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.

IN THE HOUSE OF REPRESENTATIVES

Ms. Tlaib introduced the following bill; which was referred to the Committee on

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,
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Restoring Unfairly Impaired Credit and Protecting Consumers Act”.

(b) TABLE OF CONTENTS.—The table of contents for 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. Prohibits the appearance of medical debt on 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 mislead by proprietary education institution or career education programs.
Sec. 106. Establishes right for victims of financial abuse to have adverse information 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 VULNERABLE CONSUMERS FROM IDENTITY THEFT, FRAUD, OR A RELATED 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. Requires 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. 2. FINDINGS.

Congress finds the following:

(1) GENERAL FINDINGS.—

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

(B) Credit reports are also increasingly used for many noncredit decisions, including by landlords to determine whether to rent an apartment to a prospective tenant and by employers to decide whether to hire potential job applicants or to offer a promotion to existing employees.
(C) Consumer reporting agencies ("CRAs") have a statutory obligation to verify independently the accuracy and completeness of information included on the reports that they provide.

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

(E) The presence of inaccurate or incomplete information on these reports can result in substantial financial and emotional harm to consumers. Credit reporting errors can lead to the loss of a new employment opportunity or a denial of a promotion in an existing job, stop
someone from being able to access credit on favor-
orable terms, prevent a person from obtaining
rental housing, or even trigger mental distress.

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

(G) Consumer reports containing inac-
curate or incomplete credit information also un-
dermine the ability of creditors and lenders to
effectively and accurately underwrite and price
credit.

(H) Recognizing that credit reporting af-
facts the lives of almost all consumers in this
country and that the consequences of errors on
a consumer report can be catastrophic for a
consumer, the Bureau of Consumer Financial
Protection (‘‘Consumer Bureau’’) began accept-
ing consumer complaints about credit reporting
shortly after its inception.

(I) The Consumer Bureau receives hun-
dreds of thousands of credit or consumer re-
porting complaints each year, making credit re-
porting consistently the most-complained-about
subject matter on which the Consumer Bureau
accepts consumer complaints.
(J) The majority of credit reporting complaints received by the Consumer Bureau involve incorrect information on consumer reports, with consumers frequently expressing their frustrations about the burdensome and time-consuming process to disputing items.

(K) Other common types of credit reporting complaints submitted to the Consumer Bureau relate to the improper use of a report, trouble obtaining a report or credit score, CRAs’ investigations, and credit monitoring or identity protection.

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

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

(2) Private Education Loans.—

(A) Many private education loan borrowers, who have sought to negotiate a modified repayment plan when they were experiencing a period of financial distress, have been unable to get assistance from their loan holders, which often results in them defaulting on their loans.

(B) Although private student loan holders may allow a borrower to postpone payments while enrolled in school full-time, many limit this option to a certain time period. This period may not be sufficient for those who need additional time to obtain their degree or who want to continue their education by pursing a graduate or professional degree. Borrowers who are unable to make payments often default or have their accounts sent to collections before they are even able to graduate.
(3) Deceptive practices at certain proprietary education institutions and career education programs.—

(A) Observers have repeatedly noted the pervasive problem of for-profit schools targeting low-income students with deceptive high-pressure sales techniques involving inflated job placement rates and misleading data on graduate wages, and false representations about the transferability of credits and the employability of graduates in occupations that require licensure. Student loan borrowers at these schools may be left with nothing but worthless credentials and large debt.

(B) Attending a two-year, for-profit college costs, on average, four times as much as attending a community college. Students at for-profit colleges represent only about 9 percent of the total higher education population but a startling 46 percent of all Federal student loan defaults.

(C) A disproportionate number of for-profit students are low-income and people of color. For-profit schools target veterans, working parents, first-generation students, and non-English
speaking students, who may be more likely than their public or private nonprofit school counterparts to drop out, incur enormous student debt, and default on this debt.

(4) MEDICAL DEBT.—

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

(B) Credit scores may underestimate a person’s creditworthiness by up to 10 points for those who owe medical debt, and may underestimate a person’s creditworthiness by up to 22 points after the medical debt has been paid, according to findings from the Consumer Bureau.

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

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

(E) Medical bills can be complex and confusing for many consumers, which results in consumers’ uncertainty about what they owe, to whom, when, or for what, that may cause some people, who ordinarily pay their bills on time, to delay or withhold payments on their medical debts. This uncertainty can also result in medical collections appearing on consumer reports. Unlike with most credit products or services, that have contractual account disclosures describing the terms and conditions of use, most consumers are not told what their out-of-pocket medical costs will be in advance. Consumers needing urgent or emergency care rarely know, or are provided, the cost of a medical treatment or procedure before the service is rendered.
(F) The presence of medical collections is less predictive of future defaults or serious delinquencies than the presence of a nonmedical collection.

