

IMPROVING CREDIT REPORTING FOR ALL CONSUMERS ACT

DECEMBER 23, 2019.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Ms. WATERS, from the Committee on Financial Services,
submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 3642]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 3642) to amend the Fair Credit Reporting Act to fix the consumer report dispute process, to ban misleading and unfair consumer reporting practices, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Improving Credit Reporting for All 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. Consumer Bureau rulemaking.

TITLE I—IMPROVEMENTS TO THE DISPUTE PROCESS

- Sec. 101. Dispute procedures and disclosures relating to reinvestigations.
- Sec. 102. Consumer awareness of dispute rights.
- Sec. 103. Maintenance of records by furnishers.
- Sec. 104. Duties of furnishers relating to dispute procedures, notices, and disclosures.
- Sec. 105. Right to appeal disputes relating to reinvestigations and investigations.
- Sec. 106. Revised consumer reports.
- Sec. 107. Indication of dispute by consumers and use of disputed information.
- Sec. 108. Accuracy and completeness report duties for consumer reporting agencies and furnishers.
- Sec. 109. Inclusion of public record data sources in consumer reports.
- Sec. 110. Injunctive relief for victims.

TITLE II—PROHIBITION ON MISLEADING AND UNFAIR CONSUMER REPORTING PRACTICES

- Sec. 201. Prohibition on automatic renewals for promotional consumer reporting and credit scoring products and services.
- Sec. 202. Prohibition on misleading and deceptive marketing related to the provision of consumer reporting and credit scoring products and services.
- Sec. 203. Prohibition on excessive direct-to-consumer sales.
- Sec. 204. Fair access to consumer reporting and credit scoring disclosures for nonnative English speakers and the visually and hearing impaired.
- Sec. 205. Comparison shopping for loans without harm to credit standing.
- Sec. 206. Nationwide consumer reporting agencies registry.

SEC. 2. FINDINGS.

Congress finds the following:

(1) **GENERAL FINDINGS.**—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(P) According to the fall 2016 “Supervisory Highlights”, Consumer Bureau examiners determined that one or more debt collectors never investigated indirect disputes that lacked detail or were not accompanied by attachments with relevant information from the consumer. Examiners also found that notifications sent to consumers about disputes considered frivolous failed to identify for the consumers the type of material that they could provide in order for the debt collector to complete the investigation of the disputed item.

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

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

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

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

(2) INCORRECT INFORMATION ON CONSUMER REPORTS.—

(A) Consumers are entitled to dispute errors on their consumer reports with either the CRA, who issued the report, or directly with furnishers, who supplied the account information to the CRA, and request that mistakes be deleted or removed. Consumers, who believe an investigation has not correctly resolved their dispute, however, have few options, other than requesting that a statement about the dispute be included with their future reports.

(B) CRAs have a statutory obligation under the FCRA to perform a reasonable investigation by conducting a substantive and searching inquiry when a consumer disputes an item on their report. In doing so, CRAs must conduct an independent review about the accuracy of any disputed item and cannot merely rely on a furnisher's "rubber-stamp" verification of the integrity of the information they have provided to CRAs.

(C) The Federal Trade Commission ("FTC"), in a "Report to Congress Under Section 319 of the Fair and Accurate Credit Transactions Act of 2003" released in December 2012, found that 26 percent of survey participants identified at least one potentially material error on their consumer reports, and 13 percent experienced a change in their credit score once the error was fixed.

(D) Consumer Bureau examiners have identified repeated deficiencies with the nationwide CRAs' information collection. In the summer 2015 "Supervisory Highlights" released in June 2015, the Consumer Bureau noted continued weaknesses with CRAs' methods and processes for assuring maximum possible accuracy in their reports. Examiners also found, with certain exceptions, no quality control policies and procedures in place to test consumer reports for accuracy.

(E) In its "Credit Reporting Complaint Snapshot" released in February 2014, the Consumer Bureau found that consumers were uncertain about the depth and validity of the investigations performed about a disputed item. Consumers also expressed frustration that, even though they provided supporting materials that they believed demonstrated the inaccuracy of the information provided by furnishers, errors continued to remain on their reports.

(F) In the winter 2015 "Supervisory Highlights" released in March 2015, the Consumer Bureau reported that one or more nationwide CRAs failed to adequately fulfill their dispute-handling obligations, including by not forwarding to furnishers all relevant information found in letters and supporting documents supplied by consumers when they submitted disputes failing to notify consumers that they had completed investigations, and not providing consumers with the results of the CRAs' reviews about their disputes.

(G) Consumer Bureau examiners also noted in the fall 2016 "Supervisory Highlights" released in October 2016 that one or more entities failed to provide adequate guidance and training to staff about how to differentiate FCRA disputes from general customer inquiries, complaints, or debt validation requests. Consumer Bureau supervisors also directed one or more entities to develop and implement reasonable procedures to ensure that direct and indirect disputes are appropriately logged, categorized, and resolved.

(H) Consumers' increasing frustration about the difficulties of trying to fix credit reporting errors, evidenced through the volume of consumer complaints related to errors submitted to the Consumer Bureau, are also echoed in another FTC study issued in January 2015. In the "Report to Congress under Section 319 for the Fair and Accurate Credit Transactions Act of 2003", the FTC found that nearly 70 percent (84 people) of participants from a previous survey that had filed disputes with CRAs continued

to believe that at least some of the disputed information remained inaccurate at the time of the follow-up survey. Despite these views, 50 percent (42 people) of the survey participants decided to just give up trying to fix the errors, with only 45 percent (38 people) of them planning to continue to try to resolve their disputes.

(I) The consistently high volume of consumer complaints submitted to the Consumer Bureau about credit reporting errors, coupled with the largest CRAs' repeated quality control weaknesses found by Consumer Bureau examiners, show that the nationwide CRAs have failed to establish and follow reasonable procedures to assure maximum accuracy of information and to conduct independent investigations of consumers' disputes. These ongoing problems demonstrate the need for legislation to—

- (i) enhance obligations on furnishers to substantiate information and require furnishers to keep records for the same amount of time that adverse information about these accounts may appear on a person's consumer report;

- (ii) eliminate CRAs' discretion to determine the relevancy of materials provided by consumers to support their dispute claims by instead requiring them to pass all material onto furnishers and eliminating CRA's discretion to deem some disputes frivolous or irrelevant when a consumer resubmits a claim that they believe has been inadequately resolved;

- (iii) enhance educational content on CRAs' websites to improve consumers' understanding of the dispute process and to make it easier for all consumers to initiate claims, including by providing these disclosures in other languages besides English; and

- (iv) create a new consumer right to appeal reviews by CRAs and furnishers of the initial disputes.

(3) INJUNCTIVE RELIEF.—

(A) Despite the fact that the FCRA currently provides implicit authority for injunctive relief, consumers have been prevented from exercising this right. Legislation explicitly clarifying this right is intended to underscore congressional intent that injunctive relief should be viewed as a remedy available to consumers.

(B) Myriad findings by the courts, regulators, consumers, and consumer advocates make clear that CRAs have failed to establish adequate standards for the accuracy and completeness of consumer reports, yet the nationwide CRAs have demonstrated little willingness to voluntarily retool their policies and procedures to fix the problems.

(C) Providing courts with explicit authority to issue injunctive relief, by telling the CRAs to remedy unlawful practices and procedures, would further CRAs' mandate under the FCRA to assure the maximum possible accuracy and completeness of information contained on credit reports.

(D) Absent explicit authority to issue injunctions, history suggests that the nationwide CRAs are likely to continue conducting business as usual in treating any monetary settlements with individual consumers and fines imposed by State attorneys general and Federal regulators, simply as the "cost of doing business".

(4) DECEPTIVE AND MISLEADING MARKETING PRACTICES.—

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

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

fore enrolling them into subscription services as well as make it easier for consumers to cancel these programs.

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

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

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

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

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect 2 years after the date of the enactment of this Act.

SEC. 4. CONSUMER 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—IMPROVEMENTS TO THE DISPUTE PROCESS

SEC. 101. DISPUTE PROCEDURES AND DISCLOSURES RELATING TO REINVESTIGATIONS.

(a) IN GENERAL.—Section 611(a) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)) is amended to read as follows:

“(a) REINVESTIGATIONS OF DISPUTED INFORMATION BY A CONSUMER REPORTING AGENCY.—

“(1) REINVESTIGATIONS REQUIRED.—

“(A) IN GENERAL.—Subject to subsection (f), if the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency (either directly or indirectly through a reseller or an authorized third party) of such dispute, the agency shall, free of charge—

“(i) conduct a reasonable reinvestigation using the process described in paragraph (3) to determine whether the disputed information is inaccurate, incomplete, or cannot be verified;

“(ii) notify the consumer that a notation described in section 605(e) will be added to the consumer's file until the reinvestigation has been completed and that such notation can be removed at the request of the consumer; and

“(iii) before the end of the 30-day period beginning on the date on which the consumer reporting agency receives the notice of the dispute from the consumer or the reseller—

“(I) record the current status of the disputed information; or

“(II) delete or modify the item in accordance with paragraph (3)(D).

(B) EXTENSION OF PERIOD TO REINVESTIGATE.—Except as provided in subparagraph (C), the 30-day period described in subparagraph (A) may be extended for period not to exceed 15 days if the consumer reporting agency receives additional information from the consumer or the reseller regarding the dispute after the date on which the consumer reporting agency notified any person who provided any item of information in dispute under paragraph (2)(A).

(C) LIMITATIONS ON EXTENSION OF PERIOD TO REINVESTIGATE.—Subparagraph (B) shall not apply to any reinvestigation in which, during the 30-day period described in subparagraph (A), the disputed information is found to be inaccurate or incomplete, or the consumer reporting agency determines that the disputed information cannot be verified.

(2) PROMPT NOTICE OF DISPUTE TO FURNISHER OF INFORMATION; PROVISION OF INFORMATION REGARDING DISPUTE PROVIDED BY THE CONSUMER OR RESELLER.—

(A) IN GENERAL.—Before the end of the period of 5 business days beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer or reseller under paragraph (1)(A), the consumer reporting agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with such person. The notice shall include all information, including substantiating documents, regarding the dispute that was submitted to the consumer reporting agency.

(B) PROVISION OF ADDITIONAL INFORMATION REGARDING DISPUTE AFTER NOTIFICATION TO THE FURNISHER OF INFORMATION.—If a consumer reporting agency receives additional information regarding the dispute from the consumer or reseller after the agency provides the notification described under subparagraph (A) and before the end of the 30-day period described in paragraph (1)(A), the consumer reporting agency shall, not later than 3 business days after receiving such information, provide such information to the person who provided the information in dispute.

(3) REASONABLE STANDARDS FOR CONSUMER REPORTING AGENCIES FOR CONDUCTING REINVESTIGATIONS AND RESOLVING DISPUTES SUBMITTED BY CONSUMERS.—

(A) IN GENERAL.—In conducting a reinvestigation of disputed information, a consumer reporting agency shall, at a minimum—

“(i) maintain sufficient resources and trained staff, commensurate with the volume and complexity of disputes received or reasonably anticipated to be received, to determine whether the disputed information is accurate, complete, or can be verified by the person who provided the information;

“(ii) ensure that all staff involved at any level of the reinvestigation process, including any individual with ultimate authority over determining whether the disputed information is inaccurate, incomplete, or cannot be verified, are located within the United States;

“(iii) verify that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained in the consumer’s file, and that such information is accurate and complete;

“(iv) verify that the consumer reporting agency has a record of the information being disputed; and

“(v) conduct a reasonable review that considers all information, including substantiating documents, provided by the consumer or reseller.

(B) CONSUMER REPORTING.—The consumer reporting agency shall not impose any limitation or otherwise impede the ability of a consumer to submit information about the disputed item.

(C) INDEPENDENT ANALYSIS.—The reinvestigation conducted under subparagraph (A) shall be an independent analysis, separate from any investigation by a reseller or a person who provided the disputed information.

(D) DELETION OR MODIFICATION OF INFORMATION CONTAINED IN A CONSUMER FILE.—If the disputed information is found to be inaccurate, incomplete, or cannot be verified, the dispute resolution staff of the consumer reporting agency shall have the direct authority to delete or modify such information in the consumer’s file, as appropriate, during the 30-day period described in paragraph (1)(A), shall promptly notify the consumer of the results of the reinvestigation as described in paragraph (4), and shall promptly notify any person who provided such information to the consumer reporting agency of the modification or deletion made to the consumer’s file.

(4) NOTICE TO CONSUMER OF RESULTS OF REINVESTIGATION.—

"(A) IN GENERAL.—Not later than 5 business days after the conclusion of a reinvestigation conducted under this subsection, the consumer reporting agency shall provide written notice to the consumer of the results of the reinvestigation by postal mail or, if authorized by the consumer for that purpose, by other means available to the agency.

"(B) CONTENTS OF NOTICE TO CONSUMER OF RESULTS OF REINVESTIGATION.—The notice described in subparagraph (A) shall include—

“(i) a statement that the reinvestigation of the disputed information has been completed;

“(ii) a statement informing the consumer as to whether the disputed information was determined to be inaccurate, incomplete, or unverifiable, including a statement of the specific reasons supporting the determination;

“(iii) if information in the consumer's file has been deleted or modified as a result of the reinvestigation—

“(I) a copy of the consumer report and credit score or educational score (if applicable) that is based upon the consumer's revised file;

“(II) a statement identifying the specific information from the consumer's file that was deleted or modified because such information was determined to be inaccurate, incomplete, or unverifiable by the consumer reporting agency;

“(III) a statement that the consumer has the right, free of charge, to obtain an additional consumer report and credit score or educational credit score (if applicable) within the 12-month period following the date of the conclusion of the reinvestigation, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational score (if applicable) under section 612; and

“(IV) a statement that the consumer has the right, free of charge, to request under subsection (d) that the consumer reporting agency furnish notifications of the consumer's revised report;

“(iv) a description of the procedure used by the dispute resolution staff of the consumer reporting agency to determine the accuracy or completeness of the information, including the business name, mailing address, telephone number, and Internet website address (if available) of any person who provided information who was contacted by the staff in connection with the determination;

“(v) a statement that the consumer has the right, free of charge, to add a narrative statement to the consumer's file disputing the accuracy or completeness of the information, regardless of the results of the reinvestigation by the agency, and the process for submitting such a narrative pursuant to subsection (b);

“(vi) a copy of all information relating to the consumer that was used by the consumer reporting agency in carrying out the reinvestigation and relied upon as the basis for the determination about the accuracy and completeness of the disputed information;

“(vii) a statement that a consumer may, free of charge, challenge the results of the reinvestigation by appeal within 120 days after the date the notice of the results of the reinvestigation was provided to the consumer and the process for submitting an appeal;

“(viii) a statement informing the consumer that a notation described in section 605(e) will be added to the file of the consumer during the period in which the consumer appeals the results of a reinvestigation and that such notation can be removed at the request of the consumer; and

“(ix) any other information, as determined by the Bureau.

"(5) REQUIREMENTS RELATING TO REINSERTION OF PREVIOUSLY DELETED OR MODIFIED MATERIAL.—

"(A) CERTIFICATION OF NEW DETERMINATION THAT ITEM IS ACCURATE OR COMPLETE.—A consumer reporting agency may not reinsert into a consumer's file any information that was previously deleted or modified pursuant to paragraph (3)(D), unless the person who provided the information—

“(i) requests that the consumer reporting agency reinsert such information;

“(ii) submits a written certification that the information is accurate and complete; and

“(iii) provides a statement describing the specific reasons why the information should be inserted.

(B) NOTICE TO CONSUMER BEFORE REINSERTION CAN OCCUR.—Upon receipt of a request for reinsertion of disputed information under subparagraph (A), the consumer reporting agency shall, not later than 5 business days before the consumer reporting agency reinserts the information into the consumer's file, notify the consumer in writing of such request for reinsertion. Such notice shall include—

“(i) the business name, mailing address, telephone number, and Internet website address (if available) of any person who provided information to or contacted the consumer reporting agency in connection with the reinsertion;

“(ii) a copy of the information relating to the consumer, the certification that the information is accurate or complete, and the statement of the reasons supporting reinsertion provided by the person who provided the information to the consumer reporting agency under subparagraph (A);

“(iii) a statement that the consumer may obtain, free of charge and within the 12-month period following the date the notice under this subparagraph was issued, a consumer report and credit score or educational score (if applicable) from the consumer reporting agency that includes the reinserted information, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational credit score (if applicable) under section 612;

“(iv) a statement that the consumer may appeal the determination that the previously deleted or modified information is accurate or complete and a description of the procedure for the consumer to make such an appeal pursuant to subsection (h); and

“(v) a statement that the consumer has the right to add a narrative statement, free of charge, to the consumer's file disputing the accuracy or completeness of the disputed information and a description of the process to add such a narrative statement pursuant to subsection (b).

