired credit of victims of predatory activities and unfair consumer reporting practices, to expand access to tools to protect vulnerable consumers from identity theft, fraud, or a related crime, and protect victims from further harm, 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 “Restoring Unfairly Impaired Credit and Protecting Con-  
4 sumers Act”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for  
6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Effective date.
- Sec. 4. General Bureau rulemaking.

**TITLE I—RESTORING THE IMPAIRED CREDIT OF VICTIMS OF  
PREDATORY ACTIVITIES AND UNFAIR CONSUMER REPORTING  
PRACTICES**

- Sec. 101. Shortens the time period that most adverse credit information stays on consumer reports.
- Sec. 102. Mandates the expedited removal of fully paid or settled debt from consumer reports.
- Sec. 103. 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.
- Sec. 104. Provides credit restoration for victims of predatory mortgage lending and servicing.
- Sec. 105. Provides credit relief for private education loans borrowers who were defrauded or misled by proprietary education institution or career education programs.
- Sec. 106. Establishes right for victims of financial abuse to have adverse information associated with an abuser’s fraudulent activity removed from their consumer reports.
- Sec. 107. Prohibits treatment of credit restoration or rehabilitation as adverse information.

**TITLE II—EXPANDING ACCESS TO TOOLS TO PROTECT VULNER-  
ABLE CONSUMERS FROM IDENTITY THEFT, FRAUD, OR A RE-  
LATED CRIME, AND PROTECT VICTIMS FROM FURTHER HARM**

- Sec. 201. Identity theft report definition.
- Sec. 202. Amendment to protection for files and credit records of protected consumers.
- Sec. 203. Enhances fraud alert protections.
- Sec. 204. Amendment to security freezes for consumer reports.
- Sec. 205. Clarification of information to be included with agency disclosures.
- Sec. 206. Provides access to fraud records for victims.
- Sec. 207. Required Bureau to set procedures for reporting identity theft, fraud, and other related crime.
- Sec. 208. Establishes the right to free credit monitoring and identity theft protection services for certain consumers.

Sec. 209. Ensures removal of inquiries resulting from identity theft, fraud, or other related crime from consumer reports.

TITLE III—MISCELLANEOUS

Sec. 301. Definitions.

Sec. 302. Technical correction related to risk-based pricing notices.

Sec. 303. FCRA findings and purpose; voids certain contracts not in the public interest.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) GENERAL FINDINGS.—

4 (A) Consumer reporting agencies  
5 (“CRAs”) are companies that collect, compile,  
6 and provide information about consumers in the  
7 form of consumer reports for certain permis-  
8 sible statutory purposes under the Fair Credit  
9 Reporting Act (15 U.S.C. 1681 et seq.)  
10 (“FCRA”). The three largest CRAs in this  
11 country are Equifax, TransUnion, and  
12 Experian. These CRAs are referred to as na-  
13 tionwide CRAs and the reports that they pre-  
14 pare are commonly referred to as credit reports.  
15 Furnishers, such as creditors, lenders, and debt  
16 collection agencies, voluntarily submit informa-  
17 tion to CRAs about their accounts such as the  
18 total amount for each loan or credit limit for  
19 each credit card and the consumer’s payment  
20 history on these products. Reports also include  
21 identifying information about a consumer, such

1 as their birthdate, previous mailing addresses,  
2 and current and previous employers.

3 (B) In a December 2012 paper, “Key Di-  
4 mensions and Processes in the U.S. Credit Re-  
5 porting System: A review for how the nation’s  
6 largest credit bureaus manage consumer data”,  
7 the Bureau of Consumer Financial Protection  
8 (“Consumer Bureau”) noted that the three na-  
9 tionwide CRAs maintain credit files on approxi-  
10 mately 200 million adults and receive informa-  
11 tion from about 10,000 furnishers. On a  
12 monthly basis, these furnishers provide infor-  
13 mation on over 1.3 billion consumer credit ac-  
14 counts or other trade lines.

15 (C) The 10 largest institutions furnishing  
16 credit information to each of the nationwide  
17 CRAs account for more than half of all ac-  
18 counts reflected in consumers’ credit files.

19 (D) Consumer reports play an increasingly  
20 important role in the lives of American con-  
21 sumers. Most creditors, for example, review  
22 these reports to make decisions about whether  
23 to extend credit to consumers and what terms  
24 and conditions to offer them. As such, informa-  
25 tion contained in these reports affects whether

1 a person is able to get a private education loan  
2 to pay for college costs, to secure a mortgage  
3 loan to buy a home, or to obtain a credit card,  
4 as well as the terms and conditions under which  
5 consumer credit products or services are offered  
6 to them.

7 (E) Credit reports are also increasingly  
8 used for many noncredit decisions, including by  
9 landlords to determine whether to rent an  
10 apartment to a prospective tenant and by em-  
11 ployers to decide whether to hire potential job  
12 applicants or to offer a promotion to existing  
13 employees.

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

18 (G) The nationwide CRAs have failed to  
19 establish and follow reasonable procedures, as  
20 required by existing law, to establish the max-  
21 imum level of accuracy of information contained  
22 on consumer reports. Given the repeated fail-  
23 ures of these CRAs to comply with accuracy re-  
24 quirements on their own, legislation is intended  
25 to provide them with detailed guidance improv-

1           ing the accuracy and completeness of informa-  
2           tion contained in consumer reports, including  
3           procedures, policies, and practices that these  
4           CRAs should already be following to ensure full  
5           compliance with their existing obligations.

6           (H) The presence of inaccurate or incom-  
7           plete information on these reports can result in  
8           substantial financial and emotional harm to  
9           consumers. Credit reporting errors can lead to  
10          the loss of a new employment opportunity or a  
11          denial of a promotion in an existing job, stop  
12          someone from being able to access credit on fa-  
13          vorable terms, prevent a person from obtaining  
14          rental housing, or even trigger mental distress.

15          (I) Current industry practices impose an  
16          unfair burden of proof on consumers trying to  
17          fix errors on their reports.

18          (J) Consumer reports containing inac-  
19          curate or incomplete credit information also un-  
20          dermine the ability of creditors and lenders to  
21          effectively and accurately underwrite and price  
22          credit.

23          (K) Recognizing that credit reporting af-  
24          fects the lives of almost all consumers in this  
25          country and that the consequences of errors on

1 a consumer report can be catastrophic for a  
2 consumer, the Consumer Bureau began accept-  
3 ing consumer complaints about credit reporting  
4 in October 2012.

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

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

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

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

8           (P) According to the fall 2016 “Super-  
9           visory Highlights”, Consumer Bureau exam-  
10          iners determined that one or more debt collec-  
11          tors never investigated indirect disputes that  
12          lacked detail or were not accompanied by at-  
13          tachments with relevant information from the  
14          consumer. Examiners also found that notifica-  
15          tions sent to consumers about disputes consid-  
16          ered frivolous failed to identify for the con-  
17          sumers the type of material that they could pro-  
18          vide in order for the debt collector to complete  
19          the investigation of the disputed item.

20          (Q) A February 2014 Consumer Bureau  
21          report titled “Credit Reporting Complaint  
22          Snapshot” found that consumers are confused  
23          about the extent to which the nationwide CRAs  
24          are required to provide them with validation

1 and documentation of a debt that appears on  
2 their credit report.

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

23 (S) Unlike most other business relation-  
24 ships, where consumers can register their satis-  
25 faction or unhappiness with a particular credit

1 product or service simply by taking their busi-  
2 ness elsewhere, consumers have no say in  
3 whether their information is included in the  
4 CRAs databases and limited legal remedies to  
5 hold the CRAs accountable for inaccuracies or  
6 poor service.