(G) Medical debt is regularly incurred involuntarily, for necessary and often life-saving medical services, and is therefore unlike other debt.

(H) Given the research showing there is little predictive value in medical debt information, and the unique nature of medical debt, the reporting of medical debt on credit reports should be prohibited.

(5) FINANCIAL ABUSE BY KNOWN PERSONS.—

(A) Financial abuse and exploitation are frequently associated with domestic violence. This type of abuse may result in fraudulent charges to a credit card or having fraudulent accounts created by the abuser in the survivor’s name. Financial abuse may also result in the survivor’s inability to make timely payments on their valid obligations due to loss or changes in income that can occur when their abuser steals from or coerces the survivor to relinquish their paychecks or savings.
(B) By racking up substantial debts in the survivor’s name, abusers are able to exercise financial control over their survivors to make it economically difficult for the survivor, whose credit is often destroyed, to escape the situation.

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

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

(E) While it is easier for consumers who obtain a police report to remove fraudulent information from their consumer report and prevent it from reappearing in the future, safety and other noncredit concerns may impact the capacity of a survivor of financial abuse com-
mitted by a known person to turn to law enforce ment to get a police report.

(F) Domestic abuse survivors, seeking to remove adverse information stemming from financial abuse by contacting their furnishers directly, often face skepticism about claims of ID theft perpetrated by a partner because of an assumption that they are aware of, and may have been complicit in, the activity which the survivor alleges stems from financial abuse.

(6) DECEPTIVE AND MISLEADING MARKETING PRACTICES.—

(A) The three nationwide CRAs have faced millions of dollars in fines and civil monetary penalties for deceptive practices, including enticing consumers into purchasing products and services that they may not want or need, in some instances by advertising products or services “free” that automatically converted into an ongoing subscription service at the regular price unless cancelled by the consumer. Codifying the duties of CRAs is an appropriate way to ensure these companies do not engage in such misleading behaviors in the future.
(B) Given the ubiquitous use of consumer reports in consumers’ lives and the fact that consumers’ participation in the credit reporting system is involuntary, CRAs should also prioritize providing consumers with the effective means to safeguard their personal and financial information and improve their credit standing, rather than seeking to exploit consumers’ concerns and confusion about credit reporting and scoring, to boost their companies’ profits.

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

(7) PROTECTIONS FOR CONSUMERS’ CREDIT INFORMATION.—

(A) Despite heightened awareness, incidents of ID theft continue to rise. As these incidents increase, consumers experience significant financial loss and emotional distress from the inability to safeguard effectively and inexpensively their credit information from bad actors.
(B) Children are much more likely than adults to have their identities stolen. Child identities are valuable to thieves because most children do not have existing files, and their parents may not notice fraudulent activity until their child applies for a student loan, a job, or a credit card. As a result, the fraudulent activity of the bad actors may go undetected for years.

(C) Despite the increasing incidents of children’s ID theft, parents who want to proactively prevent their children from having their identity stolen, may not be able to do so. Nationwide Federal law to address this issue is lacking.

(D) Each year, more than 10 million American consumers are victims of identity theft, costing them roughly $20 billion annually.

(E) American consumers spend billions of dollars annually on products aimed at protecting their identity. As risks to consumers’ personal and financial information continue to grow, consumers need additional protections to ensure that they have fair and reasonable ac-
cess to the full suite of ID theft and fraud prevention measures that may be right for them.

SEC. 3. EFFECTIVE DATE.

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

SEC. 4. GENERAL BUREAU RULEMAKING.

Except as otherwise provided, not later than the end of the 2-year period beginning on the date of the enactment of this Act, the Bureau of Consumer Financial Protection shall issue final rules to implement the amendments made by this Act.

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.

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

(1) in subsection (a)—

(A) by striking “Except as authorized under subsection (b), no” and inserting “No”;
(B) in paragraph (1), by striking “10 years” and inserting “7 years”;

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

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

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

(F) in paragraph (5)—

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

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

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

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

“(10) A civil suit or civil judgment—

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

“(B) brought by a lender with respect to a covered residential mortgage loan where the consumer has obtained relief pursuant to section 605D that antedates the report by 45 calendar days.