(6) EXPEDITED DISPUTE RESOLUTION.—If a consumer reporting agency determines that the information provided by the consumer is sufficient to substantiate that the item of information is inaccurate, incomplete, or cannot be verified by the person who furnished such information, and the consumer reporting agency deletes or modifies such information within 3 business days of receiving notice of the dispute, the consumer reporting agency shall be exempt from the requirements of paragraph (4), if the consumer reporting agency provides to the consumer—

“(A) prompt notice confirming the deletion or modification of the information from the consumer's file in writing or by other means, if agreed to by the consumer when the information is disputed;

“(B) a statement of the consumer's right to request that the consumer reporting agency furnish notifications of a revised consumer report pursuant to subsection (d);

“(C) not later than 5 business days after deleting or modifying the information, a copy of the consumer report and credit score or educational score (if applicable) that is based upon the consumer's revised file; and

“(D) a statement that the consumer may obtain, free of charge and within the 12-month period following the date the notice under this paragraph was sent to the consumer, a consumer report and credit score or educational score (if applicable) from the consumer reporting agency, regardless of whether the consumer obtained or will obtain their free annual consumer report and credit score or educational score (if applicable) under section 612.

(7) NO EXCUSE FOR FAILURE TO CONDUCT REINVESTIGATION.—A consumer reporting agency may not refuse to conduct a reinvestigation under this subsection because the agency determines that the dispute was submitted by an authorized third party, unless the agency has clear and convincing evidence that the third party is not authorized to submit the dispute on the consumer's behalf. If the consumer reporting agency refuses to reinvestigate a dispute for these reasons, it shall provide a clear and conspicuous notice to the consumer explaining the reasons for the refusal and describing the specific information the consumer is required to provide for the agency to conduct the reinvestigation.”.

(b) ENSURING CONSUMER REPORTING AGENCIES FURNISH CERTAIN NOTIFICATIONS WITHOUT CHARGE.—Section 611(d) of the Fair Credit Reporting Act (15 U.S.C. 1681i(d)) is amended by inserting “and without charge” after “request of the consumer”.

(c) INCLUDING SPECIALTY CONSUMER REPORTING AGENCIES IN REPORTS.—

(1) IN GENERAL.—Section 611(e) of the Fair Credit Reporting Act (15 U.S.C. 1681i(e)) is amended by inserting “or 603(x)” after “section 603(p)” each place such term appears.

(2) TECHNICAL AMENDMENT.—Paragraph (1) of such section (15 U.S.C. 1681i(e)(1)) is amended by striking “The Commission” and inserting “The Bureau”.

(d) CONFORMING AMENDMENTS.—Such Act is further amended—

(1) in section 605B(c)(2), by striking “section 611(a)(5)(B)” and inserting “section 611(a)(5)”; and

(2) in section 611—

(A) in subsection (c), by striking “unless there is reasonable grounds to believe that it is frivolous or irrelevant,”; and

(B) in subsection (f)(3)—

(i) in subparagraph (A), by striking “paragraph (6), (7), or (8) of subsection (a)” and inserting “paragraph (4) or (5) of subsection (a)”; and

(ii) in subparagraph (B), by striking “in the manner required under paragraph (8)(A)”; and

(3) in section 623(b)(1)(B), by striking “relevant” before “information”.

(e) GLOBAL TECHNICAL CORRECTIONS TO REFERENCES TO NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY.—Such Act is further amended—

(1) by striking “section 603(w)” and inserting “section 603(x)” each place such term appears; and

(2) in section 612(a)(1)(A), by striking “(w)” and inserting “(x)”.

SEC. 102. CONSUMER AWARENESS OF DISPUTE RIGHTS.

Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i) is amended by adding at the end the following new subsection:

“(i) INCREASED CONSUMER AWARENESS OF DISPUTE RIGHTS.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, each consumer reporting agency described under subsection (p) or (x) of section 603 shall—

“(A) establish an Internet website accessible to consumers; and

“(B) post on the home page of such website a hyperlink to a separate webpage established and maintained solely for the purpose of providing information to a consumer about how to dispute an item of information in the consumer report of the consumer.

“(2) DISPUTE WEBPAGE REQUIREMENTS.—For a consumer reporting agency described under subsection (p) or (x) of section 603, the separate dispute webpage described in paragraph (1)(B)—

“(A) may not include any type or form of marketing, advertising, information, or material associated with any products or services offered or sold to consumers;

“(B) shall clearly and conspicuously disclose a concise statement regarding how to file a dispute through the agency, free of charge, in the manner and format prescribed by the Bureau;

“(C) shall describe the types of documents that will be used by the agency in resolving the dispute, including the business name and mailing address to which a consumer may send such documents;

“(D) shall include a clear and concise explanation of and the process for using electronic or other means to submit such documents, free of charge, and without any character or data limitation imposed by the agency;

“(E) shall include a statement that the consumer may submit information, free of charge, that the consumer believes will assist the consumer reporting agency in determining the results of the reinvestigation of the dispute;

“(F) shall clearly and conspicuously disclose a statement describing the procedure likely to be used by the consumer reporting agency in carrying out a reinvestigation to determine the accuracy or completeness of the disputed item of information, including the time period in which the consumer will be notified of the results of the reinvestigation, and a statement that the agency may extend the reinvestigation period by an additional 15 days if the consumer submits additional information after a certain date; and

“(G) shall provide translations of all information on the webpage in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis, and in formats accessible to individuals with hearing or vision impairments.”.

SEC. 103. MAINTENANCE OF RECORDS BY FURNISHERS.

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

"(f) DUTY OF FURNISHERS TO MAINTAIN RECORDS OF CONSUMERS.—

"(1) IN GENERAL.—A person who furnishes information to a consumer reporting agency relating to a consumer who has an account with that person shall maintain all information necessary to substantiate the accuracy and completeness of the information furnished, including any records establishing the liability and terms and conditions under which credit was extended to a consumer and any payment history with respect to such credit.

"(2) RETENTION PERIOD.—Records described under paragraph (1) shall be maintained until the information with respect to which the records relate may no longer be included in a consumer report pursuant to section 605.

"(3) TRANSFER OF OWNERSHIP.—If a person providing information to a consumer reporting agency is acquired by another person, or if another person acquires the right to repayment connected to such information, the acquiring person shall be subject to the requirements of this subsection with respect to such information to the same extent as the person who initially provided such information to the consumer reporting agency. The person selling or transferring the right to repayment shall provide the information described in paragraph (1) to the transferee or the acquirer.”.

SEC. 104. DUTIES OF FURNISHERS RELATING TO DISPUTE PROCEDURES, NOTICES, AND DISCLOSURES.

(a) DUTY TO PROVIDE ACCURATE AND COMPLETE INFORMATION.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)) is amended—

(1) in the subsection heading, by inserting “AND COMPLETE” after “ACCURATE”;

(2) in paragraph (1)—

(A) by inserting “or incomplete” after “inaccurate” each place that term appears; and

(B) in subparagraph (D), by inserting “or completeness” after “accuracy”; and

(3) in paragraph (8)—

(A) in subparagraph (A), by inserting “and completeness” after “accuracy”; and

(B) in subparagraph (D), by inserting “or completeness” after “accuracy”.

(b) NEGATIVE INFORMATION NOTICES TO CONSUMERS.—Section 623(a)(7) (15 U.S.C. 1681s-2(a)(7)) of such Act is amended to read as follows:

"(7) DUTY OF FURNISHERS TO INFORM CONSUMERS ABOUT REPORTING NEGATIVE INFORMATION.—

"(A) GENERAL NEGATIVE INFORMATION WARNING NOTICE TO ALL CONSUMERS PRIOR TO FURNISHING SUCH INFORMATION.

"(i) IN GENERAL.—Any person that regularly furnishes negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 about activity on any accounts of a consumer held by such person or transactions associated with credit extended to a consumer by such person shall provide a written general negative information warning notice to each such consumer before such person may furnish any negative information relating to such a consumer.

"(ii) CONTENT.—Such notice shall—

"(I) be clear and conspicuous;

"(II) describe the types of activities that constitute negative information;

"(III) inform the consumer that the person may report negative information relating to any such accounts or transactions to a consumer reporting agency described in subsection (p) or (x) of section 603;

"(IV) state that the negative information may appear on a consumer report of the consumer for the periods described in section 605 and that during such periods, the negative information may adversely impact the consumer’s credit score;

"(V) state that in some limited circumstances, the negative information may result in other adverse actions, including a denial of a new job or a promotion from existing employment; and

"(VI) state that the consumer has right to—

"(aa) obtain a copy of their consumer report and credit score or educational score (if applicable), which in some instances can be obtained free of charge, from any consumer reporting agency to which negative information may be sent; and

“(bb) dispute, free of charge, any errors on a consumer report relating to the consumer.

“(iii) TIMING OF NOTICE.—Such person shall provide such notice to a consumer not later than 90 days before the date on which the person furnishes negative information relating to such consumer.

“(B) SPECIFIC NEGATIVE INFORMATION NOTICE TO A CONSUMER.—

“(i) IN GENERAL.—Any person described in subparagraph (A) that has furnished negative information relating to activity on any accounts of a consumer held by such person or transactions associated with credit extended to a consumer by such person to a consumer reporting agency described in subsection (p) or (x) of section 603 shall send a written notice to each such consumer.

“(ii) CONTENT.—Such notice shall—

“(I) be clear and conspicuous;

“(II) inform the consumer that the person has furnished negative information relating to such accounts or transactions to a consumer reporting agency described in subsection (p) or (x) of section 603;

“(III) identify any consumer reporting agency to which the negative information was furnished, including the name of the agency, mailing address, Internet website address, and toll-free telephone number; and

“(IV) include the statements described in subclauses (IV), (V), and (VI) of subparagraph (A)(ii).

“(iii) TIME OF NOTICE.—Such person shall provide such notice to a consumer not later than 5 business days after the date on which the person furnished negative information relating to such consumer.

“(C) NOTICE EFFECTIVE FOR SUBSEQUENT SUBMISSIONS.—After providing the notice described in subparagraph (B), the person may submit additional negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 without providing additional notice to the consumer, unless another person acquires the right to repayment connected to the additional negative information. The acquiring person shall be subject to the requirements of this paragraph and shall be required to send consumers the written notices described in this paragraph, if applicable.

“(D) NON-TRADITIONAL DATA FURNISHERS.—Any person that furnishes negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 relating to any accounts of, or transactions associated with, a consumer by such person involving non-traditional data shall be subject to the requirements described in subparagraphs (A), (B), and (C).

“(E) MODEL NOTICES.—

“(i) DUTY OF BUREAU.—Not later than 6 months after date of the enactment of this paragraph, the Bureau shall issue model forms for the notices described in subparagraphs (A) and (B) that a person may use to comply with the requirements of this paragraph.

“(ii) USE OF MODEL NOTICE NOT REQUIRED.—No provision of this paragraph may be construed to require a person to use the model notices prescribed by the Bureau.

“(iii) COMPLIANCE USING MODEL NOTICES.—A person shall be deemed to be in compliance with the requirements of subparagraph (A)(ii) or (B)(ii) (as applicable) if the person uses the model notice prescribed by the Bureau.

“(F) ISSUANCE OF GENERAL NEGATIVE WARNING NOTICE WITHOUT SUBMITTING NEGATIVE INFORMATION.—No provision of this paragraph may be construed to require a person described in subparagraph (A) or (D) to furnish negative information about a consumer to a consumer reporting agency described in subsection (p) or (x) of section 603.

“(G) SAFE HARBOR.—A person shall not be liable for failure to perform the duties required by this paragraph if the person reasonably believes that the person is prohibited, by law, from contacting the consumer.

“(H) EFFECTIVE DATE.—The requirements of subparagraphs (A), (B), (C), and (D) shall not take effect until the date that is 6 months after the date of the issuance of model forms for notices under subparagraph (E).

“(I) DEFINITIONS.—In this paragraph, the following definitions shall apply:

“(i) NEGATIVE INFORMATION.—The term ‘negative information’ means information concerning a consumer’s delinquencies, late payments, insolvency, or any form of default.

(ii) NON-TRADITIONAL DATA.—The term ‘non-traditional data’ relates to telecommunications payments, utility payments, rent payments, remittances, wire transfers, and such other items as determined by the Bureau.”.

(c) DUTIES OF FURNISHERS AFTER RECEIVING NOTICE OF DISPUTE FROM A CONSUMER.—Section 623(a)(8)(E) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)(8)(E)) is amended to read as follows:

“(E) DUTIES OF FURNISHERS AFTER RECEIVING NOTICE OF DISPUTE FROM A CONSUMER.—After receiving a notice of dispute from a consumer pursuant to subparagraph (D), the person that provided the information in dispute to a consumer reporting agency shall—

“(i) promptly provide to each consumer reporting agency to which the person furnished the disputed information the notice of dispute;

“(ii) review all information, including any substantiating documents, provided by the consumer about the disputed information and conduct an investigation, separate from any reinvestigation by a consumer reporting agency or a reseller conducted with respect to the disputed information;

“(iii) before the expiration of the period under section 611(a)(1) within which a consumer reporting agency would be required to complete its action if the consumer had elected to dispute the information under that section, complete an investigation of the disputed information pursuant to the standards described in subparagraph (G);

“(iv) notify the consumer, in writing, of the receipt of the dispute that includes—

“(I) a statement about any information additional to the information that the person is required to maintain under subsection (f) that would support the person’s ability to carry out an investigation to resolve the consumer’s dispute; and

“(II) a statement that the consumer reporting agency to which the disputed information was provided will include a notation described in section 605(e) in the consumer’s file until the investigation has been completed, and information about how a consumer may request that such notation is removed by the agency;

“(v) if the investigation determines the disputed information is inaccurate, incomplete, or unverifiable, promptly notify each consumer reporting agency to which the person furnished such information in accordance with paragraph (2); and

“(vi) notify the consumer of the results of the investigation, in writing, in accordance with subparagraph (H).”.

(d) ELIMINATING FURNISHERS’ AUTHORITY TO DISMISS DISPUTES AS FRIVOLOUS OR IRRELEVANT.—Section 623(a)(8) of such Act (15 U.S.C. 1681s-2(a)(8)) is amended by striking subparagraph (F) and redesignating subparagraph (G) as subparagraph (F).

(e) ADDITIONAL DUTIES.—Section 623(a)(8) of such Act (15 U.S.C. 1681s-2(a)(8)) is further amended by adding at the end the following new subparagraphs:

“(G) REASONABLE STANDARDS FOR FURNISHERS FOR CONDUCTING INVESTIGATIONS AND RESOLVING DISPUTES SUBMITTED BY CONSUMERS.—In any investigation conducted by a person who furnishes information to a consumer reporting agency of an item of information being disputed by a consumer, the person, at a minimum—

“(i) shall maintain sufficient resources and trained staff, commensurate with the volume and complexity of disputes received or reasonably anticipated to be received, to conduct investigations;

“(ii) shall verify that the person has a record of the particular information being disputed, consistent with the requirements of subsection (f);

“(iii) shall verify that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained on such records;

“(iv) shall conduct a reasonable review to determine whether the disputed information is accurate, complete, and can be verified that considers all the information, including any substantiating documents, provided by the consumer about the disputed information;

“(v) shall ensure that the investigation is an independent analysis that is separate from any reinvestigation by a consumer reporting agency or a reseller conducted with respect to the disputed information; and

“(vi) may not impose any limitations or otherwise impede the ability of a consumer to submit information, including any substantiating documents, about the disputed information.