7 (T) Accordingly, despite the existing statu-  
8 tory mandate for CRAs to follow reasonable  
9 procedures to assure the maximum possible ac-  
10 curacy of the information whenever they pre-  
11 pare consumer reports, numerous studies, the  
12 high volume of consumer complaints submitted  
13 to the Consumer Bureau about incorrect infor-  
14 mation on consumer reports, and supervisory  
15 activities by the Consumer Bureau demonstrate  
16 that CRAs continue to skirt their obligations  
17 under the law.

18 (2) PRIVATE EDUCATION LOANS.—

19 (A) The Consumer Bureau’s October 2014  
20 report titled “Annual Report of the CFPB Stu-  
21 dent Loan Ombudsman” noted many private  
22 education loan borrowers, who sought to nego-  
23 tiate a modified repayment plan when they were  
24 experiencing a period of financial distress, were  
25 unable to get assistance from their loan holders,

1           which often resulting in them defaulting on  
2           their loans. This pattern resembles the dif-  
3           ficulty that a significant number of mortgage  
4           loan borrowers experienced when they sought to  
5           take responsible steps to work with their mort-  
6           gage loan servicer to avoid foreclosure during  
7           the Great Recession.

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

21          (3) DECEPTIVE PRACTICES AT CERTAIN PRO-  
22          PRIETARY EDUCATION INSTITUTIONS AND CAREER  
23          EDUCATION PROGRAMS.—

24                 (A) NCLC cited the proliferation of law  
25                 enforcement actions against many for-profit

1 schools in its June 2014 report, titled “Ensuring  
2 Educational Integrity: 10 Steps to Improve  
3 State Oversight of For-profit Schools”, to demonstrate the pervasive problem in this sector of  
4 targeting low-income students with deceptive  
5 high-pressure sales techniques involving inflated  
6 job placement rates and misleading data on  
7 graduate wages, and false representations about  
8 the transferability of credits and the employability of graduates in occupations that require  
9 licensure. Student loan borrowers at these  
10 schools may be left with nothing but worthless  
11 credentials and large debt. Those who default  
12 on their student loans face years with damaged  
13 credit that will adversely impact their ability to  
14 rent or buy homes, purchase cars, and find  
15 employment.

16  
17  
18 (B) The closure and bankruptcy of Corinthian  
19 Colleges, which was found to have deceived  
20 students by steering them into high-interest  
21 student loans based on misleading graduation  
22 rates and employment data, is a good  
23 example of the problem. Even after its closure,  
24 many Corinthian students remained saddled

1 with student loan debt, worthless degrees, and  
2 few prospects for employment.

3 (C) Attending a two-year, for-profit college  
4 costs, on average, four times as much as at-  
5 tending a community college. Students at for-  
6 profit colleges represent only about 11 percent  
7 of the total higher education population but a  
8 startling 44 percent of all Federal student loan  
9 defaults, according to the United States De-  
10 partment of Education (“DOE”).

11 (D) According to NCLC, a dispropor-  
12 tionate number of for-profit students are low-in-  
13 come and people of color. These schools target  
14 veterans, working parents, first-generation stu-  
15 dents, and non-English speaking students, who  
16 may be more likely than their public or private  
17 nonprofit school counterparts to drop out, incur  
18 enormous student debt, and default on this  
19 debt. In the 2011–2012 school year, 28 percent  
20 of African Americans and 15 percent of Latinos  
21 attending four-year institutions were enrolled in  
22 a for-profit school, compared to 10 percent of  
23 Whites.

24 (E) As highlighted in a press release titled  
25 “Obama Administration Announces Final Rules

1 to Protect Students from Poor-Performing Ca-  
2 reer College Programs”, that was issued by the  
3 DOE on October 30, 2014, “[t]oo often, stu-  
4 dents at career colleges—including thousands of  
5 veterans—are charged excessive costs, but don’t  
6 get the education they paid for. Instead, stu-  
7 dents in such programs are provided with poor  
8 quality training, often for low-wage jobs or in  
9 occupations where there are simply no job op-  
10 portunities. They find themselves with large  
11 amounts of debt and, too often, end up in de-  
12 fault. In many cases, students are drawn into  
13 these programs with confusing or misleading in-  
14 formation.”.

15 (4) MEDICAL DEBT.—

16 (A) Research by the Consumer Bureau has  
17 found that the inclusion of medical collections  
18 on consumer reports has unfairly reduced con-  
19 sumers’ credit scores.

20 (B) The Consumer Bureau’s review of 5  
21 million anonymized credit files from September  
22 2011 to September 2013, for example, found  
23 that credit scores may underestimate a person’s  
24 creditworthiness by up to 10 points for those  
25 who owe medical debt, and may underestimate

1 a person's creditworthiness by up to 22 points  
2 after the medical debt has been paid. For con-  
3 sumers with lower credit scores, especially those  
4 on the brink of what is considered subprime, a  
5 10 to 22 point decrease in their credit scores  
6 can have a significant impact on their lives, in-  
7 cluding by affecting whether they are able to  
8 qualify for credit and, if so, the terms and con-  
9 ditions under which it is extended to them.

10 (C) The Consumer Bureau found that half  
11 of all collections trade lines that appear on con-  
12 sumer reports are related to medical bills  
13 claimed to be owed to hospitals and other med-  
14 ical providers. These trade lines affect the re-  
15 ports of nearly 1/5 of all consumers in the cred-  
16 it reporting system.

17 (D) The Consumer Bureau has found that  
18 there are no objective or enforceable standards  
19 that determine when a debt can or should be  
20 reported as a collection trade line. Because debt  
21 buyers and collectors determine whether, when,  
22 and for how long to report a collection account,  
23 there is only a limited relationship between the  
24 time period reported, the severity of a delin-

1           quency, and when or whether a collection trade  
2           line appears on a consumer’s credit report.

3           (E) Medical bills can be complex and con-  
4           fusing for many consumers, which results in  
5           consumers’ uncertainty about what they owe, to  
6           whom, when, or for what, that may cause some  
7           people, who ordinarily pay their bills on time, to  
8           delay or withhold payments on their medical  
9           debts. This uncertainty can also result in med-  
10          ical collections appearing on consumer reports.  
11          In a December 2014 report titled “Consumer  
12          Credit Reports: A Study of Medical and Non-  
13          Medical Collections”, the Consumer Bureau  
14          found that a large portion of consumers with  
15          medical collections show no other evidence of fi-  
16          nancial distress and are consumers who ordi-  
17          narily pay their other financial obligations on  
18          time. Unlike with most credit products or serv-  
19          ices, such as credit cards, installment loans,  
20          utilities, or wireless or cable services that have  
21          contractual account disclosures describing the  
22          terms and conditions of use, most consumers  
23          are not told what their out-of-pocket medical  
24          costs will be in advance. Consumers needing ur-  
25          gent or emergency care rarely know, or are pro-

1           vided, the cost of a medical treatment or proce-  
2           dure before the service is rendered.

3           (F) The Consumer Bureau concluded that  
4           the presence of medical collections is less pre-  
5           dictive of future defaults or serious delin-  
6           quencies than the presence of a nonmedical col-  
7           lection in a study titled “Data Point: Medical  
8           Debt and Credit Scores”, issued in May 2014.