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

“(12) Any other adverse item of information relating to the collection of debt that did not arise from a contract or an agreement to pay by a consumer, including fines, tickets, and other assessments, as determined by the Bureau, excluding tax liability.”;

(2) by striking subsection (b) and redesignating subsections (c) through (h) as subsections (b) through (g), respectively; and
(3) in subsection (b) (as so redesignated), by striking “7-year period referred to in paragraphs (4) and (6)” and inserting “4-year period referred to in paragraphs (4) and (5)”.

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

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

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

SEC. 102. MANDATES THE EXPEDITED REMOVAL OF FULLY PAID OR SETTIMED DEBT FROM CONSUMER REPORTS.

Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 101(a)(1), is further amended by adding at the end the following new paragraph:

“(13) Any other adverse item of information related to a fully paid or settled debt that had been characterized as delinquent, charged off, or in collection which, from the date of payment or settlement, antedates the report by more than 45 calendar days.”.
SEC. 103. PROHIBITS THE APPEARANCE OF MEDICAL DEBT ON CONSUMER REPORTS.

(a) Prohibition on Reporting Medical Procedures.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 102, is further amended by adding at the end the following new paragraph:

“(14) Any information related to a debt arising from a medical procedure.”.

(b) Technical Amendment.—Section 604(g)(1)(C) of the Fair Credit Reporting Act (15 U.S.C. 1681b(g)(1)(C)) is further amended by striking “devises” and inserting “devices”.

SEC. 104. PROVIDES CREDIT RESTORATION FOR VICTIMS OF PREDATORY MORTGAGE LENDING AND SERVICING.

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

“§ 605D. Credit restoration for victims of predatory mortgage lending

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

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

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

“(b) COVERED RESIDENTIAL MORTGAGE LOAN DEFINED.—In this section, the term ‘covered residential mortgage loan’ means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(w) of the Truth in Lending Act), including a loan in which the proceeds will be used for—
“(1) a manufactured home (as defined in section 603 of the Housing and Community Development Act of 1974 (42 U.S.C. 5402));

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

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

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

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

(c) Effective Date.—The amendments made by this section shall take effect at the end of the 18-month period beginning on the date of the enactment of this Act.

SEC. 105. PROVIDES CREDIT RELIEF FOR PRIVATE EDUCATION LOANS BORROWERS WHO WERE DEFRAUCED OR MISLEAD BY PROPRIETARY EDUCATION INSTITUTION OR CAREER EDUCATION PROGRAMS.

(a) In General.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 104, is further amended by inserting after section 605D the following new section:
§ 605E. Private education loan credit restoration for defrauded student borrowers who attend certain proprietary educational institution or career education programs

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

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

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

(b) Removal of Adverse Information.—Upon receipt of a notice described in subsection (d)(5), a consumer reporting agency shall remove any adverse information relating to any private education loan with respect to which a consumer is a qualifying private education loan borrower from any consumer report within 45 calendar days of receipt of such notification.
“(c) DISCLOSURE.—The Bureau shall disclose the results of a certification determination in writing to the consumer that provides a clear and concise explanation of the basis for the determination of whether such consumer is a qualifying private education loan borrower with respect to a private education loan and, as applicable, an explanation of the consumer’s right to have adverse information relating to such loan removed from their consumer report by a consumer reporting agency.

“(d) PROCEDURES.—The Bureau shall—

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

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

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

“(4) establish procedures, including the manner, form, and content of the notice informing a private educational loan holder of the prohibition on reporting any adverse information relating to a private
education loan with respect to which a consumer is
a qualifying private education loan borrower; and
“(5) establish procedures, including the man-
ner, form, and content of the notice informing a con-
sumer reporting agency of the obligation to remove
any adverse information as described in subsection
(e).
“(e) STANDARDIZED REPORTING CODES.—A con-
sumer reporting agency shall develop standardized report-
ing codes for use by private education loan holders to iden-
tify and report a qualifying private education loan bor-
rower’s status of a request to remove any adverse informa-
tion relating to any private education loan with respect
to which such consumer is a qualifying private education
loan borrower. A consumer report in which a person fur-
nishes such codes shall be deemed to comply with the re-
quirements for accuracy and completeness required under
sections 623(a)(1) and 630. Such codes shall not appear
on any report provided to a third party, and shall be re-
moved from the consumer’s credit report upon the success-
ful restoration of the consumer’s credit under this section.
“(f) DEFRAUDMENT CLAIM DEFINED.—For pur-
poses of this section, the term ‘defraudment claim’ means
a claim made with respect to a consumer who is a bor-
rower of a private education loan with respect to a propri-
etary educational institution or career education program in which the consumer alleges that—