(H) CONTENTS OF THE NOTICE TO THE CONSUMER ABOUT THE RESULTS OF THE INVESTIGATION BY THE FURNISHER.—The notice of the results of the investigation described in subparagraph (E) shall include—

“(i) a statement informing the consumer as to whether the disputed information was determined to be inaccurate, incomplete, or unverifiable;

“(ii) a statement of the specific reasons supporting the results of the investigation;

“(iii) a description of the procedure used by the dispute resolution staff of the person who furnishes information to a consumer reporting agency to determine the accuracy or completeness of the information, including the business name, mailing address, telephone number, and Internet website address (if available) of any person who was contacted by the staff in connection with the determination;

“(iv) a copy of all information relating to the consumer that was used in carrying out the investigation and was the basis for any determination about the accuracy or completeness of the disputed information;

“(v) a statement that consumer will receive, free of charge, a copy of their consumer report and credit score or educational credit score (if applicable), from any consumer reporting agency to which the disputed information had been provided, regardless of whether the consumer obtained or will obtain a free consumer report and credit score or educational credit score (if applicable) in the 12-month period preceding receipt of the notice described in this subparagraph pursuant to section 612(a)(1);

“(vi) if the disputed information was found to be inaccurate, incomplete, or unverifiable, a statement that the consumer report of the consumer shall be revised to reflect the change to the consumer's file as a result of the investigation;

“(vii) a statement that the consumer has the right to appeal the results of the investigation under paragraph (10), free of charge, within 120 days after the date of the notice of the results of the investigation was provided to the consumer and the process for submitting an appeal;

“(viii) a statement that the consumer may add a narrative statement, free of charge, to the consumer's file held by the consumer reporting agency to which the information has been furnished disputing the accuracy or completeness of the information, regardless of the results of the investigation by the person, and the process for contacting any agency that received the consumer's information from the person to submit a narrative statement;

“(ix) a statement informing the consumer that a notation described in section 605(e) will be added to the consumer's file during the period in which the consumer appeals the results of an investigation and that such notation can be removed at the request of the consumer; and

“(x) a statement that the consumer has the right to request a copy of their consumer report and credit score or educational credit score (if applicable), free of charge, within the 12-month period following the date of the conclusion of the investigation from any consumer reporting agency in which the disputed information had been provided, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational credit score (if applicable) under this subparagraph or section 612(a)(1).”

(f) CONFORMING AMENDMENT.—Section 615(a)(4)(B) is amended—

(1) by striking “, under section 611, with a consumer reporting agency”; and

(2) by striking “furnished by the agency” and inserting “to a consumer reporting agency under section 611 or to a person who furnished information to an agency under section 623”.

SEC. 105. RIGHT TO APPEAL DISPUTES RELATING TO REINVESTIGATIONS AND INVESTIGATIONS.

(a) APPEALS OF REINVESTIGATIONS CONDUCTED BY A CONSUMER REPORTING AGENCY.—Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i) is amended—

(1) in subsection (b), by inserting “or if the consumer is unsatisfied with the results of an appeal conducted under subsection (h),” after “resolve the dispute”; and

(2) by inserting after subsection (h) (as added by section 102) the following new subsection:

"(i) CONSUMER RIGHT TO APPEAL RESULTS OF A CONSUMER REPORTING AGENCY REINVESTIGATION.—

"(1) IN GENERAL.—Within 120 days after the date of receipt of the results of a reinvestigation conducted under subsection (a), a consumer (or authorized third party) may, free of charge, appeal the results of such reinvestigation by submitting a notice of appeal to the consumer reporting agency.

"(2) NOTICE OF APPEAL.—

"(A) REQUIREMENTS.—A notice of appeal described in paragraph (1) may be submitted in writing, or through a toll-free telephone number or other electronic means established by the consumer reporting agency (including on the Internet website described in subsection (g)), and—

"(i) shall identify the information contained in the consumer's file that is the subject of the appeal;

"(ii) shall describe the specific reasons for submitting the notice of appeal; and

"(iii) may provide any information the consumer believes is relevant to substantiate the validity of the dispute.

"(B) CONSUMER REPORTING AGENCY NOTICE TO CONSUMER.—Upon receipt of such notice of appeal, the consumer reporting agency shall promptly provide to the consumer a statement confirming the receipt of the consumer's notice of appeal that shall include—

"(i) an approximate date on which the consumer's appeal review will be completed;

"(ii) the process and procedures by which such review will be conducted; and

"(iii) an employee reference number or other employee identifier for each of the specific individuals designated by the consumer reporting agency who, upon the request of the consumer, may discuss the substance and status of the appeal.

"(3) CONSUMER REPORTING AGENCY REQUIREMENTS UPON RECEIPT OF NOTICE OF APPEAL.—

"(A) IN GENERAL.—Not later than 20 days after receiving a notice of appeal, the consumer reporting agency shall review the appeal. If the consumer reporting agency determines the information is inaccurate, incomplete, or cannot be verified, the consumer reporting agency shall delete or modify the item of information being disputed by the consumer from the file of the consumer before the end of the 20-day period beginning on the date on which the consumer reporting agency receives a notice of an appeal from the consumer.

"(B) NOTICE OF APPEAL TO FURNISHER; INFORMATION REGARDING DISPUTE PROVIDED BY THE CONSUMER.—

"(i) IN GENERAL.—Before the end of the period of 3 business days beginning on the date on which a consumer reporting agency receives a notice of appeal, the consumer reporting agency shall provide notice of the appeal, including all information relating to the specific appeal that the consumer reporting agency has received from the consumer, to any person who provided any information in dispute.

"(ii) PROVISION OF ADDITIONAL INFORMATION REGARDING THE DISPUTE.—If the consumer reporting agency receives additional information from the consumer after the agency provides the notice required under clause (i) and before the end of the 20-day period described in subparagraph (A), the consumer reporting agency shall, not later than 3 business days after receiving such information, provide such information to any person who provided the information in dispute and shall have an additional 10 business days to complete the appeal review.

"(C) MINIMUM STANDARDS FOR APPEALS EMPLOYEES.—

"(i) DESIGNATION.—Upon receipt of a notice of appeal under paragraph (1), a consumer reporting agency shall designate one or more specific employees who—

"(I) shall be assigned an employee reference number or other employee identifier that can be used by the consumer to discuss the appeal with the specific individuals handling the appeal;

"(II) shall have direct authority to resolve the dispute that is the subject of the notice of appeal from the review stage to its completion;

"(III) shall meet minimum training and ongoing certification requirements at regular intervals, as established by the Bureau;

“(IV) shall be located within the United States;
 “(V) may not have been involved in the reinvestigation conducted or terminated pursuant to subsection (a); and
 “(VI) may not be subject to any requirements linking incentives, including promotion, to the number of appeals processed within a certain time period.

(ii) REQUIREMENTS.—Such employees shall conduct a robust review of the appeal and make a determination regarding the accuracy and completeness of the disputed information by—

“(I) conducting an independent analysis, separate from any investigation by a reseller or person who provided the disputed information, and separate from any prior reinvestigation conducted by the consumer reporting agency of the disputed information;

“(II) verifying that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained on the consumer’s file;

“(III) analyzing the notice of appeal and all information, including any substantiating documents, provided by the consumer with the notice of appeal;

“(IV) evaluating the validity of any information submitted by any person that was used by the consumer reporting agency in the reinvestigation of the initial dispute;

“(V) verifying that the consumer reporting agency has a record of the information being disputed; and

“(VI) applying any additional factors or investigative processes, as specified by the Bureau.

(D) NOTICE OF APPEAL RESULTS.—Not later than 5 days after the end of the 20-day period described under subparagraph (A) (or the 10-day extension period, as applicable) the consumer reporting agency shall provide the consumer with written notice of the results of the appeal by postal mail or, if requested by the consumer, by other means. The contents of such notice shall include—

“(i) a statement that the appeal is completed and the date on which it was completed, the results of the appeal, and the specific reasons supporting the results of the appeal;

“(ii) a copy of all information relating to the consumer that was used as a basis for deciding the results of the appeal;

“(iii) a consumer report that is based upon the consumer’s file as that file may have been revised as a result of the appeal;

“(iv) a description of the procedure used to determine the accuracy and completeness of the information, including the business name, telephone number, mailing address, and Internet website address (if applicable) of any person who provided information that was contacted in connection with such information, if reasonably available;

“(v) information describing that the consumer may submit a statement, without charge, disputing the accuracy or completeness of information in the consumer’s file that was the subject of an appeal under this subsection by submitting a statement directly to each consumer reporting agency that received the information;

“(vi) a description of the consumer’s rights pursuant to subsection (d) (relating to furnishing notifications to certain users of consumer reports); and

“(vii) any other information, as determined by the Bureau.

(E) NO EXCUSE FOR FAILURE TO CONDUCT APPEAL.—A consumer reporting agency may not refuse to conduct a review of an appeal under this subsection because the agency determines that the notice of appeal was submitted by an authorized third party, unless the agency has clear and convincing evidence that the third party is not authorized to submit the notice of appeal on the consumer’s behalf. If the consumer reporting agency refuses to conduct a review of the appeal for these reasons, it shall provide a clear and conspicuous written notice to the consumer explaining the reasons for the refusal and describing any information the consumer is required to provide for the agency to conduct a review of the appeal.”

(b) APPEALS OF INVESTIGATIONS CONDUCTED BY FURNISHERS OF INFORMATION.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)) is amended by adding at the end the following new paragraph:

“(10) DUTY OF FURNISHERS OF INFORMATION UPON NOTICE OF APPEAL OF INVESTIGATION.—

(A) IN GENERAL.—Within 120 days of the date of receipt of the results of an investigation conducted under paragraph (8)(E), a consumer may, free of charge, appeal such results by submitting a notice of appeal to the person who provided the information in the dispute to a consumer reporting agency (hereafter in this paragraph referred to as the ‘furnisher’).

(B) NOTICE OF APPEAL.—A notice of appeal described in subparagraph (A) may be submitted in writing, through a toll-free telephone number, or by other electronic means established by the furnisher, and—

“(i) shall identify the information contained in the consumer’s file that is the subject of the appeal;

“(ii) shall describe the specific reasons for submitting the notice of appeal; and

“(iii) may include any information, including substantiating documents, the consumer believes is relevant to the appeal.

(C) FURNISHER ACTIONS.—Upon receipt of such notice of appeal, the furnisher shall—

“(i) before the end of the period of 3 business days beginning on the date on which the furnisher receives the notice of appeal, notify each consumer reporting agency to which the person furnished such information a statement identifying the items of information that a consumer is appealing; and

“(ii) notify the consumer confirming the receipt of the consumer’s notice of appeal, including an approximate date when the consumer’s appeal will be completed, the process and procedures by which a review of the appeal will be conducted, and the specific individual designated by the consumer reporting agency who, upon the request of the consumer, may discuss the substance and status of the appeal.

(D) FURNISHER REQUIREMENTS UPON RECEIPT OF NOTICE OF APPEAL.—Not later than 20 days after receiving a notice of appeal, the furnisher shall determine whether the item of information being disputed by the consumer is inaccurate, incomplete, or cannot be verified, and shall notify the consumer reporting agency of the determination. If the furnisher cannot verify the accuracy or completeness of the disputed information, the furnisher shall, before the end of the 20-day period beginning on the date on which the furnisher receives notice of an appeal from the consumer, submit instructions to the consumer reporting agency that the item of information being disputed by the consumer should be deleted from the file of the consumer.

(E) MINIMUM STANDARDS FOR APPEALS EMPLOYEES.—Upon receipt of a notice of appeal under subparagraph (A), a furnisher shall designate one or more specific employees who—

“(i) shall be assigned an employee reference number or other employee identifier that can be used by the consumer to discuss the appeal with the specific individuals handling the appeal;

“(ii) shall have direct authority to resolve the dispute that is the subject of the notice of appeal on behalf of the furnisher from the review stage to its completion;

“(iii) shall meet minimum training and ongoing certification requirements at regular intervals, as established by the Bureau;

“(iv) may not have been involved in an investigation conducted pursuant to paragraph (8); and

“(v) may not be subject to any requirements linking incentives, including promotion, to the number of appeals processed within a certain time period.

(F) REQUIREMENTS FOR APPEALS PROCESS.—Such employees shall conduct a robust review of the appeal and make a determination regarding the accuracy and completeness of the disputed information by—

“(i) conducting an independent analysis, separate from any re-investigation by a reseller or consumer reporting agency, of the disputed information;

“(ii) verifying that the personally identifiable information related to the dispute is accurate and complete;

“(iii) analyzing the notice of appeal and all information, including substantiating documents, provided by the consumer with the notice of appeal;

“(iv) evaluating the validity of any information submitted by any person that was used by the furnisher in the initial investigation into the dispute;

"(v) verifying that the information being disputed relates to the consumer in whose file the information is located;

"(vi) verifying that the furnisher has a record of the information being disputed; and

"(vii) applying any additional factors or investigative processes, as specified by the Bureau.

(G) EXTENSION OF REVIEW PERIOD.—If a consumer submits additional information related to the appeal after the period of 3 business days described in subparagraph (C)(i) and before the end of the 20-day period described in subparagraph (D), the furnisher shall have an additional 10 business days to complete the review of the appeal.

(H) NOTICE OF APPEAL RESULTS.—Not later than 5 days after the end of the 20-day period described in subparagraph (D) (or the 10 business day extension described under subparagraph (G), as applicable) the furnisher shall provide the consumer with written notice of the results of the appeal by mail or, if requested by the consumer, by other means. The contents of such notice shall include—

"(i) a statement that the appeal is completed and the date on which it was completed, the results of the appeal, and the specific reasons supporting the results of the appeal;

"(ii) a copy of all information relating to the consumer that was used as a basis for deciding the results of the appeal;

"(iii) if the appeal results in any change to the consumer report, a notification that the consumer shall receive a copy, free of charge, of a revised consumer report (based upon the consumer's file as that file was changed as a result of the appeal) and a credit score or educational credit score (if applicable) from each consumer reporting agency that had been furnished incorrect information;

"(iv) a description of the procedure used to determine the accuracy and completeness of the information, including the business name, telephone number, mailing address, and Internet website address (if applicable), of any person who provided information that was contacted in connection with such information, if reasonably available;

"(v) information describing that the consumer may submit a statement, without charge, disputing the accuracy or completeness of information in the consumer's file that was the subject of an appeal under this paragraph by submitting a statement directly to each consumer reporting agency that received the information; and

"(vi) a notification that the consumer may request the furnisher to submit to each consumer reporting agency the consumer's request to furnish notifications pursuant to section 611(d) (relating to furnishing notifications to certain users of consumer reports)."

(c) TECHNICAL AMENDMENT.—Section 623(a)(8)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)(8)(A)) is amended by striking "reinvestigate" and inserting "investigate".

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

(1) in subsection (c)—

(A) by striking "Commission" and inserting "Bureau" each place that term appears;

(B) in the subsection heading, by striking "RIGHTS TO OBTAIN AND DISPUTE INFORMATION IN CONSUMER REPORTS AND TO OBTAIN CREDIT SCORES" and inserting "KEY CONSUMER REPORTING RIGHTS"; and

(C) in paragraph (1)—

(i) in the heading, by striking "COMMISSION" and inserting "BUREAU";

(ii) in subparagraph (B)—

(I) in clause (ii), by striking "a consumer report without charge under section 612" and inserting "consumer reports and credit scores or educational credit scores (as applicable) without charge under subsections (f), (g), (i), or (j) or section 612";

(II) in clause (iii), by inserting "or section 623" after "section 611";

(III) by striking clauses (iv) and (vi);

(IV) by inserting after clause (iii) the following new clause:

"(iv) the right of a consumer to appeal a determination of a reinvestigation conducted by a consumer reporting agency under section 611(h) or an investigation conducted by a furnisher of information under section 623(a)(10); and

(V) by adding at the end the following new clause:

“(vi) the method and circumstances under which consumers can obtain a 1-year fraud alert, 7-year fraud alert, active duty alert, or security freeze as described in section 605A through a consumer reporting agency described under section 603(p).”;

(iii) in subparagraph (C) (as amended by subparagraph (A)) by inserting “and the Commission” after “Bureau”; and

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

“(D) PUBLICATION OF SUMMARY RIGHTS.—A consumer reporting agency described under subsection (p) or (x) of section 603 shall display in a clear and conspicuous manner, including on the Internet website of the consumer reporting agency, the summary of rights prepared by the Bureau under this paragraph.”; and

(2) in subsection (d), by inserting “Bureau and the” before “Commission”.

SEC. 106. REVISED CONSUMER REPORTS.

Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i), as amended by section 105(a)(2), is further amended by adding at the end the following new subsection:

“(j) REQUIREMENT TO SEND REVISED CONSUMER REPORT TO CONSUMER.—Upon receiving a notice described in section 623(a)(8)(E)(iv), each consumer reporting agency shall send to the consumer a revised consumer report and credit score or education credit score (if applicable) based upon the consumer’s file as that file was changed as a result of the investigation.”.

SEC. 107. INDICATION OF DISPUTE BY CONSUMERS AND USE OF DISPUTED INFORMATION.