9           (G) FICO’s latest credit scoring model,  
10          “FICO 9”, changes the treatment of paid col-  
11          lections to disregard any collection matters that  
12          the consumer has paid in full. FICO 9, how-  
13          ever, is not yet widely used by lenders.

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

18          (I) The three nationwide CRAs entered  
19          into a settlement agreement with the New York  
20          State attorney general in 2015 to address defi-  
21          ciencies in their dispute resolution process and  
22          enhance the accuracy of items on reports. These  
23          policy changes will be implemented in a three-  
24          phrased rollout, culminating by June 2018.  
25          Subsequently, these CRAs entered into a coop-

1           erative agreement with 31 State Attorneys Gen-  
2           eral, which was the basis of the creation of the  
3           National Consumer Assistance Plan (“NCAP”)  
4           to change some of their business practices.

5           (J) While the CRAs appear to be volun-  
6           tarily adopting policy changes on a nationwide  
7           basis, they are not obligated to do so for con-  
8           sumers who reside in States that are not party  
9           to any of the consent orders.

10          (K) As a result of the settlement agree-  
11          ments, the three nationwide CRAs will set a  
12          180-day waiting period before including medical  
13          collections on a report and will remove a med-  
14          ical collection from a report once it is paid by  
15          an insurance company. While this change will  
16          benefit many, once a medical collection appears  
17          on a report, it will only be deleted or suppressed  
18          if it is found to have been the insurance com-  
19          pany’s obligation to pay and the insurer pays it.  
20          Given the research showing there is little pre-  
21          dictive value in medical debt information, med-  
22          ical collections that are paid or settled should  
23          quickly be removed from a report, regardless of  
24          who pays or settles this debt.

25          (5) FINANCIAL ABUSE BY KNOWN PERSONS.—

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

12 (B) By racking up substantial debts in the  
13 survivor's name, abusers are able to exercise fi-  
14 nancial control over their survivors to make it  
15 economically difficult for the survivor, whose  
16 credit is often destroyed, to escape the situa-  
17 tion.

18 (C) Domestic abuse survivors with poor  
19 credit are likely to face significant obstacles in  
20 establishing financial independence from their  
21 abusers. This can be due, in part, because con-  
22 sumer reports may be used when a person at-  
23 tempts to obtain a checking account, housing,  
24 insurance, utilities, employment, and even a se-  
25 curity clearance as required for certain jobs.

1 (D) Providing documentation of identity  
2 (“ID”) theft in order to dispute information on  
3 one’s consumer report can be particularly chal-  
4 lenging for those who know their financial  
5 abuser.

6 (E) While it is easier for consumers who  
7 obtain a police report to remove fraudulent in-  
8 formation from their consumer report and pre-  
9 vent it from reappearing in the future, accord-  
10 ing to the Empire Justice Center, safety and  
11 other noncredit concerns may impact the capac-  
12 ity of a survivor of financial abuse committed  
13 by a known person to turn to law enforcement  
14 to get a police report.

15 (F) According to the Legal Aid Society in  
16 New York, domestic abuse survivors, seeking to  
17 remove adverse information stemming from fi-  
18 nancial abuse by contacting their furnishers di-  
19 rectly, are likely to face skepticism about claims  
20 of ID theft perpetrated by a partner because of  
21 an assumption that they are aware of, and may  
22 have been complicit in, the activity which the  
23 survivor alleges stems from financial abuse.

24 (6) DECEPTIVE AND MISLEADING MARKETING  
25 PRACTICES.—

1 (A) The Consumer Bureau’s February  
2 2015 report titled “Consumer Voices on Credit  
3 Reports and Scores” found that some con-  
4 sumers did not obtain a copy of their consumer  
5 report due to concerns about security or of  
6 being trapped into purchasing unwanted prod-  
7 ucts like an additional report or a credit moni-  
8 toring service.

9 (B) In January 2017, the Consumer Bu-  
10 reau fined TransUnion and Equifax for decep-  
11 tively marketing credit scores for purchase by  
12 consumers as the same credit scores typically  
13 used by lenders to determine creditworthiness  
14 and for luring consumers into costly subscrip-  
15 tion services that were advertised as “free” or  
16 “\$1” that automatically charged recurring fees  
17 unless cancelled by consumers. The Consumer  
18 Bureau also found that Equifax was illegally  
19 advertising its products on webpages that con-  
20 sumers accessed through  
21 AnnualCreditReport.com before consumers ob-  
22 tained their free disclosures. Because of these  
23 troubling practices, TransUnion was ordered to  
24 pay \$13.9 million in restitution to harmed con-  
25 sumers and a civil penalty of \$3 million to the

1 Consumer Bureau. Equifax was ordered to pay  
2 more than \$3.7 million to affected consumers  
3 as well as a civil money penalty of \$2.5 million  
4 to the Consumer Bureau. As part of the con-  
5 sent orders, the CRAs are also supposed to  
6 change the way that they sell their products to  
7 consumers. The CRAs must also obtain con-  
8 sumers' express consent before enrolling them  
9 into subscription services as well as make it  
10 easier for consumers to cancel these programs.

11 (C) The Consumer Bureau fined the other  
12 nationwide CRA—Experian—in March 2017  
13 for deceiving consumers about the use of credit  
14 scores that it marketed and sold to consumers  
15 as credit scores that were used by lenders and  
16 for illegally advertising its products on web  
17 pages that consumers accessed through  
18 AnnualCreditReport.com before they obtained  
19 their free annual disclosures. Experian was or-  
20 dered to pay more than \$3.7 million in restitu-  
21 tion to harmed consumers and a civil monetary  
22 penalty of \$2.5 million to the Consumer Bu-  
23 reau.

24 (D) The Consumer Bureau's January and  
25 March 2017 consent orders with the three na-

1           tionwide CRAs show that these CRAs have en-  
2           ticed consumers into purchasing products and  
3           services that they may not want or need, in  
4           some instances by advertising products or serv-  
5           ices “free” that automatically converted into an  
6           ongoing subscription service at the regular price  
7           unless cancelled by the consumer. Although  
8           these CRAs must now change their deceptive  
9           marketing practices, codifying these duties is an  
10          appropriate way to ensure that these companies  
11          never revert back to such misleading tactics.

12           (E) Given the ubiquitous use of consumer  
13          reports in consumers’ lives and the fact that  
14          consumers’ participation in the credit reporting  
15          system is involuntary, CRAs should also  
16          prioritize providing consumers with the effective  
17          means to safeguard their personal and financial  
18          information and improve their credit standing,  
19          rather than seeking to exploit consumers’ con-  
20          cerns and confusion about credit reporting and  
21          scoring, to boost their companies’ profits.

22           (F) Vulnerable consumers, who have legiti-  
23          mate concerns about the security of their per-  
24          sonal and financial information, deserve clear,  
25          accurate, and transparent information about

1 the credit reporting tools that may be available  
2 to them, such as fraud alerts and freezes.

3 (7) PROTECTIONS FOR CONSUMERS' CREDIT IN-  
4 FORMATION.—

5 (A) Despite heightened awareness, inci-  
6 dents of ID theft continue to rise. In February  
7 2015, the FTC reported that ID theft was the  
8 top consumer complaint that it received for the  
9 15th consecutive year. As these incidents in-  
10 crease, consumers experience significant finan-  
11 cial loss and emotional distress from the inabil-  
12 ity to safeguard effectively and inexpensively  
13 their credit information from bad actors.