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

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

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

“(ii) under Federal law;

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

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

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

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

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

SEC. 106. ESTABLISHES RIGHT FOR VICTIMS OF FINANCIAL ABUSE TO HAVE ADVERSE INFORMATION REMOVED FROM THEIR CONSUMER REPORTS.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 105, is further amended by inserting after section 605E the following:

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

“(a) IN GENERAL.—A consumer reporting agency may not furnish a consumer report containing any adverse item of information about a consumer that resulted from
financial abuse if the consumer has provided documentation of financial abuse to the consumer reporting agency.

“(b) Rulemaking.—

“(1) In general.—Not later than 180 days after the date of the enactment of this section, the Director shall issue rules to implement this section.

“(2) Contents.—Any rule issued pursuant to paragraph (1) shall establish a method by which consumers shall submit documentation of financial abuse to consumer reporting agencies.

“(c) Definitions.—In this section:

“(1) Documentation of financial abuse.—
The term ‘documentation of financial abuse’ means—

“(A) documentation of—

“(i) a determination by a Federal or State government entity that a consumer is a victim of domestic violence, dating violence, abuse in later life, or child abuse and neglect; or

“(ii) a determination by a court of competent jurisdiction that a consumer is a victim of domestic violence, dating violence, abuse in later life, or child abuse and neglect; or
“(iii) written verification from a Qualified Third Party to whom the consumer reported financial abuse; or

“(iv) any other documentation the Bureau may prescribe; and

“(B) documentation that identifies items of adverse information that should not be furnished by a consumer reporting agency because the items resulted from the financial abuse of which such consumer is a victim.

“(2) FINANCIAL ABUSE.—The term ‘financial abuse’ has the meaning given ‘economic abuse’ (as defined in 40002 of the Violence Against Women Act of 1994), except such term is not limited to the context of domestic violence, dating violence, and abuse in later life.

“(3) QUALIFIED THIRD PARTY.—The term ‘Qualified Third Party’ means—

“(A) a law enforcement officer;

“(B) a person employed by or working on behalf of a government agency or nonprofit organization that provides services to victims of domestic violence, child abuse or neglect, elder abuse, economic abuse, or abuse in later life;
“(C) a member of the clergy of a church, religious society, or denomination;

“(D) a physician, psychiatrist, psychologist, social worker, registered nurse, therapist, or clinical professional counselor licensed to practice in any State; or

“(E) any other person as determined by the Director of the Bureau.


“(A) have the meanings given, respectively, in section 40002 of the Violence Against Women Act of 1994; or

“(B) if such a term, as defined by a State, affords greater protection to an individual than the protection provided under this section, have the meanings given by the relevant State.”.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Fair Credit Reporting Act is amended by inserting after the item relating to section 605E (as added by section 105) the following new item:

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

(c) EFFECTIVE DATE.—The amendments made by this section shall apply on the date that is 30 days after
the date on which the Director of the Bureau of Consumer
Financial Protection issues a rule pursuant to section
605F(b) of the Fair Credit Reporting Act, as added by
this section.

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

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

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

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

“(a) Restriction on Credit Scoring Models.—

A credit scoring model may not—

“(1) take into consideration, in a manner ad-
verse to a consumer’s credit score, any information
in a consumer report concerning the consumer’s par-
ticipation in credit restoration or rehabilitation
under section 605D, 605E, or 605F; or

“(2) treat negatively, in a manner adverse to a
consumer’s credit score, the absence of payment his-
tory data for an existing account, whether the ac-
tount is open or closed, where the absence of such
information is the result of a consumer’s participa-
tion in credit restoration or rehabilitation under section 605D, 605E, or 605F.

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

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

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

“(c) PROHIBITION RELATED TO ADVERSE ACTIONS AND RISK-BASED PRICING DECISIONS.—No person shall use information related to a consumer’s participation in credit restoration or rehabilitation under section 605D, 605E, or 605F in connection with any determination of—

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

“(2) the terms and conditions offered to a consumer regarding an extension of credit; or
“(3) an adverse action made for employment purposes.”; and

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

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

TITLE II—EXPANDING ACCESS TO TOOLS TO PROTECT VUL-
NERABLE CONSUMERS FROM IDENTITY THEFT, FRAUD, OR A RELATED CRIME, AND PRO-
TECT VICTIMS FROM FUR-
THER HARM

SEC. 201. IDENTITY THEFT REPORT DEFINITION.