Section 605(f) of the Fair Credit Reporting Act (15 U.S.C. 1681c(f)) is amended to read as follows:

“(f) INDICATION OF DISPUTE.—

“(1) IN GENERAL.—A consumer reporting agency shall include in any consumer report based on the consumer’s file a notation identifying any item of information that is currently in dispute by the consumer if—

“(A) a consumer disputes the completeness or accuracy of any item of information contained in a consumer’s file pursuant to section 611(a)(1);

“(B) a consumer files with a consumer reporting agency an appeal of a reinvestigation pursuant to section 611(i); or

“(C) the consumer reporting agency is notified by a person that furnished any items of information that are currently in dispute by the consumer that—

“(i) a consumer disputes the completeness or accuracy of any information furnished by a person to any consumer reporting agency pursuant to paragraph (3) or (8) of section 623(a); or

“(ii) a consumer submits a notice of appeal under section 623(a)(10).

“(2) OPT OUT.—A consumer may submit a request to a consumer reporting agency or a person who furnished the information in dispute, as applicable, to have the notation described in paragraph (1) omitted from the consumer report. Upon receipt of such a request—

“(A) by a consumer reporting agency, such agency shall remove the notation within 1 business day; and

“(B) by a person who furnished the information in dispute, such person shall submit such request to each consumer reporting agency to which the person furnished such information within 1 business day and such agency shall remove the notation within 1 business day of receipt of such request.”.

SEC. 108. ACCURACY AND COMPLETENESS REPORT DUTIES FOR CONSUMER REPORTING AGENCIES AND FURNISHERS.

Section 607(b) of the Fair Credit Reporting Act (15 U.S.C. 1681e) is amended to read as follows:

“(b) ACCURACY AND COMPLETENESS OF REPORT.—

“(1) IN GENERAL.—In preparing a consumer report, a consumer reporting agency shall maintain reasonable procedures to ensure maximum possible accuracy and completeness of the information concerning the individual to whom the consumer report relates.

“(2) BUREAU RULE TO ASSURE MAXIMUM POSSIBLE ACCURACY AND COMPLETENESS WITH CREDIT REPORTING PRACTICES.—

“(A) RULE.—Not later than 18 months after the date of enactment of this subsection, the Bureau shall issue a final rule establishing the procedures described in paragraph (1).

“(B) REQUIREMENTS.—In formulating the rule required under subparagraph (A), the Bureau shall—

“(i) develop standards for matching the personally identifiable information included in the consumer’s file with the personally identifiable information furnished by the person who provided the information to the consumer reporting agency (hereafter in this subsection referred to as the ‘furnisher’), including the full name of a consumer, the date of birth of a consumer, the full social security number of a consumer, and any other information that the Bureau determines would aid in assuring maximum possible accuracy and completeness of such consumer reports;

“(ii) establish processes for a consumer reporting agency to monitor the integrity of the data provided by furnishers and the compliance of furnishers with the requirements of this title;

“(iii) establish processes for a consumer reporting agency to regularly reconcile data relating to accounts in collection, including those that have not been paid in full, by specifying the circumstances under which the consumer reporting agency shall remove or suppress negative or adverse information from a consumer’s file that has not been updated by a furnisher who is also a debt collector (as defined in section 803 of the Fair Debt Collection Practices Act) within the time period established by the Bureau;

“(iv) establish procedures to require each consumer reporting agency to review and monitor the quality of information received from any source, including information from public records, by regularly and on an ongoing basis comparing the information received to the information available from the original source and ensuring that the information received is the most current information;

“(v) develop standards and procedures for consumer reporting agencies to identify furnishers that repeatedly fail to provide accurate and complete information, to take corrective action against such furnishers, and to reject information submitted by such furnishers;

“(vi) develop standards and procedures for consumer reporting agencies to adopt regarding collection of public record data, including standards and procedures to consider the ultimate data source, how the public record information is filed and its availability and accessibility, and whether information relating to the satisfaction of judgments or other updates to the public record are available on a reasonably timely basis from a particular source; and

“(vii) establish any other factors, procedures, or processes determined by the Bureau to be necessary to assist consumer reporting agencies in achieving maximum possible accuracy and completeness of the information in consumer reports.

“(3) CORRECTIVE ACTION FOR FURNISHERS THAT REPEATEDLY FURNISH INACCURATE OR INCOMPLETE INFORMATION.—Upon identifying a furnisher that repeatedly fails to furnish accurate, complete, or verifiable information to consumer reporting agencies, the Bureau shall—

“(A) ensure the prompt removal of any adverse information relating to a consumer’s accounts submitted by such furnisher; and

“(B) take corrective action, which may include—

“(i) mandatory revised training and training materials for the staff of the furnisher regarding the furnishing of accurate and complete information;

“(ii) sharing industry best practices and procedures regarding accuracy and completeness; or

“(iii) temporarily prohibiting a furnisher from providing information to a consumer reporting agency.”.

SEC. 109. INCLUSION OF PUBLIC RECORD DATA SOURCES IN CONSUMER REPORTS.

Section 605(d) of the Fair Credit Reporting Act (15 U.S.C. 1681c(d)) is amended by adding at the end the following:

“(3) PUBLIC RECORD DATA SOURCE.—Any consumer reporting agency that furnishes a consumer report that contains public record data shall also include in such report the source from which that data was obtained, including the particular court, if any, and the date that the data was initially reported or published.”.

SEC. 110. INJUNCTIVE RELIEF FOR VICTIMS.

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

(1) in section 616—

(A) in subsection (a), by amending the subsection heading to read as follows: "DAMAGES";

(B) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(C) by inserting after subsection (b) the following new subsection:

"(c) INJUNCTIVE RELIEF.—In addition to any other remedy set forth in this section, a court may award injunctive relief to require compliance with the requirements imposed under this title with respect to any consumer. In the event of any successful action for injunctive relief under this subsection, the court may award to the prevailing party costs and reasonable attorney fees (as determined by the court) incurred during the action by such party."; and

(2) in section 617—

(A) in subsection (a), by amending the subsection heading to read as follows: "DAMAGES";

(B) by redesignating subsection (b) as subsection (c); and

(C) by inserting after subsection (a) the following new subsection:

"(b) INJUNCTIVE RELIEF.—In addition to any other remedy set forth in this section, a court may award injunctive relief to require compliance with the requirements imposed under this title with respect to any consumer. In the event of any successful action for injunctive relief under this subsection, the court may award to the prevailing party costs and reasonable attorney fees (as determined by the court) incurred during the action by such party.".

(b) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Section 621(a)(2)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681s(a)(2)(A)) is amended—

(1) by amending the subparagraph heading to read as follows: "NEGLIGENT, WILLFUL, OR KNOWING VIOLATIONS"; and

(2) by inserting "negligent, willful, or" before "knowing".

TITLE II—PROHIBITION ON MISLEADING AND UNFAIR CONSUMER REPORTING PRACTICES

SEC. 201. PROHIBITION ON AUTOMATIC RENEWALS FOR PROMOTIONAL CONSUMER REPORTING AND CREDIT SCORING PRODUCTS AND SERVICES.

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

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

“§ 630. Promotional periods

"(a) TERMINATION NOTICE.—With respect to any product or service related to a consumer report or a credit score that is provided to a consumer under promotional terms, the seller or provider of such product or service shall provide clear and conspicuous notice to the consumer within a reasonable period of time before the promotional period ends.

"(b) OPT-IN.—With respect to any such product or service, the seller or provider may not continue to sell or provide such product or service to the consumer after the end of the promotional period unless the consumer specifically agrees at the end of the promotional period to continue receiving the product or service."; and

(2) in the table of contents for such Act, by inserting after the item relating to section 629 the following new item:

"630. Promotional periods."

SEC. 202. PROHIBITION ON MISLEADING AND DECEPTIVE MARKETING RELATED TO THE PROVISION OF CONSUMER REPORTING AND CREDIT SCORING PRODUCTS AND SERVICES.

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

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "request, except" and all that follows through "consumer to whom" and inserting "request, unless the consumer to whom";

(ii) by striking "disclosure; and" and inserting "disclosure.;" and

(iii) by striking subparagraph (B); and

(B) in paragraph (6), by inserting "or educational credit score (if applicable) under subsection (f) or section 612" before the period at the end; and

(2) by adding at the end the following new subsection:

"(h) DISCLOSURES ON PRODUCTS AND SERVICES.—The Bureau, in consultation with the Federal Trade Commission, shall issue regulations within 18 months of the date of the enactment of this subsection requiring each consumer reporting agency and reseller to clearly and conspicuously disclose all material terms and conditions, including any fee and pricing information associated with any products or services of

ferred, advertised, marketed, or sold to consumers by the agency or reseller. Such disclosures shall be made in all forms of communication to consumers and displayed prominently on the agency or reseller's website and all other locations where products or services are offered, advertised, marketed, or sold to consumers.”.

SEC. 203. PROHIBITION ON EXCESSIVE DIRECT-TO-CONSUMER SALES.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 201, is further amended—

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

“§ 631. Fair and reasonable fees for products and services

“The Bureau may, with respect to any product or service offered by a consumer reporting agency to a consumer, set a fair and reasonable maximum fee that may be charged for such product or service, except where such maximum fee is otherwise provided under this title.”; and

- (2) in the table of contents for such Act, as amended by section 201, by adding at the end the following new item:

“631. Fair and reasonable fees for products and services.”.

SEC. 204. FAIR ACCESS TO CONSUMER REPORTING AND CREDIT SCORING DISCLOSURES FOR NONNATIVE ENGLISH SPEAKERS AND THE VISUALLY AND HEARING IMPAIRED.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 203, is further amended—

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

“§ 632. Fair access to information for nonnative English speakers and the visually and hearing impaired

“(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Bureau shall issue a rule to require consumer reporting agencies and persons who furnish information to consumer reporting agencies under this title, to the maximum extent reasonably practicable—

- (1) to provide any information, disclosures, or other communication with consumers—

“(A) in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis; and

“(B) in formats accessible to individuals with hearing or vision impairments; and

- (2) to ensure that—

“(A) customer service representatives, including employees assigned to handle disputes or appeals under sections 611 and 623, who are available to assist consumers are highly familiar with the requirements of this title;

“(B) such representatives are available during regular business hours and outside of regular business hours, including evenings and weekends; and

“(C) at least one among such representatives is fluent in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis.

“(b) BUREAU CONSULTATION.—The Bureau shall consult with advocates for civil rights, consumer groups, community groups, and organizations that serve traditionally underserved communities and populations in issuing the rule described in subsection (a).”; and

- (2) in the table of contents for such Act, as amended by section 203, by adding at the end the following new item:

“632. Fair access to information for nonnative English speakers and the visually and hearing impaired.”.

SEC. 205. COMPARISON SHOPPING FOR LOANS WITHOUT HARM TO CREDIT STANDING.

Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following new subsection:

“(i) ENCOURAGING CONSUMERS TO COMPARISON SHOP FOR LOANS BY TREATING GROUPED ENQUIRIES OF THE SAME TYPE WITHIN A REASONABLE PERIOD AS A SINGLE ENQUIRY.—

“(1) IN GENERAL.—With respect to multiple enquiries of the same type made to a consumer reporting agency for a consumer report or credit score with respect to a consumer, any credit scoring model shall treat such enquiries as a single enquiry if the enquiries are made within a 120-day period.

“(2) DEFINITION OF ENQUIRIES OF THE SAME TYPE.—With respect to multiple enquiries made to a consumer reporting agency for a consumer report or credit score with respect to a consumer, such enquiries are ‘of the same type’ if the consumer reporting agency has reason to believe that the enquiries are all made

for the purpose of determining the consumer's creditworthiness for an extension of credit described in one of the following:

- "(A) 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—
 - "(i) a manufactured home (as defined in section 603 of the Housing and Community Development Act of 1974 (42 U.S.C. 5402));
 - "(ii) any installment sales contract, land contract, or contract for deed on a residential property; or
 - "(iii) a reverse mortgage transaction (as defined in section 103 of the Truth in Lending Act).
- "(B) A motor vehicle loan or lease (as described in section 609(j)).
- "(C) A private education loan.
- "(D) Any other consumer financial product or service, as determined by the Bureau."

SEC. 206. NATIONWIDE CONSUMER REPORTING AGENCIES REGISTRY.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 204, is further amended—

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

“§ 633. Nationwide consumer reporting agencies registry

“(a) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Bureau shall establish and maintain a publicly accessible registry of consumer reporting agencies described in subsection (p) or (x) of section 603 (and any other agencies the Bureau determines provide similar services to such consumer reporting agencies) that includes current contact information of each such agency, including the Internet website address of the Internet website described under section 611(h), and information on how consumers can obtain their consumer report, credit scores, or educational credit scores (as applicable) by toll-free telephone, postal mail, or electronic means.

“(b) REGISTRY REQUIREMENTS.—The registry described in subsection (a) shall—

- “(1) identify the largest agencies and the markets and demographics covered by such agencies; and
- “(2) disclose, with respect to each agency, whether the agency is subject to the supervisory authority of the Bureau under this title.

“(c) INFORMATION UPDATES.—Each agency described under subsection (a) shall submit to the Bureau contact information for the registry, including any updates to such information. The Bureau shall—

- “(1) independently verify information submitted by each agency; and
- “(2) update the registry not less frequently than annually.”;

at the end the following new item:

“633. Nationwide consumer reporting agencies registry.”

PURPOSE AND SUMMARY

On July 9, 2019, Representative Alma Adams introduced H.R. 3642, the “Improving Credit Reporting for All Consumers Act,” which addresses burdens consumers experience when removing errors from their consumer reports, including by providing a new right to appeal the results of initial reviews about the accuracy or completeness of disputed items on the report. The bill requires the credit reporting agencies (CRAs) to conduct additional training of their personnel to better handle and address consumer concerns throughout the dispute resolution process. The bill also requires all furnishers who regularly report negative information to CRAs to notify customers about this practice and alert customers when they first send derogatory information. The bill directs CRAs to provide consumers with meaningful and clear information about credit scoring products and credit monitoring services. The bill also promotes consumers’ right to shop around for certain large-dollar loans without harming their credit standing by treating multiple

inquiries for a mortgage, auto, or private education loan as a single inquiry.

BACKGROUND AND NEED FOR LEGISLATION

Our nation's credit reporting system is broken yet has an impact on almost every American. Credit scores and credit reports are increasingly relied upon by creditors, employers, insurers, and even law enforcement. Yet it has been more than 15 years since Congress enacted comprehensive reform of the credit reporting system,¹ and there have been numerous shortcomings with the current system identified during that time that need to be addressed. For example, the Federal Trade Commission (FTC) study found in 2012 that one out of every five consumers have a verified error on their consumer reports and 5 percent had errors serious enough to result in them being denied credit or paying more for mortgages, auto loans, insurance policies, and other financial obligations.² An analysis of the Consumer Financial Protection Bureau's (CFPB) consumer complaint database revealed that in 2018, credit reports were the most complained about financial product, and the three major credit bureaus—Equifax, Experian and TransUnion—were the most-complained about financial companies.³ It is critical that Congress act swiftly to address these critical flaws and modernize the Fair Credit Reporting Act to ensure the credit reporting system works better for all Americans.

Research and government findings⁴ show that consumers continue to be burdened by inaccurate information on their consumer reports and are frequently confused by, and frustrated with, the flawed process to dispute credit reporting errors. Equifax, TransUnion, and Experian—the three big nationwide CRAs in the United States—maintain files for over 200 million consumers and prepare consumer reports that are commonly referred to as credit reports. CRAs often have not abided by their statutory obligation under the Federal Fair Credit Reporting Act (FCRA) to conduct reasonable investigations of consumers' disputes. A 2015 FTC survey⁵ confirmed that even though over half of the consumers who tried to fix errors on reports still believed that their reports contained inaccurate information after the CRAs' investigations had been completed, a significant number of consumers gave up trying to correct these mistakes. In a "Supervisory Highlights Credit reporting Special Edition,"⁶ released in March 2017, the CFPB found repeated compliance management deficiencies at nationwide CRAs and by furnishers of credit information that necessitated improve-

¹ The Fair and Accurate Credit Transactions Act of 2003 (FACT Act; P.L. 108–159), among other things, allows consumers to request and obtain a free credit report once a year from each of the three nationwide credit reporting agencies.

² <https://www.ftc.gov/sites/default/files/documents/reports/section-319-fair-and-accurate-credit-transactions-act-2003-fifth-interim-federal-trade-commission/130211factareport.pdf>.

³ <https://uspirc.org/news/usp/youre-not-alone-cfpb-complaints-rise>.