14 (B) According to a Carnegie Mellon study,  
15 children are 50 times more likely than adults to  
16 have their identities stolen. Child identities are  
17 valuable to thieves because most children do not  
18 have existing files, and their parents may not  
19 notice fraudulent activity until their child ap-  
20 plies for a student loan, a job, or a credit card.  
21 As a result, the fraudulent activity of the bad  
22 actors may go undetected for years.

23 (C) Despite the increasing incidents of  
24 children's ID theft, parents who want to  
25 proactively prevent their children from having

1           their identity stolen, may not be able to do so.  
2           Only one of the three nationwide CRAs cur-  
3           rently allows parents from any State to set up  
4           a freeze for a minor child. At the other two na-  
5           tionwide CRAs, parents can only obtain a freeze  
6           after a child has become an ID theft victim be-  
7           cause, it is only at this point, that these CRAs  
8           have an existing credit file for the child. While  
9           many States have enacted laws to address this  
10          problem, there is no existing Federal law.

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

22           (E) Consumers frequently express concern  
23          about the security of their financial informa-  
24          tion. According to a 2015 MasterCard survey,  
25          a majority of consumers (77 percent) have anx-

1           iety about the possibility that their financial in-  
2           formation and Social Security numbers may be  
3           stolen or compromised, with about 55 percent  
4           of consumers indicating that they would rather  
5           have naked pictures of themselves leaked online  
6           than have their financial information stolen.

7           (F) That survey also revealed that con-  
8           sumers' fears about the online security of their  
9           financial information even outweighed con-  
10          sumers' worries about other physical security  
11          dangers such as having their houses robbed (59  
12          percent) or being pickpocketed (46 percent).

13          (G) According to Consumer Reports,  
14          roughly 50 million American consumers spent  
15          about \$3.5 billion in 2010 to purchase products  
16          aimed at protecting their identity, with the an-  
17          nual cost of these services ranging from \$120  
18          to \$300. As risks to consumers' personal and fi-  
19          nancial information continue to grow, con-  
20          sumers need additional protections to ensure  
21          that they have fair and reasonable access to the  
22          full suite of ID theft and fraud prevention  
23          measures that may be right for them.

1 **SEC. 3. EFFECTIVE DATE.**

2 Except as otherwise specified, the amendments made  
3 by this Act shall take effect 2 years after the date of the  
4 enactment of this Act.

5 **SEC. 4. GENERAL BUREAU RULEMAKING.**

6 Except as otherwise provided, not later than the end  
7 of the 2-year period beginning on the date of the enact-  
8 ment of this Act, the Bureau of Consumer Financial Pro-  
9 tection shall issue final rules to implement the amend-  
10 ments made by this Act.

11 **TITLE I—RESTORING THE IM-**  
12 **PAIRED CREDIT OF VICTIMS**  
13 **OF PREDATORY ACTIVITIES**  
14 **AND UNFAIR CONSUMER RE-**  
15 **PORTING PRACTICES**

16 **SEC. 101. SHORTENS THE TIME PERIOD THAT MOST AD-**  
17 **VERSE CREDIT INFORMATION STAYS ON CON-**  
18 **SUMER REPORTS.**

19 (a) IN GENERAL.—Section 605 of the Fair Credit  
20 Reporting Act (15 U.S.C. 1681c) is amended—

21 (1) in subsection (a)—

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

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

1 (C) in paragraph (2), by striking “Civil  
2 suits, civil judgments, and records” and insert-  
3 ing “Records”;

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

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

11 (F) in paragraph (5)—

12 (i) by striking “, other than records of  
13 convictions of crimes”; and

14 (ii) by striking “seven years” and in-  
15 sserting “4 years, except as required by sec-  
16 tion 605C, 605D, 605E, or 605F”; and

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

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

24 “(10) A civil suit or civil judgment—

1           “(A) brought by a private education loan  
2 holder that, from the date of successful comple-  
3 tion of credit restoration or rehabilitation in ac-  
4 cordance with the requirements of section 605D  
5 or 605E, antedates the report by 45 calendar  
6 days; or

7           “(B) brought by a lender with respect to  
8 a covered residential mortgage loan that ante-  
9 dates the report by 45 calendar days.

10          “(11) Records of convictions of crimes which  
11 antedate the report by more than 7 years.

12          “(12) Any other adverse item of information re-  
13 lating to the collection of debt that did not arise  
14 from a contract or an agreement to pay by a con-  
15 sumer, including fines, tickets, and other assess-  
16 ments, as determined by the Bureau, excluding tax  
17 liability.”;

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

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

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

3 (1) in section 616(d), by striking “section  
4 605(g)” each place that term appears and inserting  
5 “section 605(f)”; and

6 (2) in section 625(b)(5)(A), by striking “section  
7 605(g)” and inserting “section 605(f)”.

8 **SEC. 102. MANDATES THE EXPEDITED REMOVAL OF FULLY**  
9 **PAID OR SETTLED DEBT FROM CONSUMER**  
10 **REPORTS.**

11 Section 605(a) of the Fair Credit Reporting Act (15  
12 U.S.C. 1681c(a)), as amended by section 101(a)(1), is fur-  
13 ther amended by adding at the end the following new para-  
14 graph:

15 “(13) Any other adverse item of information re-  
16 lated to a fully paid or settled debt that had been  
17 characterized as delinquent, charged off, or in collec-  
18 tion which, from the date of payment or settlement,  
19 antedates the report by more than 45 calendar  
20 days.”.

1 **SEC. 103. IMPOSES RESTRICTIONS ON THE APPEARANCE**  
2 **OF MEDICAL COLLECTIONS ON CONSUMER**  
3 **REPORTS AND REQUIRES THE EXPEDITED**  
4 **REMOVAL OF FULLY PAID OR SETTLED MED-**  
5 **ICAL COLLECTIONS FROM CONSUMER RE-**  
6 **PORTS.**

7 (a) REMOVAL OF FULLY PAID OR SETTLED MED-  
8 ICAL DEBT FROM CONSUMER REPORTS.—Section 605(a)  
9 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)),  
10 as amended by section 102, is further amended by adding  
11 at the end the following new paragraph:

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

19 (b) ESTABLISHING AN EXTENDED TIME PERIOD BE-  
20 FORE CERTAIN MEDICAL DEBT INFORMATION MAY BE  
21 REPORTED.—Section 605(a) of such Act is further  
22 amended by adding at the end the following new para-  
23 graph:

24 “(15) Any information related to a debt arising  
25 from the receipt of medical services, products, or de-  
26 vices, if the date on which such debt was placed for

1 collection, charged to profit or loss, or subjected to  
2 any similar action antedates the report by less than  
3 365 calendar days.”.

4 (c) PROHIBITION ON REPORTING MEDICALLY NEC-  
5 ESSARY PROCEDURES.—Section 605(a) of such Act is fur-  
6 ther amended by adding at the end the following new para-  
7 graph:

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

10 (d) TECHNICAL AMENDMENT.—Section 604(g)(1)(C)  
11 of the Fair Credit Reporting Act (15 U.S.C.  
12 1681b(g)(1)(C)) is further amended by striking “devises”  
13 and inserting “devices”.