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

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

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

“(B)(i) that alleges an identity theft,

fraud, or a related crime, or alleges harm from

the unauthorized disclosure of the consumer’s

financial or personally identifiable information;

“(ii) that is a copy of an official, valid re-

port filed by a consumer with an appropriate

Federal, State, or local law enforcement agency,

including the United States Postal Inspection

Service, or such other government agency

deeded appropriate by the Bureau; and

“(iii) the filing of which subjects the per-

son filing the report to criminal penalties relat-

ing to the filing of false information if, in fact,

the information in the report is false.”.

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

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

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

(1) in paragraph (1)—

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

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

“(E) The term ‘security freeze’—

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

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

(2) in paragraph (4)(D), by striking “a protected consumer or a protected consumer’s representative under subparagraph (A)(i)” and inserting “a protected consumer described under subpara-
SEC. 203. ENHANCES FRAUD ALERT PROTECTIONS.

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

(1) in subsection (a)—

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

(B) in paragraph (1)—

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

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

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

(iv) in subparagraph (B)—

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

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

(v) by adding at the end the following new subparagraph:
“(C) upon the expiration of the 1-year period described in subparagraph (A) or a subsequent 1-year period, and in response to a direct request by the consumer or such representative, continue the fraud alert for a period of 1 additional year if the information asserted in this paragraph remains applicable.”; and

(C) in paragraph (2)—

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

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

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

(2) in subsection (b)—

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

(B) in paragraph (1)—

(i) in subparagraph (B)—

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

and

(II) by striking “and” at the end;

(ii) in subparagraph (C)—

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

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

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

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

(C) in paragraph (2), by amending subparagraph (A) to read as follows:

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

(3) in subsection (c)—

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

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

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

and

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

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

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

“(B) provide to the active duty military
consumer all disclosures required to be made
under section 609, without charge to the con-
sumer, not later than 3 business days after any
request described in subparagraph (A).”;

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

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

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

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

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

(5) in subsection (c)—

(A) by inserting “1-year or 7-year” before
“fraud alert”; and

(B) by amending paragraph (3) to read as
follows:

“(3) subparagraphs (A) and (B) of subsection
(c)(1), in the case of a referral under subsection
(c)(1)(C).”;

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

(7) in subsection (g)—

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

(8) in subsection (h)—

(A) in paragraph (1)—

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

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

and

(B) in paragraph (2)—

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

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

and

(9) in subsection (i)(4)—

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

and

(B) by redesignating subparagraphs (F), (G), (H), and (J) as subparagraphs (E), (F), (G), and (H), respectively.
SEC. 204. AMENDMENT TO SECURITY FREEZES FOR CONSUMER REPORTS.

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

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

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

(3) by adding at the end the following:

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

Section 605A(i)(6)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(i)(6)(A)) is amended—

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

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

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

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

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

(e) Effective Date.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.
SEC. 205. CLARIFICATION OF INFORMATION TO BE INCLUDED WITH AGENCY DISCLOSURES.

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

(1) in subparagraph (B)—

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

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

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

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

SEC. 206. PROVIDES ACCESS TO FRAUD RECORDS FOR VICTIMS.

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

(1) in paragraph (1)—

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

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

(2) in paragraph (2)(B)—

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

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

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

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

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

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

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

(5) in paragraph (10) (as so redesignated), by striking “or a similar crime” and inserting “, fraud, or a related crime”.
SEC. 207. REQUIRES BUREAU TO SET PROCEDURES FOR
REPORTING IDENTITY THEFT, FRAUD, AND
OTHER RELATED CRIME.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“(v) is 65 years of age or older; or

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

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

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

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

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

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

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

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

TITLE III—MISCELLANEOUS

SEC. 301. DEFINITIONS.

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

“(bb) DEFINITIONS RELATED TO DAYS.—

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

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

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

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

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

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

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

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

(1) in subsection (a)—

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

“(1) Many financial and non-financial decisions affecting consumers’ lives depend upon fair, complete, and accurate credit reporting. Inaccurate and incomplete credit reports directly impair the efficiency of the financial system and undermine the integrity of using credit reports in other circumstances, and unfair credit reporting and credit scoring methods undermine the public confidence...
which is essential to the continued functioning of the financial services system and the provision of many other consumer products and services.”; and

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

(2) in subsection (b)—

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

“(1) To require”; and

(B) by adding at the end the following:

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

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

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

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

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

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

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

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