⁴ Consumer Financial Protection Bureau, Supervisory Highlights Credit reporting Special Edition (2017), available at https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201703_cfpb_Supervisory-Highlights-Consumer-Reporting-Special-Edition.pdf.

⁵ Beth A. Freeborn and Julie Miller, Report to Congress under Section 319 of the Fair and Accurate Credit Transactions act of 2003 (2015), available at <https://www.ftc.gov/system/files/documents/reports/section-319-fair-accurate-credit-transactions-act-2003-sixth-interim-final-report-federal-trade/150121factareport.pdf>.

⁶ Consumer Financial Protection Bureau, Supervisory Highlights Credit reporting Special Edition (2017), available at https://files.consumerfinance.gov/f/documents/201703_cfpb_Supervisory-Highlights-Consumer-Reporting-Special-Edition.pdf.

ments in their data accuracy and dispute resolution practices. Credit reporting problems are consistently one of the top three types of consumer complaints submitted to the CFPB, and many of these complaints involve consumers' frustration about the burdensome and time-consuming process of trying to fix reporting mistakes.

In addition, CRAs frequently market credit reporting products and services as "free" when they really are paid-subscription services that automatically convert after a trial period. Vulnerable consumers who have concerns about the security of their personal and financial information, deserve clear and transparent information about products and services available to them and the costs associated with such tools. Moreover, the CFPB found that consumers may choose not to review their reports for errors because of their mistaken fear that doing so may lower their credit scores.⁷ While many credit scoring models treat multiple inquiries as a single inquiry when they occur within a certain time period, the time span varies from 14 to 45 days.⁸ This could be insufficient for consumers buying a home or making another major purchase.

This legislation is supported by more than 80 consumer, civil rights, labor, and community organizations.⁹ The National Association of Realtors also support this legislation.¹⁰

This legislation is substantially similar to Titles I and VII of the discussion draft by Chairwoman Maxine Waters entitled, "the Comprehensive Consumer Credit Reporting Reform Act of 2019" that

⁷ Consumer Financial Protection Bureau, Consumer Voices on Credit Reports and Scores (2015), available at https://files.consumerfinance.gov/f/201502_cfpb_report_consumer-voices-on-credit-reports-and-scores.pdf.

⁸ Fair Isaac Corporation, Credit Checks & Inquiries available at <https://www.myfico.com/credit-education/credit-reports/credit-checks-and-inquiries>.

⁹ Supporting organizations include Americans for Financial Reform, A2Z Real Estate Consultants, African American Health Alliance, Alaska Public Interest Research Group, Allied Progress, Arkansas Community Organizations, BREAD Organization, CAFE Montgomery MD, Center for Digital Democracy, Cleveland Jobs with Justice, Community Action Human Resources Agency (CAHRA), Congregation of Our Lady of the Good Shepherd, US Provinces, Connecticut, Fair Housing Center, Consumer Action, Consumer Federation of America, Consumer Federation of California, Consumer Reports, CWA Local 1081, Delaware Community Reinvestment Action Council, Inc., Demos, Denver Area Labor Federation, East Bay Community Law Center, FAITH IN TEXAS, Famicos Foundation, FLARA, Florida Alliance for Consumer Protection, Greater Longview United Way, Groundcover News, Habitat for Humanity of Camp Co, TX, Hawaiian Community Assets, Housing Action Illinois, Housing and Family Services of Greater New York, Inc., Mary House, Inc., Maryland Consumer Rights Coalition, Miami Valley Fair Housing Center, Inc., Mobilization for Justice Inc., Montana Organizing Project, Multi-Cultural Real Estate Alliance For Urban Change, National Advocacy Center of the Sisters of the Good Shepherd, National Association of Consumer Advocates, National Association of Social Workers, National Association of Social Workers West Virginia Chapter, National Center for Law and Economic Justice, National Consumer Law Center (on behalf of its low-income clients), National Fair Housing Alliance, National Housing Law Project, National Housing Resource Center, National Rural Social Work Caucus, New Economics for Women, New Jersey Citizen Action, New Jersey Tenants Organization, New York Legal Assistance Group, North Carolina Council of Churches, Partners In Community Building, Inc., PathWays PA, Pennsylvania Council of Churches, People Demanding Action, Progressive Leadership Alliance of Nevada, Project IRENE, Prosperity Now, Public Citizen, Public Justice Center, Public Law Center, Public Utility Law Project of New York, Rocky Mountain Peace and Justice Center, SC Appleseed Legal Justice Center, Sisters of Mercy South Central Community, Society of St. Vincent de Paul, St. Paul UMC, Tennessee Citizen Action, The Center for Survivor Agency and Justice, The Disaster Law Project, The Greenlining Institute, The Leadership Conference on Civil and Human Rights, THE ONE LESS FOUNDATION, Tzedek DC, U.S. PIRG, Urban Asset Builders, Inc., Virginia Citizens Consumer Council, Virginia Poverty Law Center, West Virginia Center on Budget and Policy, Wildfire, Woodstock Institute, and WV Citizen Action Group. See <http://ourfinancialsecurity.org/2019/07/news-release-afr-statement-financial-services-committee-markup-credit-reporting/>.

¹⁰ National Association of Realtors letter, available at <https://narfocus.com/billdatabase/clientfiles/172/2/3417.pdf>.

was considered at a full committee hearing on February 26, 2019 and was introduced in previous congresses.¹¹

SECTION-BY-SECTION ANALYSIS

Section 1. Title

This section provides that H.R. 3642 may be cited as the “Improving Credit Reporting for All Consumers Act.”

Section 2. Congressional findings

This section highlights the importance of consumer credit reports and their impact across various sectors (lending, employment, etc.). This section also highlights consumer frustration with the lack of accuracy in reports and effective means to address errors in reports. This section also provides background on deceptive marketing practices, including instances where consumers are paying for products that they could receive free of charge, but are not provided with an accurate outlook of their options.

Section 3. Effective date

This section provides that the changes made by this act will go into effect two years after its enactment.

Section 4. General bureau rulemaking

This section directs the Consumer Financial Protection Bureau to issue final rules implementing this Act within two years of the enactment of H.R. 3642.

TITLE I—IMPROVEMENTS TO THE DISPUTE PROCESS

Section 101. Dispute procedures and disclosures relating to reinvestigations

This section amends section 611 of the Fair Credit Reporting Act by creating a process for consumers to more easily provide information to contest information on their credit reports and directs credit reporting agencies to investigate and reinvestigate under reasonable time frames (30 days with possible extensions).

Section 102. Consumer awareness of dispute rights

This section amends section 611 of the Fair Credit Reporting Act by requiring credit reporting agencies to create a website available to consumers that contains disclosures and other information that explains how to dispute an item on a credit report, and how consumers can address the problem. This section also directs this website to contain features so that consumers with vision and other impairments may still access the site.

Section 103. Maintenance of records by furnishers

This section amends section 623 of the Fair Credit Reporting Act.

¹¹ Financial Services Committee Hearing: Who’s Keeping Score? Holding Credit Bureaus Accountable and Repairing a Broken System (2019). Hearing information available at <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=402343>. Also see H.R. 5282 (114th Congress), the Comprehensive Consumer Credit Reporting Reform Act of 2016, introduced by Rep. Waters on May 19, 2016, and H.R.3755 (115th Congress), the Comprehensive Consumer Credit Reporting Reform Act of 2017, introduced by Rep. Waters on September 13, 2017, available with additional materials at <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=400788>.

The amendments made by this section require furnishers to retain records and any payment history of consumers for the same time period that negative information remains on reports. The amendments also address the issue of transfer of ownership in case another person acquires the right to repayment connected to the information provided, by requiring that the acquiring person be subjected to the same requirements and the same extent, as the person who initially provided such information to the credit reporting agency.

Section 104. Duties of furnishers relating to dispute procedures, notices, and disclosures

This section amends section 623(a) and section 615(a) of the Fair Credit Reporting Act by establishing a duty by furnishers to inform consumers through a general negative information warning notice, 90 days prior to furnishing any negative information to a credit reporting agency relating to such consumer. The amendments made by this section also eliminate a furnishers authority to dismiss consumer disputes as frivolous or irrelevant.

Section 105. Right to appeal disputes relating to reinvestigations and investigations

This section amends section 611, and section 623(a), and section 609 of the Fair Credit Reporting Act.

The amendments made by this section give consumers the right to appeal the results of a credit reporting agency's reinvestigation, through a notice of appeal within 120 days after the date of receipt of the results of such investigation, free of charge. The amendments made by this section also require credit reporting agencies to, within described reasonable time frames, provide consumers a statement confirming the receipt of the consumers notice of appeal and results of the appeal. Credit reporting agencies may not refuse to conduct a review of an appeal.

Section 106. Revised consumer reports

This section amends section 611 of the Fair Credit Reporting Act by requiring credit reporting agencies to send a revised consumer report and credit score based on the consumers file if the file was changed due to an investigation to such consumer impacted by the investigation.

Section 107. Indication of dispute by consumers and use of disputed information

This section amends section 605(f) of the Fair Credit Reporting Act by requiring a credit reporting agency to include a notation of any item of information that is being disputed in the consumer report. The amendments made by this section also allow a consumer to submit a request to opt out and request the credit reporting agency to omit such notations from the consumer report.

Section 108. Accuracy and completeness report duties for credit reporting agencies and furnishers

This section amends section 607(b) of the Fair Credit Reporting Act.

The amendments made by this section encourage the Consumer Financial Protection Bureau to issue a final rule establishing standard processes and procedures of credit reporting agencies to manage the dispute process. The amendments also urge the Bureau to establish a process of corrective action for furnishers who repeatedly furnish inaccurate or incomplete information, by ensuring that any adverse information related to a consumers account is promptly removed, while also granting authority to temporarily prohibit such furnisher from providing information to a credit reporting agency.

Section 109. Inclusion of public record data sources in consumer reports

This section amends section 607(d) of the Fair Credit Reporting Act by requiring any credit reporting agency that furnishes a consumer report containing public record data to also include the source, court (if applicable), and date that the data was initially reported or publicized.

Section 110. Injunctive relief for victims

This section amends section 616, section 617, and section 621(a) of the Fair Credit Reporting Act by encouraging courts to award injunctive relief related to the costs and reasonable attorney fees incurred during the action to the prevailing party by such party.

TITLE II—PROHIBITION ON MISLEADING AND UNFAIR CREDIT REPORTING PRACTICES

Sec. 201. Prohibition on automatic renewals for promotional credit reporting and credit scoring products and services

This section adds a new section 630 to the Fair Credit Reporting Act by prohibiting the seller or provider from continuing to sell or provide such product or service to a consumer after the end of the promotional period in which the product or service was sold, unless the consumer specifically agrees to continue receiving the product or service at the end of the promotional period.

Sec. 202. Prohibition on misleading and deceptive marketing related to the provision of credit reporting and credit scoring products and services

This section amends section 609 of the Fair Credit Reporting Act by encouraging the Consumer Financial Protection Bureau in consultation with the Federal Trade Commission to issue regulations within 18 months of the enactment of this section, requiring credit reporting agencies and resellers to clearly disclose all material terms and conditions including fees and pricing information to consumers on all locations where products or services are offered, sold, marketed or advertised.

Sec. 203. Prohibition on excessive direct-to-consumer sales

This section adds section 631 to the Fair Credit Reporting Act.

The new section 631 ends excessive direct-to-consumer sales by giving the Consumer Financial Protection Bureau authority to set fair and reasonable fees on credit reporting and credit scoring products and services sold by credit reporting agencies to consumers.

Sec. 204. Fair access to credit reporting and credit scoring disclosures for nonnative English speakers and the visually and hearing impaired

This section adds section 632 to the Fair Credit Reporting Act.

The new section 632 directs the Consumer Financial Protection Bureau to issue a rule within 180 days after the enactment of this section requiring credit reporting agencies to provide any information, disclosures, or other communications with consumers in each of the 10 most commonly spoken languages, as well as in formats accessible to individuals with hearing or visual impairments. This section also requires credit reporting agencies to have customer representatives and employees that can handle disputes or appeals and able to assist consumers under the requirements of this title.

Sec. 205. Comparison shopping for loans without harm to credit standing

This section amends section 605 of the Fair Credit Reporting Act by granting consumers the ability to conduct multiple inquiries regarding their credit score to a credit reporting agency without harming their credit score, and for that agency to treat all inquiries as “inquiries of the same type”, if the inquiries are made to determine a consumer’s creditworthiness for an extension of credit.

Sec. 206. Nationwide credit reporting agencies registry

This section adds section 633 to the Fair Credit Reporting Act.

The new section 633 directs the Consumer Financial Protection Bureau to establish and maintain a publicly accessible registry of credit reporting agencies, and any other agencies the Bureau determines provide similar products and services to such credit reporting agencies.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 for the 116th Congress—

(1) The Committee on Financial Services held a hearing, entitled “Who’s Keeping Score? Holding Credit Bureaus Accountable and Repairing a Broken System” to consider the “Comprehensive Consumer Credit Reporting Act of 2019” (Titles I and VII of the discussion draft is substantially similar to H.R. 3642) on February 26, 2019. The two-panel hearing consisted of first the three CEOs of the three largest Credit Reporting Agencies: Equifax, TransUnion, and Experian. Witnesses on the second panel included representatives from the National Fair Housing Alliance, the National Consumer Law Center, UnidosUS, U.S. Public Interest Research Group (PIRG), and a Paul Hastings partner and attorney. The hearing allowed Members of the Financial Services Committee to hear from witnesses about the continuing challenges modernizing the Fair Credit Reporting Act to better protect consumers and their data, as well as other legislation to help overcome those challenges.

(2) The Committee on Financial Services’ taskforce on Financial Technology held a hearing, entitled “Examining the Use of Alternative Data in Underwriting and Credit Scoring to Expand Access to Credit” on July 25, 2019 to discuss emerging technologies and

how they impact access to credit, and their impact across communities. The panel consisted of representatives from the National Consumer Law Center, Tulane University Law School, The Government Accountability Office (GAO), Upstart, and Upturn.

(3) In addition, during the 115th Congress, the Financial Services Committee held a two-part hearing on the Equifax data breach and related credit reporting and consumer data protection issues. The first part of the hearing entitled “Examining the Equifax Data Breach” took place on October 5, 2017 and featured the former Chairman and CEO to Equifax. The Committee also held a Minority Day hearing, which was a continuation of the hearing entitled, “Examining the Equifax Data Breach” and took place on October 25, 2017. Witnesses included representatives from the Consumer Financial Protection Bureau, the National Consumer Law Center, Georgetown University Law Center, and the Office of the New York State Attorney General.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on July 16, 2019, and ordered H.R. 3642 to be reported favorably to the House with an amendment in the nature of a substitute by a vote of 32 yeas and 26 nays, a quorum being present.

C O M M I T T E E V O T E S A N D R O L L C A L L V O T E S

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that the following roll call votes occurred during the Committee’s consideration of H.R. 3642:

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>	X	
	Mrs. Maloney	X	
	Ms. Velázquez	X	
	Mr. Sherman	X	
	Mr. Meeks	X	
	Mr. Clay	X	
	Mr. Scott	X	
	Mr. Green	X	
	Mr. Cleaver	X	
	Mr. Perlmutter		
	Mr. Himes	X	
	Mr. Foster	X	
	Mrs. Beatty	X	
	Mr. Heck	X	
	Mr. Vargas	X	
	Mr. Gottheimer	X	
	Mr. Gonzalez (TX)	X	
	Mr. Lawson	X	
	Mr. San Nicolas	X	
	Ms. Tlaib	X	
	Ms. Porter	X	
	Ms. Axne	X	
	Mr. Casten	X	
	Ms. Pressley	X	
	Mr. McAdams	X	
	Ms. Ocasio-Cortez	X	
	Mrs. Wexton	X	
	Mr. Lynch	X	
	Ms. Gabbard		
	Ms. Adams	X	
	Ms. Dean	X	
	Mr. Garcia (IL)	X	
	Ms. Garcia (TX)	X	
	Mr. Phillips	X	
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Mr. King	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Duffy	X	
	Mr. Stivers	X	
	Ms. Wagner	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk	X	
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
26			

Committee on Financial Services

Full Committee
116th Congress (1st Session)

Date: 7/11/2019

Measure _ H.R. 3642 (Final Passage)

Amendment No. _____

Offered by Rep. Adams, as amended

Agreed To	Yes	No	Prsnt	Wdm
	Ayes		Nays	
Voice Vote				

Record Vote	FC
	32 Ayes - 26 Noes

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goals of H.R. 3642 are to improve the consumer credit report dispute process and to end deceptive credit monitoring products practices.