14 **SEC. 104. PROVIDES CREDIT RESTORATION FOR VICTIMS**  
15 **OF PREDATORY MORTGAGE LENDING AND**  
16 **SERVICING.**

17 (a) IN GENERAL.—The Fair Credit Reporting Act  
18 (15 U.S.C. 1681 et seq.) is amended by inserting after  
19 section 605B the following new section:

20 **“§ 605C. Credit restoration for victims of predatory**  
21 **mortgage lending**

22 “(a) IN GENERAL.—A consumer reporting agency  
23 may not furnish any consumer report containing any ad-  
24 verse item of information relating to a covered residential  
25 mortgage loan (including the origination and servicing of

1 such a loan, any loss mitigation activities related to such  
2 a loan, and any foreclosure, deed in lieu of foreclosure,  
3 or short sale related to such a loan), if the action or inac-  
4 tion to which the item of information relates—

5           “(1) resulted from an unfair, deceptive, or abu-  
6 sive act or practice, or a fraudulent, discriminatory,  
7 or illegal activity of a financial institution, as deter-  
8 mined by the Bureau or a court of competent juris-  
9 diction; or

10           “(2) is related to an unfair, deceptive, or abu-  
11 sive act, practice, or a fraudulent, discriminatory, or  
12 illegal activity of a financial institution that is the  
13 subject of a settlement agreement initiated on behalf  
14 of a consumer or consumers and that is between the  
15 financial institution and an agency or department of  
16 a local, State, or Federal Government, regardless of  
17 whether such settlement includes an admission of  
18 wrongdoing.

19           “(b) COVERED RESIDENTIAL MORTGAGE LOAN DE-  
20 FINED.—In this section, the term ‘covered residential  
21 mortgage loan’ means any loan primarily for personal,  
22 family, or household use that is secured by a mortgage,  
23 deed of trust, or other equivalent consensual security in-  
24 terest on a dwelling (as defined in section 103(w) of the

1 Truth in Lending Act), including a loan in which the pro-  
2 ceeds will be used for—

3 “(1) a manufactured home (as defined in sec-  
4 tion 603 of the Housing and Community Develop-  
5 ment Act of 1974 (42 U.S.C. 5402));

6 “(2) any installment sales contract, land con-  
7 tract, or contract for deed on a residential property;  
8 or

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

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

“605C. Credit restoration for victims of predatory mortgage lending.”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall take effect at the end of the 18-month  
17 period beginning on the date of the enactment of this Act.

18 **SEC. 105. PROVIDES CREDIT RELIEF FOR PRIVATE EDU-**  
19 **CATION LOANS BORROWERS WHO WERE DE-**  
20 **FRAUDED OR MISLEAD BY PROPRIETARY**  
21 **EDUCATION INSTITUTION OR CAREER EDU-**  
22 **CATION PROGRAMS.**

23 (a) IN GENERAL.—The Fair Credit Reporting Act  
24 (15 U.S.C. 1681 et seq.), as amended by section 104, is

1 further amended by inserting after section 605C the fol-  
2 lowing new section:

3 **“§ 605D. Private education loan credit restoration for**  
4 **defrauded student borrowers who attend**  
5 **certain proprietary educational institu-**  
6 **tion or career education programs**

7 “(a) PROCESS FOR CERTIFICATION AS A QUALIFYING  
8 PRIVATE EDUCATION LOAN BORROWER.—

9 “(1) IN GENERAL.—A consumer may submit a  
10 request to the Bureau, along with a defraudment  
11 claim, to be certified as a qualifying private edu-  
12 cation loan borrower with respect to a private edu-  
13 cation loan.

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

21 “(b) REMOVAL OF ADVERSE INFORMATION.—Upon  
22 receipt of a notice described in subsection (d)(5), a con-  
23 sumer reporting agency shall remove any adverse informa-  
24 tion relating to any private education loan with respect  
25 to which a consumer is a qualifying private education loan

1 borrower from any consumer report within 45 calendar  
2 days of receipt of such notification.

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

12 “(d) PROCEDURES.—The Bureau shall—

13 “(1) establish procedures for a consumer to  
14 submit a request described in subsection (a);

15 “(2) establish procedures to efficiently review,  
16 accept, and process such a request;

17 “(3) develop ongoing outreach initiatives and  
18 education programs to inform consumers of the cir-  
19 cumstances under which such consumer may be eli-  
20 gible to be certified as a qualifying private education  
21 loan borrower with respect to a private education  
22 loan;

23 “(4) establish procedures, including the man-  
24 ner, form, and content of the notice informing a pri-  
25 vate educational loan holder of the prohibition on re-

1       porting any adverse information relating to a private  
2       education loan with respect to which a consumer is  
3       a qualifying private education loan borrower; and

4             “(5) establish procedures, including the man-  
5       ner, form, and content of the notice informing a con-  
6       sumer reporting agency of the obligation to remove  
7       any adverse information as described in subsection  
8       (c).

9       “(e) STANDARDIZED REPORTING CODES.—A con-  
10      sumer reporting agency shall develop standardized report-  
11      ing codes for use by private education loan holders to iden-  
12      tify and report a qualifying private education loan bor-  
13      rower’s status of a request to remove any adverse informa-  
14      tion relating to any private education loan with respect  
15      to which such consumer is a qualifying private education  
16      loan borrower. A consumer report in which a person fur-  
17      nishes such codes shall be deemed to comply with the re-  
18      quirements for accuracy and completeness required under  
19      sections 623(a)(1) and 630. Such codes shall not appear  
20      on any report provided to a third party, and shall be re-  
21      moved from the consumer’s credit report upon the success-  
22      ful restoration of the consumer’s credit under this section.

23       “(f) DEFRAUDMENT CLAIM DEFINED.—For pur-  
24      poses of this section, the term ‘defraudment claim’ means  
25      a claim made with respect to a consumer who is a bor-

1   power of a private education loan with respect to a propri-  
2   etary educational institution or career education program  
3   in which the consumer alleges that—

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

6                   “(A) engaged in an unfair, deceptive, or  
7                   abusive act or practice, or a fraudulent, dis-  
8                   criminatory, or illegal activity—

9                           “(i) as defined by State law of the  
10                           State in which the proprietary educational  
11                           institution or career education program is  
12                           headquartered or maintains or maintained  
13                           significant operations; or

14                                   “(ii) under Federal law;

15                   “(B) is the subject of an enforcement  
16                   order, a settlement agreement, a memorandum  
17                   of understanding, a suspension of tuition assist-  
18                   ance, or any other action relating to an unfair,  
19                   deceptive, or abusive act or practice that is be-  
20                   tween the proprietary educational institution or  
21                   career education program and an agency or de-  
22                   partment of a local, State, or Federal Govern-  
23                   ment; or

24                           “(C) misrepresented facts to students or  
25                           accrediting agencies or associations about grad-

1           uation or gainful employment rates in recog-  
2           nized occupations or failed to provide the  
3           coursework necessary for students to success-  
4           fully obtain a professional certification or de-  
5           gree from the proprietary educational institu-  
6           tion or career education program; or

7           “(2) the consumer has submitted a valid de-  
8           fense to repayment claim with respect to such loan,  
9           as determined by the Secretary of Education.”.

10          (b) TABLE OF CONTENTS AMENDMENT.—The table  
11 of contents of the Fair Credit Reporting Act is amended  
12 by inserting after the item relating to section 605C (as  
13 added by section 104) the following new item:

“605D. Private education loan credit restoration for defrauded student bor-  
rowers who attend certain proprietary educational institution  
or career education programs.”.