NEW BUDGET AUTHORITY AND CBO ESTIMATE

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974*, and pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the following estimate for H.R. 3642 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 20, 2019.

Hon. MAXINE WATERS,
Chairwoman, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR MADAM CHAIRWOMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3642, the Improving Credit Reporting for All Consumers Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Hughes.

Sincerely,

PHILLIP L. SWAGEL.

Enclosure.

At a Glance			
H.R. 3642, Improving Credit Reporting for all Consumers Act			
As ordered reported by the House Committee on Financial Services on July 11, 2019			
By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	3	5	5
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	3	5	5
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	Yes, Cannot Determine Costs
		Contains private-sector mandate?	Yes, Cannot Determine Costs
* = between zero and \$500,000.			
The bill would <ul style="list-style-type: none"> • Require consumer reporting agencies (CRAs) to follow new processes to resolve credit disputes • Require the Consumer Financial Protection Bureau (CFPB) to issue final rules and establish and maintain a publicly available registry of CRAs • Impose intergovernmental and private-sector mandates on CRAs and other providers of consumer information • Expand the authority of the Federal Trade Commission (FTC) to prosecute some crimes 			
Estimated budgetary effects would primarily stem from <ul style="list-style-type: none"> • Hiring additional CFPB employees to issue rules and establish and maintain the publicly available registry of CRAs • Increased revenues from civil penalties collected because of expanded enforcement powers for the FTC 			
Detailed estimate begins on the next page.			

Bill Summary: H.R. 3642 would amend the Fair Credit Reporting Act to require consumer reporting agencies (CRAs) to adhere to new processes to resolve disputes and protect consumers. Title 1 would change how consumers dispute aspects of their credit file held by a CRA and would require CRAs and entities that furnish information to CRAs to hire and maintain sufficiently trained staff to handle such disputes. The bill would authorize consumers to appeal, free of charge, the results of a dispute reinvestigation by a CRA or a dispute investigation by an entity that furnishes information for their credit file. H.R. 3642 would require consumer information held by a CRA to be accurate, complete, and verifiable; consumers would be able to dispute the validity of their file on each of those grounds. Any entities that repeatedly provide inaccurate, incomplete, or unverifiable information to CRAs would be subject to corrective action by the Consumer Financial Protection Bureau (CFPB).

Under title 2, customer service representatives working for a CRA would be required to exhibit a minimum competence with consumer reporting laws and regulations and to remain available both during and outside of regular business hours. In addition, the

CFPB would be required to establish and maintain a publicly available registry of CRAs and to update that registry on an annual basis. Finally, H.R. 3642 would expand the authority of the Federal Trade Commission (FTC) to prosecute negligent or willful violations of the Fair Credit Reporting Act.

Estimated Federal cost: The estimated budgetary effect of H.R. 3642 is shown in Table 1. The costs of the legislation fall within budget function 370 (commerce and housing credit).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 3642

	By fiscal year, millions of dollars—											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020–2024	2020–2029
INCREASES IN DIRECT SPENDING												
Estimated Budget Authority	3	2	*	*	*	*	*	*	*	*	5	5
Estimated Outlays	3	2	*	*	*	*	*	*	*	*	5	5

* = between zero and \$500,000.

Enacting H.R. 3642 would have an insignificant effect on revenues and on spending subject to appropriation.

Basis of estimate: CBO assumes the bill will be enacted early in calendar year 2020.

Direct spending and revenues: Using information from the CFPB, CBO estimates that the CFPB would need 23 employees at an annual rate of \$200,000 per employee for about one year to issue rules to implement the bill. In addition, CBO estimates that the bureau would need the equivalent of about two employees to establish and update the CRA registry. On that basis, CBO estimates that enacting H.R. 3642 would increase direct spending by the agency by \$5 million over the 2020–2029 period. (The CFPB has permanent authority, not subject to annual appropriation, to spend amounts transferred from the Federal Reserve.)

CBO anticipates that expanding the FTC's ability to bring additional enforcement actions would increase collections of civil monetary penalties, which are recorded in the federal budget as revenues. CBO expects the increased revenues would total less than \$500,000 over the 2020–2029 period.

Spending subject to appropriation: Using information from the FTC, CBO estimates that implementing the bill would increase the FTC's enforcement costs by less than \$500,000 over the 2020–2024 period. Any spending would be subject to the availability of appropriated funds.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.

TABLE 2.—CBO'S ESTIMATE OF THE STATUTORY PAY-AS-YOU-GO EFFECTS OF H.R. 3642, IMPROVING CREDIT REPORTING FOR ALL CONSUMERS ACT, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON FINANCIAL SERVICES ON JULY 11, 2019

	By fiscal year, millions of dollars—											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020–2024	2020–2029
NET INCREASE IN THE DEFICIT												
Pay-As-You-Go Effect	3	2	0	0	0	0	0	0	0	0	5	5

Increase in long-term deficits: None.

Mandates: The bill contains intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO cannot determine whether the aggregate cost of those mandates would exceed the thresholds established in UMRA (\$82 million and \$164 million in 2019, respectively, adjusted annually for inflation).

In amending the process for consumers to dispute information in their credit file and for CRAs to investigate those disputes, H.R. 3642 would impose new requirements on CRAs, which CBO estimates would impose small compliance costs on them. The bill would require CRAs to:

- Ensure personnel handling reinvestigations of disputed information are located in the United States;
- Publish on their websites an overview of a consumer's right to obtain and dispute credit information;
- Place notations in consumer reports for disputed information and citing public data sources if used in a report;
- Establish electronic means for consumers to submit and track an appeal request; and
- Treat multiple inquiries by a consumer during a 120-day period for a mortgage, auto, or student loan as a single inquiry.

The bill also would prohibit CRAs from charging consumers to delete disputed information resulting from an investigation of their consumer report.

Mandate that applies to private entities only: H.R. 3642 would direct the CFPB to issue several rules that would impose additional requirements on private entities. However, because the CFPB has not yet established those rules, CBO cannot determine the costs to comply. Those new rules would specify:

- Procedures CRAs must follow to ensure the accuracy of information contained in consumer reports;
- Notices CRAs must provide to consumers regarding investigations of disputed information in a consumer report;
- A maximum fee for services and products that a CRA may charge to consumers;
- Information to be disclosed on the website of businesses that resell data from CRAs; and
- Translations and formats that CRAs and furnishers must use to provide information to non-English speakers and the hearing and visually impaired.

Mandate that applies both to public and to private entities: H.R. 3642 would place new requirements on traditional and nontraditional providers of consumer information. Specifically, those providers would be required to:

- Notify consumers on the results of investigations,
- Ensure personnel involved in reinvestigations are located within the United States,
 - Maintain consumer information, including payment histories, submitted to CRAs until the information is no longer used in a consumer report, and
 - Verify CRAs have correct information in a disputed consumer report.

The bill would include utility providers, which can be public entities, in the definition of nontraditional providers of information. Thus, the bill imposes both intergovernmental and private-sector mandates. Under current law, those providers submit information to CRAs voluntarily; CBO cannot determine the number of providers that would continue to provide information to CRAs in light of the new notification and verification requirements in the bill. Therefore, CBO cannot determine the cost of the mandates.

Estimate prepared by: Federal costs: David Hughes; Mandates: Rachel Austin.

Estimate reviewed by: Kim Cawley, Chief, Natural Resources Cost Estimates Unit; Susan Willie, Chief, Mandates Unit; H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis; Theresa Gullo, Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 3642. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act*.

UNFUNDED MANDATE STATEMENT

Pursuant to Section 423 of the *Congressional Budget and Impoundment Control Act* (as amended by Section 101(a)(2) of the *Unfunded Mandates Reform Act*, Pub. L. 104–4), the Committee adopts as its own the estimate of federal mandates regarding H.R. 3642, as amended, prepared by the Director of the Congressional Budget Office.

ADVISORY COMMITTEE

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

H.R. 3642 does not apply to terms and conditions of employment or to access to public services or accommodations within the legislative branch.

EARMARK STATEMENT

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. does not contain any congressional ear-

marks, limited tax benefits, or limited tariff benefits as described in clauses 9(e), 9(f), and 9(g) of rule XXI.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of H.R. 3642 establishes or reauthorizes a program of the Federal Government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CHANGES IN EXISTING LAW MADE BY THE BILL AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H.R. 3642, as reported, are shown as follows:

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

FAIR CREDIT REPORTING ACT

TITLE VI—CONSUMER CREDIT REPORTING

Sec.

601. Short title.

* * * * *

630. Promotional periods.
631. Fair and reasonable fees for products and services.
632. Fair access to information for nonnative English speakers and the visually and hearing impaired.
633. Nationwide consumer reporting agencies registry.

* * * * *

§ 601. Short title

This title may be cited as the “Fair Credit Reporting Act”.

§ 605. Requirements relating to information contained in consumer reports

(a) INFORMATION EXCLUDED FROM CONSUMER REPORTS.—Except as authorized under subsection (b), no consumer reporting agency may make any consumer report containing any of the following items of information:

(1) Cases under title 11 of the United States Code or under the Bankruptcy Act that, from the date of entry of the order for relief

or the date of adjudication, as the case may be, antedate the report by more than 10 years.

(2) Civil suits, civil judgments, and records of arrest that, from date of entry, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period.

(3) Paid tax liens which, from date of payment, antedate the report by more than seven years.

(4) Accounts placed for collection or charged to profit and loss which antedate the report by more than seven years.

(5) Any other adverse item of information, other than records of convictions of crimes which antedates the report by more than seven years.

(6) The name, address, and telephone number of any medical information furnisher that has notified the agency of its status, unless—

(A) such name, address, and telephone number are restricted or reported using codes that do not identify, or provide information sufficient to infer, the specific provider or the nature of such services, products, or devices to a person other than the consumer; or

(B) the report is being provided to an insurance company for a purpose relating to engaging in the business of insurance other than property and casualty insurance.

(7) With respect to a consumer reporting agency described in section 603(p), any information related to a veteran's medical debt if the date on which the hospital care, medical services, or extended care services was rendered relating to the debt antedates the report by less than 1 year if the consumer reporting agency has actual knowledge that the information is related to a veteran's medical debt and the consumer reporting agency is in compliance with its obligation under section 302(c)(5) of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

(8) With respect to a consumer reporting agency described in section 603(p), any information related to a fully paid or settled veteran's medical debt that had been characterized as delinquent, charged off, or in collection if the consumer reporting agency has actual knowledge that the information is related to a veteran's medical debt and the consumer reporting agency is in compliance with its obligation under section 302(c)(5) of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

(b) The provisions of paragraphs (1) through (5) of subsection (a) are not applicable in the case of any consumer credit report to be used in connection with—

(1) a credit transaction involving, or which may reasonably be expected to involve, a principal amount of \$150,000 or more;

(2) the underwriting of life insurance involving, or which may reasonably be expected to involve, a face amount of \$150,000 or more; or

(3) the employment of any individual at an annual salary which equals, or which may reasonably be expected to equal \$75,000, or more.

(c) RUNNING OF REPORTING PERIOD.—

(1) IN GENERAL.—The 7-year period referred to in paragraphs (4) and (6) of subsection (a) shall begin, with respect to any delinquent account that is placed for collection (internally or by referral to a third party, whichever is earlier), charged to profit and loss, or subjected to any similar action, upon the expiration of the 180-day period beginning on the date of the commencement of the delinquency which immediately preceded the collection activity, charge to profit and loss, or similar action.

(2) EFFECTIVE DATE.—Paragraph (1) shall apply only to items of information added to the file of a consumer on or after the date that is 455 days after the date of enactment of the Consumer Credit Reporting Reform Act of 1996.

(d) INFORMATION REQUIRED TO BE DISCLOSED.—

(1) TITLE 11 INFORMATION.—Any consumer reporting agency that furnishes a consumer report that contains information regarding any case involving the consumer that arises under title 11, United States Code, shall include in the report an identification of the chapter of such title 11 under which such case arises if provided by the source of the information. If any case arising or filed under title 11, United States Code, is withdrawn by the consumer before a final judgment, the consumer reporting agency shall include in the report that such case or filing was withdrawn upon receipt of documentation certifying such withdrawal.

(2) KEY FACTOR IN CREDIT SCORE INFORMATION.—Any consumer reporting agency that furnishes a consumer report that contains any credit score or any other risk score or predictor on any consumer shall include in the report a clear and conspicuous statement that a key factor (as defined in section 609(f)(2)(B)) that adversely affected such score or predictor was the number of enquiries, if such a predictor was in fact a key factor that adversely affected such score. This paragraph shall not apply to a check services company, acting as such, which issues authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers, or similar methods of payments, but only to the extent that such company is engaged in such activities.

(3) PUBLIC RECORD DATA SOURCE.—*Any consumer reporting agency that furnishes a consumer report that contains public record data shall also include in such report the source from which that data was obtained, including the particular court, if any, and the date that the data was initially reported or publicized.*

(e) INDICATION OF CLOSURE OF ACCOUNT BY CONSUMER.—If a consumer reporting agency is notified pursuant to section 623(a)(4) that a credit account of a consumer was voluntarily closed by the consumer, the agency shall indicate that fact in any consumer report that includes information related to the account.

[(f) INDICATION OF DISPUTE BY CONSUMER.—If a consumer reporting agency is notified pursuant to section 623(a)(3) that information regarding a consumer who was furnished to the agency is disputed by the consumer, the agency shall indicate that fact in each consumer report that includes the disputed information.]

(f) INDICATION OF DISPUTE.—

(1) *IN GENERAL.*—A consumer reporting agency shall include in any consumer report based on the consumer's file a notation identifying any item of information that is currently in dispute by the consumer if—

(A) a consumer disputes the completeness or accuracy of any item of information contained in a consumer's file pursuant to section 611(a)(1);

(B) a consumer files with a consumer reporting agency an appeal of a reinvestigation pursuant to section 611(i); or

(C) the consumer reporting agency is notified by a person that furnished any items of information that are currently in dispute by the consumer that—

(i) a consumer disputes the completeness or accuracy of any information furnished by a person to any consumer reporting agency pursuant to paragraph (3) or (8) of section 623(a); or

(ii) a consumer submits a notice of appeal under section 623(a)(10).

(2) *OPT OUT.*—A consumer may submit a request to a consumer reporting agency or a person who furnished the information in dispute, as applicable, to have the notation described in paragraph (1) omitted from the consumer report. Upon receipt of such a request—

(A) by a consumer reporting agency, such agency shall remove the notation within 1 business day; and

(B) by a person who furnished the information in dispute, such person shall submit such request to each consumer reporting agency to which the person furnished such information within 1 business day and such agency shall remove the notation within 1 business day of receipt of such request.

(g) **TRUNCATION OF CREDIT CARD AND DEBIT CARD NUMBERS.**—

(1) *IN GENERAL.*—Except as otherwise provided in this subsection, no person that accepts credit cards or debit cards for the transaction of business shall print more than the last 5 digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of the sale or transaction.

(2) *LIMITATION.*—This subsection shall apply only to receipts that are electronically printed, and shall not apply to transactions in which the sole means of recording a credit card or debit card account number is by handwriting or by an imprint or copy of the card.

(3) *EFFECTIVE DATE.*—This subsection shall become effective—

(A) 3 years after the date of enactment of this subsection, with respect to any cash register or other machine or device that electronically prints receipts for credit card or debit card transactions that is in use before January 1, 2005; and

(B) 1 year after the date of enactment of this subsection, with respect to any cash register or other machine or device that electronically prints receipts for credit card or debit card transactions that is first put into use on or after January 1, 2005.

(h) NOTICE OF DISCREPANCY IN ADDRESS.—

(1) IN GENERAL.—If a person has requested a consumer report relating to a consumer from a consumer reporting agency described in section 603(p), the request includes an address for the consumer that substantially differs from the addresses in the file of the consumer, and the agency provides a consumer report in response to the request, the consumer reporting agency shall notify the requester of the existence of the discrepancy.

(2) REGULATIONS.—

(A) REGULATIONS REQUIRED.—The Bureau shall, in consultation with the Federal banking agencies, the National Credit Union Administration, and the Federal Trade Commission, prescribe regulations providing guidance regarding reasonable policies and procedures that a user of a consumer report should employ when such user has received a notice of discrepancy under paragraph (1).