14 **SEC. 106. ESTABLISHES RIGHT FOR VICTIMS OF FINANCIAL**  
15 **ABUSE TO HAVE ADVERSE INFORMATION AS-**  
16 **SOCIATED WITH AN ABUSER’S FRAUDULENT**  
17 **ACTIVITY REMOVED FROM THEIR CONSUMER**  
18 **REPORTS.**

19          (a) IN GENERAL.—The Fair Credit Reporting Act  
20 (15 U.S.C. 1681 et seq.), as amended by section 105, is  
21 further amended by inserting after section 605D the fol-  
22 lowing new section:

1 **“§ 605E. Financial abuse prevention**

2 “For a consumer who is the victim of intentionally  
3 abusive or harmful financial behavior, including severe  
4 forms of trafficking in persons or sex trafficking, as such  
5 terms are defined in the Trafficking Victims Protection  
6 Act of 2000, as determined by a court of competent juris-  
7 diction including a family court, juvenile court, or other  
8 court with personal jurisdiction, that was conducted by a  
9 spouse, family or household member, caregiver, or person  
10 with whom such consumer had a dating relationship in  
11 a manner which resulted in the inclusion of an adverse  
12 item of information on the consumer report of the con-  
13 sumer, and the consumer did not participate in or consent  
14 to such behavior, the consumer may apply to a court of  
15 competent jurisdiction, including a family court, juvenile  
16 court, or other court with personal jurisdiction, for an  
17 order to require the removal of such adverse information  
18 from the consumer’s file maintained by any consumer re-  
19 porting agency.”.

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

“605E. Financial abuse prevention.”.

1 **SEC. 107. PROHIBITS TREATMENT OF CREDIT RESTORA-**  
2 **TION OR REHABILITATION AS ADVERSE IN-**  
3 **FORMATION.**

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

6 (1) by adding at the end the following new sec-  
7 tion:

8 **“§ 630. Prohibition of certain factors related to Fed-**  
9 **eral credit restoration or rehabilitation**

10 **“(a) RESTRICTION ON CREDIT SCORING MODELS.—**  
11 **A credit scoring model may not—**

12 **“(1) take into consideration, in a manner ad-**  
13 **verse to a consumer’s credit score or educational**  
14 **credit score, any information in a consumer report**  
15 **concerning the consumer’s participation in credit**  
16 **restoration or rehabilitation under section 605C,**  
17 **605D, or 605E; or**

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

1           “(b) RESTRICTION ON PERSONS OBTAINING CON-  
2 SUMER REPORTS.—A person who obtains a consumer re-  
3 port may not—

4           “(1) take into consideration, in a manner ad-  
5 verse to a consumer, any information in a consumer  
6 report concerning the consumer’s participation in  
7 credit restoration or rehabilitation under section  
8 605C, 605D, or 605E; or

9           “(2) treat negatively the absence of payment  
10 history data for an existing account, whether the ac-  
11 count is open or closed, where the absence of such  
12 information is the result of a consumer’s participa-  
13 tion in credit restoration or rehabilitation under sec-  
14 tion 605C, 605D, or 605E.

15           “(c) ACCURACY AND COMPLETENESS.—If a person  
16 who furnishes information to a consumer reporting agency  
17 requests the removal of information from a consumer re-  
18 port or a consumer reporting agency removes information  
19 from a consumer report in compliance with the require-  
20 ments under section 605C, 605D, or 605E, or such infor-  
21 mation was removed pursuant at section 605(a)(11), such  
22 report shall be deemed to satisfy the requirements for ac-  
23 curacy and completeness with respect to such information.

24           “(d) PROHIBITION RELATED TO ADVERSE ACTIONS  
25 AND RISK-BASED PRICING DECISIONS.—No person shall

1 use information related to a consumer’s participation in  
2 credit restoration or rehabilitation under section 605C,  
3 605D, or 605E in connection with any determination of—

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

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

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

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

“630. Prohibition of certain factors related to Federal credit restoration or reha-  
bilitation.”.

12 **TITLE II—EXPANDING ACCESS**  
13 **TO TOOLS TO PROTECT VUL-**  
14 **NERABLE CONSUMERS FROM**  
15 **IDENTITY THEFT, FRAUD, OR**  
16 **A RELATED CRIME, AND PRO-**  
17 **TECT VICTIMS FROM FUR-**  
18 **THER HARM**

19 **SEC. 201. IDENTITY THEFT REPORT DEFINITION.**

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

23 “(4) **IDENTITY THEFT REPORT.**—The term  
24 ‘identity theft report’ has the meaning given that

1 term by rule of the Bureau, and means, at a min-  
2 imum, a report—

3 “(A) that is a standardized affidavit that  
4 alleges that a consumer has been a victim of  
5 identity theft, fraud, or a related crime, or has  
6 been harmed by the unauthorized disclosure of  
7 the consumer’s financial or personally identifi-  
8 able information, that was developed and made  
9 available by the Bureau; or

10 “(B)(i) that alleges an identity theft,  
11 fraud, or a related crime, or alleges harm from  
12 the unauthorized disclosure of the consumer’s  
13 financial or personally identifiable information;

14 “(ii) that is a copy of an official, valid re-  
15 port filed by a consumer with an appropriate  
16 Federal, State, or local law enforcement agency,  
17 including the United States Postal Inspection  
18 Service, or such other government agency  
19 deemed appropriate by the Bureau; and

20 “(iii) the filing of which subjects the per-  
21 son filing the report to criminal penalties relat-  
22 ing to the filing of false information if, in fact,  
23 the information in the report is false.”.

1 **SEC. 202. AMENDMENT TO PROTECTION FOR FILES AND**  
2 **CREDIT RECORDS OF PROTECTED CON-**  
3 **SUMERS.**

4 (a) AMENDMENT TO DEFINITION OF “FILE”.—Sec-  
5 tion 603(g) of the Fair Credit Reporting Act (15 U.S.C.  
6 1681a(g)) is amended by inserting “, except that such  
7 term excludes a record created pursuant to section  
8 605A(j)” after “stored”.

9 (b) AMENDMENT TO PROTECTION FOR FILES AND  
10 CREDIT RECORDS.—Section 605A(j) of the Fair Credit  
11 Reporting Act (15 U.S.C. 1681c–1(j)) is amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (B)(ii), by striking  
14 “an incapacitated person or a protected person”  
15 and inserting “a person”; and

16 (B) by amending subparagraph (E) to read  
17 as follows:

18 “(E) The term ‘security freeze’—

19 “(i) has the meaning given in sub-  
20 section (i)(1)(C); and

21 “(ii) with respect to a protected con-  
22 sumer for whom the consumer reporting  
23 agency does not have a file, means a  
24 record that is subject to a security freeze  
25 that a consumer reporting agency is pro-  
26 hibited from disclosing to any person re-

1           requesting the consumer report for the pur-  
2           pose of opening a new account involving  
3           the extension of credit.”; and

4           (2) in paragraph (4)(D), by striking “a pro-  
5           tected consumer or a protected consumer’s rep-  
6           resentative under subparagraph (A)(i)” and insert-  
7           ing “a protected consumer described under subpara-  
8           graph (A)(ii) or a protected consumer’s representa-  
9           tive”.

10 **SEC. 203. ENHANCES FRAUD ALERT PROTECTIONS.**

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

13           (1) in subsection (a)—

14           (A) in the subsection heading, by striking  
15           “ONE-CALL” and inserting “ONE-YEAR”;

16           (B) in paragraph (1)—

17           (i) in the paragraph heading, by strik-  
18           ing “INITIAL ALERTS” and inserting “IN  
19           GENERAL”;

20           (ii) by inserting “or harmed by the  
21           unauthorized disclosure of the consumer’s  
22           financial or personally identifiable informa-  
23           tion,” after “identity theft”;

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

- 1 (iv) in subparagraph (B)—
- 2 (I) by inserting “1-year” before
- 3 “fraud alert”; and
- 4 (II) by striking the period at the
- 5 end and inserting “; and”; and
- 6 (v) by adding at the end the following
- 7 new subparagraph:
- 8 “(C) upon the expiration of the 1-year pe-
- 9 riod described in subparagraph (A) or a subse-
- 10 quent 1-year period, and in response to a direct
- 11 request by the consumer or such representative,
- 12 continue the fraud alert for a period of 1 addi-
- 13 tional year if the information asserted in this
- 14 paragraph remains applicable.”; and
- 15 (C) in paragraph (2)—
- 16 (i) in the paragraph heading, by in-
- 17 sserting “AND CREDIT OR EDUCATIONAL
- 18 CREDIT SCORES” after “REPORTS”;
- 19 (ii) by inserting “1-year” before
- 20 “fraud alert”;
- 21 (iii) in subparagraph (A), by inserting
- 22 “and credit score or educational credit
- 23 score” after “file”; and
- 24 (iv) in subparagraph (B), by striking
- 25 “any request described in subparagraph

1 (A)” and inserting “the consumer report-  
2 ing agency includes the 1-year fraud alert  
3 in the file of a consumer”;

4 (2) in subsection (b)—

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

7 (B) in paragraph (1)—

8 (i) in subparagraph (B)—

9 (I) by striking “5-year period be-  
10 ginning on the date of such request”  
11 and inserting “such 7-year period”;  
12 and

13 (II) by striking “and” at the end;

14 (ii) in subparagraph (C)—

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

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

19 (iii) by adding at the end the fol-  
20 lowing new subparagraph:

21 “(D) upon the expiration of such 7-year  
22 period or a subsequent 7-year period, and in re-  
23 sponse to a direct request by the consumer or  
24 such representative, continue the fraud alert for  
25 a period of 7 additional years if the consumer

1 or such representative submits an updated iden-  
2 tity theft report.”; and

3 (C) in paragraph (2)—

4 (i) in the paragraph heading, by in-  
5 sserting “AND CREDIT OR EDUCATIONAL  
6 CREDIT SCORES” after “REPORTS”; and

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

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

18 (3) in subsection (c)—

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

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

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

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

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

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

12 “(A) disclose to the active duty military  
13 consumer that the active duty military con-  
14 sumer may request a free copy of the file and  
15 credit score or educational credit score of the  
16 active duty military consumer pursuant to sec-  
17 tion 612(d), during each 12-month period be-  
18 ginning on the date that the activity duty mili-  
19 tary alert is requested and ending on the date  
20 of the last day the active duty alert applies to  
21 the file of the active duty military consumer;  
22 and

23 “(B) provide to the active duty military  
24 consumer all disclosures required to be made  
25 under section 609, without charge to the con-

1           sumer, not later than 3 business days after any  
2           request described in subparagraph (A).”;

3           (4) by amending subsection (d) to read as fol-  
4           lows:

5           “(d) PROCEDURES.—Each consumer reporting agen-  
6           cy described in section 603(p) shall include on the  
7           webpage required under subsection (i) policies and proce-  
8           dures to comply with this section, including policies and  
9           procedures—

10           “(1) that inform consumers of the availability  
11           of 1-year fraud alerts, 7-year fraud alerts, active  
12           duty alerts, and security freezes (as applicable);

13           “(2) that allow consumers to request 1-year  
14           fraud alerts, 7-year fraud alerts, and active duty  
15           alerts (as applicable) and to place, temporarily lift,  
16           or fully remove a security freeze in a simple and  
17           easy manner; and

18           “(3) for asserting in good faith a suspicion that  
19           the consumer has been or is about to become a vic-  
20           tim of identity theft, fraud, or a related crime, or  
21           harmed by the unauthorized disclosure of the con-  
22           sumer’s financial or personally identifiable informa-  
23           tion, for a consumer seeking a 1-year fraud alert or  
24           security freeze.”;

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

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

6           (7) in subsection (g)—

7                 (A) by inserting “or has been harmed by  
8                 the unauthorized disclosure of the consumer’s  
9                 financial or personally identifiable information,  
10                or to inform such agency of the consumer’s par-  
11                ticipation in credit restoration or rehabilitation  
12                under section 605C, 605D, or 605E,” after  
13                “identity theft,”; and

14               (B) by inserting “or security freezes” after  
15                “request alerts”;

16           (8) in subsection (h)—

17               (A) in paragraph (1)—

18                   (i) in the paragraph heading, by strik-  
19                   ing “INITIAL” and inserting “1-YEAR”; and

20                   (ii) by striking “initial” and inserting  
21                   “1-year” each place such term appears;

22                and

23                (B) in paragraph (2)—

1 (i) in the paragraph heading, by strik-  
2 ing “EXTENDED” and inserting “7-YEAR”;  
3 and

4 (ii) by striking “extended” and insert-  
5 ing “7-year” each place such term appears;  
6 and

7 (9) in subsection (i)(4)—

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

10 (B) by redesignating subparagraphs (F),  
11 (G), (H), and (J) as subparagraphs (E), (F),  
12 (G), and (H), respectively.

13 **SEC. 204. AMENDMENT TO SECURITY FREEZES FOR CON-**  
14 **SUMER REPORTS.**

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

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

20 (2) in paragraph (3)(E), by striking “Upon re-  
21 ceiving” and all that follows through “subparagraph  
22 (C),” and inserting “Upon receiving a direct request  
23 from a consumer for a temporary removal of a secu-  
24 rity freeze, a consumer reporting agency shall”; and

25 (3) by adding at the end the following:

1           “(7) RELATION TO STATE LAW.—This sub-  
2           section does not modify or supersede the laws of any  
3           State relating to security freezes or other similar ac-  
4           tions, except to the extent those laws are incon-  
5           sistent with any provision of this title, and then only  
6           to the extent of the inconsistency. For purposes of  
7           this subsection, a term or provision of a State law  
8           is not inconsistent with the provisions of this sub-  
9           section if the term or provision affords greater pro-  
10          tection to the consumer than the protection provided  
11          under this subsection as determined by the Bu-  
12          reau.”.

13          (b) AMENDMENT TO WEBPAGE REQUIREMENTS.—  
14          Section 605A(i)(6)(A) of the Fair Credit Reporting Act  
15          (15 U.S.C. 1681e-1(i)(6)(A)) is amended—

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

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

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

21          (c) AMENDMENT TO EXCEPTIONS FOR CERTAIN  
22          PERSONS.—Section 605A(i)(4)(A) of the Consumer Cred-  
23          it Protection Act (15 U.S.C. 1681e-1(i)(4)(A)) is amend-  
24          ed to read as follows:



1 (2) in subparagraph (E), by striking “outdated  
2 under section 605 or” and inserting “outdated, re-  
3 quired to be removed, or”.