(B) POLICIES AND PROCEDURES TO BE INCLUDED.—The regulations prescribed under subparagraph (A) shall describe reasonable policies and procedures for use by a user of a consumer report—

(i) to form a reasonable belief that the user knows the identity of the person to whom the consumer report pertains; and

(ii) if the user establishes a continuing relationship with the consumer, and the user regularly and in the ordinary course of business furnishes information to the consumer reporting agency from which the notice of discrepancy pertaining to the consumer was obtained, to reconcile the address of the consumer with the consumer reporting agency by furnishing such address to such consumer reporting agency as part of information regularly furnished by the user for the period in which the relationship is established.

(i) ENCOURAGING CONSUMERS TO COMPARISON SHOP FOR LOANS BY TREATING GROUPED ENQUIRIES OF THE SAME TYPE WITHIN A REASONABLE PERIOD AS A SINGLE ENQUIRY.—

(1) IN GENERAL.—With respect to multiple enquiries of the same type made to a consumer reporting agency for a consumer report or credit score with respect to a consumer, any credit scoring model shall treat such enquiries as a single enquiry if the enquiries are made within a 120-day period.

(2) DEFINITION OF ENQUIRIES OF THE SAME TYPE.—With respect to multiple enquiries made to a consumer reporting agency for a consumer report or credit score with respect to a consumer, such enquiries are “of the same type” if the consumer reporting agency has reason to believe that the enquiries are all made for the purpose of determining the consumer’s creditworthiness for an extension of credit described in one of the following:

(A) 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—

- (i) a manufactured home (as defined in section 603 of the Housing and Community Development Act of 1974 (42 U.S.C. 5402));
 - (ii) any installment sales contract, land contract, or contract for deed on a residential property; or
 - (iii) a reverse mortgage transaction (as defined in section 103 of the Truth in Lending Act).
- (B) A motor vehicle loan or lease (as described in section 609(j)).
- (C) A private education loan.
- (D) Any other consumer financial product or service, as determined by the Bureau.

* * * * *

§ 605B. Block of information resulting from identity theft

- (a) **BLOCK.**—Except as otherwise provided in this section, a consumer reporting agency shall block the reporting of any information in the file of a consumer that the consumer identifies as information that resulted from an alleged identity theft, not later than 4 business days after the date of receipt by such agency of—
- (1) appropriate proof of the identity of the consumer;
 - (2) a copy of an identity theft report;
 - (3) the identification of such information by the consumer; and
 - (4) a statement by the consumer that the information is not information relating to any transaction by the consumer.
- (b) **NOTIFICATION.**—A consumer reporting agency shall promptly notify the furnisher of information identified by the consumer under subsection (a)—
- (1) that the information may be a result of identity theft;
 - (2) that an identity theft report has been filed;
 - (3) that a block has been requested under this section; and
 - (4) of the effective dates of the block.
- (c) **AUTHORITY TO DECLINE OR RESCIND.**—
- (1) **IN GENERAL.**—A consumer reporting agency may decline to block, or may rescind any block, of information relating to a consumer under this section, if the consumer reporting agency reasonably determines that—
 - (A) the information was blocked in error or a block was requested by the consumer in error;
 - (B) the information was blocked, or a block was requested by the consumer, on the basis of a material misrepresentation of fact by the consumer relevant to the request to block; or
 - (C) the consumer obtained possession of goods, services, or money as a result of the blocked transaction or transactions.
 - (2) **NOTIFICATION TO CONSUMER.**—If a block of information is declined or rescinded under this subsection, the affected consumer shall be notified promptly, in the same manner as consumers are notified of the reinsertion of information under [section 611(a)(5)(B)] *section 611(a)(5)*
 - (3) **SIGNIFICANCE OF BLOCK.**—For purposes of this subsection, if a consumer reporting agency rescinds a block, the presence of information in the file of a consumer prior to the blocking

of such information is not evidence of whether the consumer knew or should have known that the consumer obtained possession of any goods, services, or money as a result of the block.

(d) EXCEPTION FOR RESELLERS.—

(1) NO RESELLER FILE.—This section shall not apply to a consumer reporting agency, if the consumer reporting agency—

(A) is a reseller;

(B) is not, at the time of the request of the consumer under subsection (a), otherwise furnishing or reselling a consumer report concerning the information identified by the consumer; and

(C) informs the consumer, by any means, that the consumer may report the identity theft to the Bureau to obtain consumer information regarding identity theft.

(2) RESELLER WITH FILE.—The sole obligation of the consumer reporting agency under this section, with regard to any request of a consumer under this section, shall be to block the consumer report maintained by the consumer reporting agency from any subsequent use, if—

(A) the consumer, in accordance with the provisions of subsection (a), identifies, to a consumer reporting agency, information in the file of the consumer that resulted from identity theft; and

(B) the consumer reporting agency is a reseller of the identified information.

(3) NOTICE.—In carrying out its obligation under paragraph (2), the reseller shall promptly provide a notice to the consumer of the decision to block the file. Such notice shall contain the name, address, and telephone number of each consumer reporting agency from which the consumer information was obtained for resale.

(e) EXCEPTION FOR VERIFICATION COMPANIES.—The provisions of this section do not apply to a check services company, acting as such, which issues authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers, or similar methods of payments, except that, beginning 4 business days after receipt of information described in paragraphs (1) through (3) of subsection (a), a check services company shall not report to a national consumer reporting agency described in section 603(p), any information identified in the subject identity theft report as resulting from identity theft.

(f) ACCESS TO BLOCKED INFORMATION BY LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed as requiring a consumer reporting agency to prevent a Federal, State, or local law enforcement agency from accessing blocked information in a consumer file to which the agency could otherwise obtain access under this title.

* * * * *

§ 607. Compliance procedures

(a) Every consumer reporting agency shall maintain reasonable procedures designed to avoid violations of section 605 and to limit the furnishing of consumer reports to the purposes listed under section 604. These procedures shall require that prospective users

of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose. Every consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by such prospective user prior to furnishing such user a consumer report. No consumer reporting agency may furnish a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 604.

I(b) Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.]

(b) *ACCURACY AND COMPLETENESS OF REPORT.—*

(1) *IN GENERAL.—In preparing a consumer report, a consumer reporting agency shall maintain reasonable procedures to ensure maximum possible accuracy and completeness of the information concerning the individual to whom the consumer report relates.*

(2) *BUREAU RULE TO ASSURE MAXIMUM POSSIBLE ACCURACY AND COMPLETENESS WITH CREDIT REPORTING PRACTICES.—*

(A) *RULE.—Not later than 18 months after the date of enactment of this subsection, the Bureau shall issue a final rule establishing the procedures described in paragraph (1).*

(B) *REQUIREMENTS.—In formulating the rule required under subparagraph (A), the Bureau shall—*

(i) *develop standards for matching the personally identifiable information included in the consumer's file with the personally identifiable information furnished by the person who provided the information to the consumer reporting agency (hereafter in this subsection referred to as the "furnisher"), including the full name of a consumer, the date of birth of a consumer, the full social security number of a consumer, and any other information that the Bureau determines would aid in assuring maximum possible accuracy and completeness of such consumer reports;*

(ii) *establish processes for a consumer reporting agency to monitor the integrity of the data provided by furnishers and the compliance of furnishers with the requirements of this title;*

(iii) *establish processes for a consumer reporting agency to regularly reconcile data relating to accounts in collection, including those that have not been paid in full, by specifying the circumstances under which the consumer reporting agency shall remove or suppress negative or adverse information from a consumer's file that has not been updated by a furnisher who is also a debt collector (as defined in section 803 of the Fair Debt Collection Practices Act) within the time period established by the Bureau;*

(iv) *establish procedures to require each consumer reporting agency to review and monitor the quality of information received from any source, including information from public records, by regularly and on an ongoing basis.*

ing basis comparing the information received to the information available from the original source and ensuring that the information received is the most current information;

(v) develop standards and procedures for consumer reporting agencies to identify furnishers that repeatedly fail to provide accurate and complete information, to take corrective action against such furnishers, and to reject information submitted by such furnishers;

(vi) develop standards and procedures for consumer reporting agencies to adopt regarding collection of public record data, including standards and procedures to consider the ultimate data source, how the public record information is filed and its availability and accessibility, and whether information relating to the satisfaction of judgments or other updates to the public record are available on a reasonably timely basis from a particular source; and

(vii) establish any other factors, procedures, or processes determined by the Bureau to be necessary to assist consumer reporting agencies in achieving maximum possible accuracy and completeness of the information in consumer reports.

(3) CORRECTIVE ACTION FOR FURNISHERS THAT REPEATEDLY FURNISH INACCURATE OR INCOMPLETE INFORMATION.—Upon identifying a furnisher that repeatedly fails to furnish accurate, complete, or verifiable information to consumer reporting agencies, the Bureau shall—

(A) ensure the prompt removal of any adverse information relating to a consumer's accounts submitted by such furnisher; and

(B) take corrective action, which may include—

(i) mandatory revised training and training materials for the staff of the furnisher regarding the furnishing of accurate and complete information;

(ii) sharing industry best practices and procedures regarding accuracy and completeness; or

(iii) temporarily prohibiting a furnisher from providing information to a consumer reporting agency.

(c) DISCLOSURE OF CONSUMER REPORTS BY USERS ALLOWED.—A consumer reporting agency may not prohibit a user of a consumer report furnished by the agency on a consumer from disclosing the contents of the report to the consumer, if adverse action against the consumer has been taken by the user based in whole or in part on the report.

(d) NOTICE TO USERS AND FURNISHERS OF INFORMATION.—

(1) NOTICE REQUIREMENT.—A consumer reporting agency shall provide to any person—

(A) who regularly and in the ordinary course of business furnishes information to the agency with respect to any consumer; or

(B) to whom a consumer report is provided by the agency;
a notice of such person's responsibilities under this title.

- (2) CONTENT OF NOTICE.—The Bureau shall prescribe the content of notices under paragraph (1), and a consumer reporting agency shall be in compliance with this subsection if it provides a notice under paragraph (1) that is substantially similar to the Bureau prescription under this paragraph.
- (e) PROCUREMENT OF CONSUMER REPORT FOR RESALE.—
- (1) DISCLOSURE.—A person may not procure a consumer report for purposes of reselling the report (or any information in the report) unless the person discloses to the consumer reporting agency that originally furnishes the report—
- (A) the identity of the end-user of the report (or information); and
- (B) each permissible purpose under section 604 for which the report is furnished to the end-user of the report (or information).
- (2) RESPONSIBILITIES OF PROCURERS FOR RESALE.—A person who procures a consumer report for purposes of reselling the report (or any information in the report) shall—
- (A) establish and comply with reasonable procedures designed to ensure that the report (or information) is resold by the person only for a purpose for which the report may be furnished under section 604, including by requiring that each person to whom the report (or information) is resold and that resells or provides the report (or information) to any other person—
- (i) identifies each end user of the resold report (or information);
- (ii) certifies each purpose for which the report (or information) will be used; and
- (iii) certifies that the report (or information) will be used for no other purpose; and
- (B) before reselling the report, make reasonable efforts to verify the identifications and certifications made under subparagraph (A).
- (3) RESALE OF CONSUMER REPORT TO A FEDERAL AGENCY OR DEPARTMENT.—Notwithstanding paragraph (1) or (2), a person who procures a consumer report for purposes of reselling the report (or any information in the report) shall not disclose the identity of the end-user of the report under paragraph (1) or (2) if—
- (A) the end user is an agency or department of the United States Government which procures the report from the person for purposes of determining the eligibility of the consumer concerned to receive access or continued access to classified information (as defined in section 604(b)(4)(E)(i)); and
- (B) the agency or department certifies in writing to the person reselling the report that nondisclosure is necessary to protect classified information or the safety of persons employed by or contracting with, or undergoing investigation for work or contracting with the agency or department.

* * * * *

§ 609. Disclosures to consumers

(a) Every consumer reporting agency shall, upon request, and subject to section 610(a)(1), clearly and accurately disclose to the consumer:

(1) All information in the consumer's file at the time of the [request, except that—]

[(A) if the consumer to whom] *request, unless the consumer to whom* the file relates requests that the first 5 digits of the social security number (or similar identification number) of the consumer not be included in the disclosure and the consumer reporting agency has received appropriate proof of the identity of the requester, the consumer reporting agency shall so truncate such number in such [disclosure; and] disclosure.

[(B) nothing in this paragraph shall be construed to require a consumer reporting agency to disclose to a consumer any information concerning credit scores or any other risk scores or predictors relating to the consumer.]

(2) The sources of the information; except that the sources of information acquired solely for use in preparing an investigative consumer report and actually used for no other purpose need not be disclosed: *Provided*, That in the event an action is brought under this title, such sources shall be available to the plaintiff under appropriate discovery procedures in the court in which the action is brought.

(3)(A) Identification of each person (including each end-user identified under section 607(e)(1)) that procured a consumer report—

(i) for employment purposes, during the 2-year period preceding the date on which the request is made; or

(ii) for any other purpose, during the 1-year period preceding the date on which the request is made.

(B) An identification of a person under subparagraph (A) shall include—

(i) the name of the person or, if applicable, the trade name (written in full) under which such person conducts business; and

(ii) upon request of the consumer, the address and telephone number of the person.

(C) Subparagraph (A) does not apply if—

(i) the end user is an agency or department of the United States Government that procures the report from the person for purposes of determining the eligibility of the consumer to whom the report relates to receive access or continued access to classified information (as defined in section 604(b)(4)(E)(i)); and

(ii) the head of the agency or department makes a written finding as prescribed under section 604(b)(4)(A).

(4) The dates, original payees, and amounts of any checks upon which is based any adverse characterization of the consumer, included in the file at the time of the disclosure.

(5) A record of all inquiries received by the agency during the 1-year period preceding the request that identified the consumer in connection with a credit or insurance transaction that was not initiated by the consumer.

- (6) If the consumer requests the credit file and not the credit score, a statement that the consumer may request and obtain a credit score or educational credit score (if applicable) under subsection (f) or section 612
- (b) The requirements of subsection (a) respecting the disclosure of sources of information and the recipients of consumer reports do not apply to information received or consumer reports furnished prior to the effective date of this title except to the extent that the matter involved is contained in the files of the consumer reporting agency on that date.
- (c) **SUMMARY OF [RIGHTS TO OBTAIN AND DISPUTE INFORMATION IN CONSUMER REPORTS AND TO OBTAIN CREDIT SCORES] KEY CONSUMER REPORTING RIGHTS.—**
- (1) **[COMMISSION] BUREAU SUMMARY OF RIGHTS REQUIRED.—**
- (A) **IN GENERAL.**—The **[Commission] Bureau** shall prepare a model summary of the rights of consumers under this title.
- (B) **CONTENT OF SUMMARY.**—The summary of rights prepared under subparagraph (A) shall include a description of—
- (i) the right of a consumer to obtain a copy of a consumer report under subsection (a) from each consumer reporting agency;
 - (ii) the frequency and circumstances under which a consumer is entitled to receive **[a consumer report without charge under section 612]** consumer reports and credit scores or educational credit scores (as applicable) without charge under subsections (f), (g), (i), or (j) or section 612;
 - (iii) the right of a consumer to dispute information in the file of the consumer under section 611 or section 623;
 - [(iv) the right of a consumer to obtain a credit score from a consumer reporting agency, and a description of how to obtain a credit score;]**
 - (iv) the right of a consumer to appeal a determination of a reinvestigation conducted by a consumer reporting agency under section 611(h) or an investigation conducted by a furnisher of information under section 623(a)(10);**
 - (v) the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency without charge, as provided in the regulations of the Bureau prescribed under section 211(c) of the Fair and Accurate Credit Transactions Act of 2003; and
 - [(vi) the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency described in section 603(w), as provided in the regulations of the Bureau prescribed under section 612(a)(1)(C).]**
 - (vi) the method and circumstances under which consumers can obtain a 1-year fraud alert, 7-year fraud alert, active duty alert, or security freeze as described**

in section 605A through a consumer reporting agency described under section 603(p).

(C) AVAILABILITY OF SUMMARY OF RIGHTS.—The **[Commission]** *Bureau and the Commission* shall—

- (i) actively publicize the availability of the summary of rights prepared under this paragraph;
- (ii) conspicuously post on its Internet website the availability of such summary of rights; and
- (iii) promptly make such summary of rights available to consumers, on request.