4 **SEC. 206. PROVIDES ACCESS TO FRAUD RECORDS FOR VIC-**  
5 **TIMS.**

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

8 (1) in paragraph (1)—

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

11 (B) by striking “claim of identity theft”  
12 and inserting “claim of fraudulent activity”;  
13 and

14 (C) by striking “any transaction alleged to  
15 be a result of identity theft” and inserting “any  
16 fraudulent transaction”;

17 (2) in paragraph (2)(B)—

18 (A) by striking “identity theft, at the elec-  
19 tion of the business entity” and inserting  
20 “fraudulent activity”;

21 (B) by amending clause (i) to read as fol-  
22 lows:

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

1 (C) by amending clause (ii) to read as fol-  
2 lows:

3 “(ii) an affidavit of fact that is ac-  
4 ceptable to the business entity for that  
5 purpose.”;

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

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

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

14 **SEC. 207. REQUIRED BUREAU TO SET PROCEDURES FOR**  
15 **REPORTING IDENTITY THEFT, FRAUD, AND**  
16 **OTHER RELATED CRIME.**

17 Section 621(f)(2) of the Fair Credit Reporting Act  
18 (15 U.S.C. 1681s(f)(2)) is amended—

19 (1) in the paragraph heading, by striking  
20 “MODEL FORM” and inserting “STANDARDIZED AF-  
21 FIDAVIT”;

22 (2) by striking “The Commission” and insert-  
23 ing “The Bureau”;

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

1 (4) by inserting after “identity theft” the fol-  
2 lowing: “, fraud, or a related crime, or otherwise are  
3 harmed by the unauthorized disclosure of the con-  
4 sumer’s financial or personally identifiable informa-  
5 tion,”; and

6 (5) by striking “fraud.” and inserting “identity  
7 theft, fraud, or other related crime. Such standard-  
8 ized affidavit and procedures shall not include a re-  
9 quirement that a consumer obtain a police report.”.

10 **SEC. 208. ESTABLISHES THE RIGHT TO FREE CREDIT MONI-**  
11 **TORING AND IDENTITY THEFT PROTECTION**  
12 **SERVICES FOR CERTAIN CONSUMERS.**

13 (a) ENFORCEMENT OF CREDIT MONITORING FOR  
14 SERVICEMEMBERS.—

15 (1) IN GENERAL.—Subsection (k) of section  
16 605A (15 U.S.C. 1681c–1(a)) is amended by strik-  
17 ing paragraph (4).

18 (2) EFFECTIVE DATE.—This subsection and the  
19 amendments made by this subsection shall take ef-  
20 fect on the date of the enactment of this Act.

21 (b) FREE CREDIT MONITORING AND IDENTITY  
22 THEFT PROTECTION SERVICES FOR CERTAIN CON-  
23 SUMERS.—Subsection (k) of section 605A (15 U.S.C.  
24 1681c–1), is amended to read as follows:

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

3           “(1) IN GENERAL.—Upon the direct request of  
4 a consumer, a consumer reporting agency described  
5 in section 603(p) that maintains a file on the con-  
6 sumer and has received appropriate proof of the  
7 identity of the requester (as described in section  
8 1022.123 of title 12, Code of Federal Regulations)  
9 shall provide the consumer with credit monitoring  
10 and identity theft protection services not later than  
11 1 business day after receiving such request sent by  
12 postal mail, toll-free telephone, or secure electronic  
13 means as established by the agency.

14           “(2) FEES.—

15           “(A) CLASSES OF CONSUMERS.—The Bu-  
16 reau may establish classes of consumers eligible  
17 to receive credit monitoring and identity theft  
18 protection services free of charge.

19           “(B) NO FEE.—A consumer reporting  
20 agency described in section 603(p) may not  
21 charge a consumer a fee to receive credit moni-  
22 toring and identity theft protection services if  
23 the consumer or a representative of the con-  
24 sumer—

1           “(i) asserts in good faith a suspicion  
2           that the consumer has been or is about to  
3           become a victim of identity theft, fraud, or  
4           a related crime, or harmed by the unau-  
5           thorized disclosure of the consumer’s fi-  
6           nancial or personally identifiable informa-  
7           tion;

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

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

14          “(iv) is an active duty military con-  
15          sumer or a member of the National Guard  
16          (as defined in section 101(c) of title 10,  
17          United States Code);

18          “(v) is 65 years of age or older; or

19          “(vi) is a member of a class estab-  
20          lished by the Bureau under subparagraph  
21          (A).

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

1           “(A) to define the scope of credit moni-  
2           toring and identity theft protection services re-  
3           quired under this subsection; and

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

9           “(4) RELATION TO STATE LAW.—This sub-  
10          section does not modify or supersede of the laws of  
11          any State relating to credit monitoring and identity  
12          theft protection services or other similar actions, ex-  
13          cept to the extent those laws are inconsistent with  
14          any provision of this title, and then only to the ex-  
15          tent of the inconsistency. For purposes of this sub-  
16          section, a term or provision of a State law is not in-  
17          consistent with the provisions of this subsection if  
18          the term or provision affords greater protection to  
19          the consumer than the protection provided under  
20          this subsection as determined by the Bureau.”.

1 **SEC. 209. ENSURES REMOVAL OF INQUIRIES RESULTING**  
2 **FROM IDENTITY THEFT, FRAUD, OR OTHER**  
3 **RELATED CRIME FROM CONSUMER REPORTS.**

4 Section 605(a) of the Fair Credit Reporting Act (15  
5 U.S.C. 1681c(a)), as amended by section 103, is further  
6 amended by adding at the end the following:

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

11 **TITLE III—MISCELLANEOUS**

12 **SEC. 301. DEFINITIONS.**

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

16 “(bb) DEFINITIONS RELATED TO DAYS.—

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

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

1 **SEC. 302. TECHNICAL CORRECTION RELATED TO RISK-**  
2 **BASED PRICING NOTICES.**

3 Section 615(h)(8) of the Fair Credit Reporting Act  
4 (15 U.S.C. 1681m) is amended—

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

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

9 **SEC. 303. FCRA FINDINGS AND PURPOSE; VOIDS CERTAIN**  
10 **CONTRACTS NOT IN THE PUBLIC INTEREST.**

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

14 (1) in subsection (a)—

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

17 “(1) Many financial and non-financial decisions af-  
18 fecting consumers’ lives depend upon fair, complete, and  
19 accurate credit reporting. Inaccurate and incomplete cred-  
20 it reports directly impair the efficiency of the financial sys-  
21 tem and undermine the integrity of using credit reports  
22 in other circumstances, and unfair credit reporting and  
23 credit scoring methods undermine the public confidence  
24 which is essential to the continued functioning of the fi-  
25 nancial services system and the provision of many other  
26 consumer products and services.”; and

1 (B) in paragraph (4), by inserting after  
2 “agencies” the following: “, furnishers, and  
3 credit scoring developers”; and  
4 (2) in subsection (b)—

5 (A) by striking “It is the purpose of this  
6 title to require” and inserting the following:  
7 “The purpose of this title is the following:  
8 “(1) To require”; and

9 (B) by adding at the end the following:  
10 “(2) To prohibit any practices and procedures  
11 with respect to credit reports and credit scores that  
12 are not in the public interest.”.

13 (b) VOIDING OF CERTAIN CONTRACTS NOT IN THE  
14 PUBLIC INTEREST.—

15 The Fair Credit Reporting Act (15 U.S.C. 1681  
16 et seq.), as amended by section 107, is further  
17 amended—

18 (1) by adding at the end the following new sec-  
19 tion:

20 **“§ 631. Voiding of certain contracts not in the public**  
21 **interest**

22 “(a) IN GENERAL.—Any provision contained in a  
23 contract that requires a person to not follow a provision  
24 of this title, that is against the public interest, or that

1 otherwise circumvents the purposes of this title shall be  
2 null and void.

3 “(b) RULE OF CONSTRUCTION.—Nothing in sub-  
4 section (a) shall be construed as affecting other provisions  
5 of a contract that are not described under subsection  
6 (a).”; and

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

“631. Voiding of certain contracts not in the public interest.”.