(D) PUBLICATION OF SUMMARY RIGHTS.—*A consumer reporting agency described under subsection (p) or (x) of section 603 shall display in a clear and conspicuous manner, including on the Internet website of the consumer reporting agency, the summary of rights prepared by the Bureau under this paragraph.*

(2) SUMMARY OF RIGHTS REQUIRED TO BE INCLUDED WITH AGENCY DISCLOSURES.—A consumer reporting agency shall provide to a consumer, with each written disclosure by the agency to the consumer under this section—

(A) the summary of rights prepared by the Bureau under paragraph (1);

(B) in the case of a consumer reporting agency described in section 603(p), a toll-free telephone number established by the agency, at which personnel are accessible to consumers during normal business hours;

(C) a list of all Federal agencies responsible for enforcing any provision of this title, and the address and any appropriate phone number of each such agency, in a form that will assist the consumer in selecting the appropriate agency;

(D) a statement that the consumer may have additional rights under State law, and that the consumer may wish to contact a State or local consumer protection agency or a State attorney general (or the equivalent thereof) to learn of those rights; and

(E) a statement that a consumer reporting agency is not required to remove accurate derogatory information from the file of a consumer, unless the information is outdated under section 605 or cannot be verified.

(d) SUMMARY OF RIGHTS OF IDENTITY THEFT VICTIMS.—

(1) IN GENERAL.—The *Bureau and the Commission*, in consultation with the Federal banking agencies and the National Credit Union Administration, shall prepare a model summary of the rights of consumers under this title with respect to the procedures for remedying the effects of fraud or identity theft involving credit, an electronic fund transfer, or an account or transaction at or with a financial institution or other creditor.

(2) SUMMARY OF RIGHTS AND CONTACT INFORMATION.—Beginning 60 days after the date on which the model summary of rights is prescribed in final form by the Bureau pursuant to paragraph (1), if any consumer contacts a consumer reporting agency and expresses a belief that the consumer is a victim of fraud or identity theft involving credit, an electronic fund transfer, or an account or transaction at or with a financial in-

stitution or other creditor, the consumer reporting agency shall, in addition to any other action that the agency may take, provide the consumer with a summary of rights that contains all of the information required by the Bureau under paragraph (1), and information on how to contact the Bureau to obtain more detailed information.

(e) INFORMATION AVAILABLE TO VICTIMS.—

(1) IN GENERAL.—For the purpose of documenting fraudulent transactions resulting from identity theft, not later than 30 days after the date of receipt of a request from a victim in accordance with paragraph (3), and subject to verification of the identity of the victim and the claim of identity theft in accordance with paragraph (2), a business entity that has provided credit to, provided for consideration products, goods, or services to, accepted payment from, or otherwise entered into a commercial transaction for consideration with, a person who has allegedly made unauthorized use of the means of identification of the victim, shall provide a copy of application and business transaction records in the control of the business entity, whether maintained by the business entity or by another person on behalf of the business entity, evidencing any transaction alleged to be a result of identity theft to—

(A) the victim;

(B) any Federal, State, or local government law enforcement agency or officer specified by the victim in such a request; or

(C) any law enforcement agency investigating the identity theft and authorized by the victim to take receipt of records provided under this subsection.

(2) VERIFICATION OF IDENTITY AND CLAIM.—Before a business entity provides any information under paragraph (1), unless the business entity, at its discretion, otherwise has a high degree of confidence that it knows the identity of the victim making a request under paragraph (1), the victim shall provide to the business entity—

(A) as proof of positive identification of the victim, at the election of the business entity—

(i) the presentation of a government-issued identification card;

(ii) personally identifying information of the same type as was provided to the business entity by the unauthorized person; or

(iii) personally identifying information that the business entity typically requests from new applicants or for new transactions, at the time of the victim's request for information, including any documentation described in clauses (i) and (ii); and

(B) as proof of a claim of identity theft, at the election of the business entity—

(i) a copy of a police report evidencing the claim of the victim of identity theft; and

(ii) a properly completed—

(I) copy of a standardized affidavit of identity theft developed and made available by the Bureau; or

(II) an affidavit of fact that is acceptable to the business entity for that purpose.

(3) PROCEDURES.—The request of a victim under paragraph (1) shall—

(A) be in writing;

(B) be mailed to an address specified by the business entity, if any; and

(C) if asked by the business entity, include relevant information about any transaction alleged to be a result of identity theft to facilitate compliance with this section including—

(i) if known by the victim (or if readily obtainable by the victim), the date of the application or transaction; and

(ii) if known by the victim (or if readily obtainable by the victim), any other identifying information such as an account or transaction number.

(4) NO CHARGE TO VICTIM.—Information required to be provided under paragraph (1) shall be so provided without charge.

(5) AUTHORITY TO DECLINE TO PROVIDE INFORMATION.—A business entity may decline to provide information under paragraph (1) if, in the exercise of good faith, the business entity determines that—

(A) this subsection does not require disclosure of the information;

(B) after reviewing the information provided pursuant to paragraph (2), the business entity does not have a high degree of confidence in knowing the true identity of the individual requesting the information;

(C) the request for the information is based on a misrepresentation of fact by the individual requesting the information relevant to the request for information; or

(D) the information requested is Internet navigational data or similar information about a person's visit to a website or online service.

(6) LIMITATION ON LIABILITY.—Except as provided in section 621, sections 616 and 617 do not apply to any violation of this subsection.

(7) LIMITATION ON CIVIL LIABILITY.—No business entity may be held civilly liable under any provision of Federal, State, or other law for disclosure, made in good faith pursuant to this subsection.

(8) NO NEW RECORDKEEPING OBLIGATION.—Nothing in this subsection creates an obligation on the part of a business entity to obtain, retain, or maintain information or records that are not otherwise required to be obtained, retained, or maintained in the ordinary course of its business or under other applicable law.

(9) RULE OF CONSTRUCTION.—

(A) IN GENERAL.—No provision of subtitle A of title V of Public Law 106-102, prohibiting the disclosure of financial information by a business entity to third parties shall be used to deny disclosure of information to the victim under this subsection.

(B) LIMITATION.—Except as provided in subparagraph (A), nothing in this subsection permits a business entity to disclose information, including information to law enforcement under subparagraphs (B) and (C) of paragraph (1), that the business entity is otherwise prohibited from disclosing under any other applicable provision of Federal or State law.

(10) AFFIRMATIVE DEFENSE.—In any civil action brought to enforce this subsection, it is an affirmative defense (which the defendant must establish by a preponderance of the evidence) for a business entity to file an affidavit or answer stating that—

- (A) the business entity has made a reasonably diligent search of its available business records; and
- (B) the records requested under this subsection do not exist or are not reasonably available.

(11) DEFINITION OF VICTIM.—For purposes of this subsection, the term “victim” means a consumer whose means of identification or financial information has been used or transferred (or has been alleged to have been used or transferred) without the authority of that consumer, with the intent to commit, or to aid or abet, an identity theft or a similar crime.

(12) EFFECTIVE DATE.—This subsection shall become effective 180 days after the date of enactment of this subsection.

(13) EFFECTIVENESS STUDY.—Not later than 18 months after the date of enactment of this subsection, the Comptroller General of the United States shall submit a report to Congress assessing the effectiveness of this provision.

(f) DISCLOSURE OF CREDIT SCORES.—

(1) IN GENERAL.—Upon the request of a consumer for a credit score, a consumer reporting agency shall supply to the consumer a statement indicating that the information and credit scoring model may be different than the credit score that may be used by the lender, and a notice which shall include—

- (A) the current credit score of the consumer or the most recent credit score of the consumer that was previously calculated by the credit reporting agency for a purpose related to the extension of credit;
- (B) the range of possible credit scores under the model used;
- (C) all of the key factors that adversely affected the credit score of the consumer in the model used, the total number of which shall not exceed 4, subject to paragraph (9);
- (D) the date on which the credit score was created; and
- (E) the name of the person or entity that provided the credit score or credit file upon which the credit score was created.

(2) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

(A) CREDIT SCORE.—The term “credit score”—

- (i) means a numerical value or a categorization derived from a statistical tool or modeling system used by a person who makes or arranges a loan to predict the likelihood of certain credit behaviors, including default (and the numerical value or the categorization

derived from such analysis may also be referred to as a “risk predictor” or “risk score”); and

(ii) does not include—

(I) any mortgage score or rating of an automated underwriting system that considers one or more factors in addition to credit information, including the loan to value ratio, the amount of down payment, or the financial assets of a consumer; or

(II) any other elements of the underwriting process or underwriting decision.

(B) KEY FACTORS.—The term “key factors” means all relevant elements or reasons adversely affecting the credit score for the particular individual, listed in the order of their importance based on their effect on the credit score.

(3) TIMEFRAME AND MANNER OF DISCLOSURE.—The information required by this subsection shall be provided in the same timeframe and manner as the information described in subsection (a).

(4) APPLICABILITY TO CERTAIN USES.—This subsection shall not be construed so as to compel a consumer reporting agency to develop or disclose a score if the agency does not—

(A) distribute scores that are used in connection with residential real property loans; or

(B) develop scores that assist credit providers in understanding the general credit behavior of a consumer and predicting the future credit behavior of the consumer.

(5) APPLICABILITY TO CREDIT SCORES DEVELOPED BY ANOTHER PERSON.—

(A) IN GENERAL.—This subsection shall not be construed to require a consumer reporting agency that distributes credit scores developed by another person or entity to provide a further explanation of them, or to process a dispute arising pursuant to section 611, except that the consumer reporting agency shall provide the consumer with the name and address and website for contacting the person or entity who developed the score or developed the methodology of the score.

(B) EXCEPTION.—This paragraph shall not apply to a consumer reporting agency that develops or modifies scores that are developed by another person or entity.

(6) MAINTENANCE OF CREDIT SCORES NOT REQUIRED.—This subsection shall not be construed to require a consumer reporting agency to maintain credit scores in its files.

(7) COMPLIANCE IN CERTAIN CASES.—In complying with this subsection, a consumer reporting agency shall—

(A) supply the consumer with a credit score that is derived from a credit scoring model that is widely distributed to users by that consumer reporting agency in connection with residential real property loans or with a credit score that assists the consumer in understanding the credit scoring assessment of the credit behavior of the consumer and predictions about the future credit behavior of the consumer; and

(B) a statement indicating that the information and credit scoring model may be different than that used by the lender.

(8) FAIR AND REASONABLE FEE.—A consumer reporting agency may charge a fair and reasonable fee, as determined by the Bureau, for providing the information required under this subsection.

(9) USE OF ENQUIRIES AS A KEY FACTOR.—If a key factor that adversely affects the credit score of a consumer consists of the number of enquiries made with respect to a consumer report, that factor shall be included in the disclosure pursuant to paragraph (1)(C) without regard to the numerical limitation in such paragraph.

(g) DISCLOSURE OF CREDIT SCORES BY CERTAIN MORTGAGE LENDERS.—

(1) IN GENERAL.—Any person who makes or arranges loans and who uses a consumer credit score, as defined in subsection (f), in connection with an application initiated or sought by a consumer for a closed end loan or the establishment of an open end loan for a consumer purpose that is secured by 1 to 4 units of residential real property (hereafter in this subsection referred to as the “lender”) shall provide the following to the consumer as soon as reasonably practicable:

(A) INFORMATION REQUIRED UNDER SUBSECTION (f).—

(i) IN GENERAL.—A copy of the information identified in subsection (f) that was obtained from a consumer reporting agency or was developed and used by the user of the information.

(ii) NOTICE UNDER SUBPARAGRAPH (D).—In addition to the information provided to it by a third party that provided the credit score or scores, a lender is only required to provide the notice contained in subparagraph (D).

(B) DISCLOSURES IN CASE OF AUTOMATED UNDERWRITING SYSTEM.—

(i) IN GENERAL.—If a person that is subject to this subsection uses an automated underwriting system to underwrite a loan, that person may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

(ii) NUMERICAL CREDIT SCORE.—However, if a numerical credit score is generated by an automated underwriting system used by an enterprise, and that score is disclosed to the person, the score shall be disclosed to the consumer consistent with subparagraph (C).

(iii) ENTERPRISE DEFINED.—For purposes of this subparagraph, the term “enterprise” has the same meaning as in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

(C) DISCLOSURES OF CREDIT SCORES NOT OBTAINED FROM A CONSUMER REPORTING AGENCY.—A person that is subject to the provisions of this subsection and that uses a credit

score, other than a credit score provided by a consumer reporting agency, may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

(D) NOTICE TO HOME LOAN APPLICANTS.—A copy of the following notice, which shall include the name, address, and telephone number of each consumer reporting agency providing a credit score that was used:

“NOTICE TO THE HOME LOAN APPLICANT

“In connection with your application for a home loan, the lender must disclose to you the score that a consumer reporting agency distributed to users and the lender used in connection with your home loan, and the key factors affecting your credit scores.

“The credit score is a computer generated summary calculated at the time of the request and based on information that a consumer reporting agency or lender has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the lender in determining whether you will obtain a loan. They may also be used to determine what interest rate you may be offered on the mortgage. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.

“Because the score is based on information in your credit history, it is very important that you review the credit-related information that is being furnished to make sure it is accurate. Credit records may vary from one company to another.

“If you have questions about your credit score or the credit information that is furnished to you, contact the consumer reporting agency at the address and telephone number provided with this notice, or contact the lender, if the lender developed or generated the credit score. The consumer reporting agency plays no part in the decision to take any action on the loan application and is unable to provide you with specific reasons for the decision on a loan application.

“If you have questions concerning the terms of the loan, contact the lender.”

(E) ACTIONS NOT REQUIRED UNDER THIS SUBSECTION.— This subsection shall not require any person to—

- (i) explain the information provided pursuant to subsection (f);
- (ii) disclose any information other than a credit score or key factors, as defined in subsection (f);
- (iii) disclose any credit score or related information obtained by the user after a loan has closed;
- (iv) provide more than 1 disclosure per loan transaction; or
- (v) provide the disclosure required by this subsection when another person has made the disclosure to the consumer for that loan transaction.

(F) NO OBLIGATION FOR CONTENT.—

- (i) IN GENERAL.—The obligation of any person pursuant to this subsection shall be limited solely to pro-

viding a copy of the information that was received from the consumer reporting agency.

(ii) LIMIT ON LIABILITY.—No person has liability under this subsection for the content of that information or for the omission of any information within the report provided by the consumer reporting agency.

(G) PERSON DEFINED AS EXCLUDING ENTERPRISE.—As used in this subsection, the term “person” does not include an enterprise (as defined in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992).

(2) PROHIBITION ON DISCLOSURE CLAUSES NULL AND VOID.—

(A) IN GENERAL.—Any provision in a contract that prohibits the disclosure of a credit score by a person who makes or arranges loans or a consumer reporting agency is void.

(B) NO LIABILITY FOR DISCLOSURE UNDER THIS SUBSECTION.—A lender shall not have liability under any contractual provision for disclosure of a credit score pursuant to this subsection.

(h) DISCLOSURES ON PRODUCTS AND SERVICES.—*The Bureau, in consultation with the Federal Trade Commission, shall issue regulations within 18 months of the date of the enactment of this subsection requiring each consumer reporting agency and reseller to clearly and conspicuously disclose all material terms and conditions, including any fee and pricing information associated with any products or services offered, advertised, marketed, or sold to consumers by the agency or reseller. Such disclosures shall be made in all forms of communication to consumers and displayed prominently on the agency or reseller’s website and all other locations where products or services are offered, advertised, marketed, or sold to consumers.*

* * * * *

§ 611. Procedure in case of disputed accuracy

[(a) REINVESTIGATIONS OF DISPUTED INFORMATION.—

[(1) REINVESTIGATION REQUIRED.—

[(A) IN GENERAL.—Subject to subsection (f) and except as provided in subsection (g), if the completeness or accuracy of any item of information contained in a consumer’s file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly, or indirectly through a reseller, of such dispute, the agency shall, free of charge, conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5), before the end of the 30-day period beginning on the date on which the agency receives the notice of the dispute from the consumer or reseller.

[(B) EXTENSION OF PERIOD TO REINVESTIGATE.—Except as provided in subparagraph (C), the 30-day period described in subparagraph (A) may be extended for not more than 15 additional days if the consumer reporting agency

receives information from the consumer during that 30-day period that is relevant to the reinvestigation.

[(C) LIMITATIONS ON EXTENSION OF PERIOD TO REINVESTIGATE.]—Subparagraph (B) shall not apply to any reinvestigation in which, during the 30-day period described in subparagraph (A), the information that is the subject of the reinvestigation is found to be inaccurate or incomplete or the consumer reporting agency determines that the information cannot be verified.

[(2) PROMPT NOTICE OF DISPUTE TO FURNISHER OF INFORMATION.]

[(A) IN GENERAL.]—Before the expiration of the 5-business-day period beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer or a reseller in accordance with paragraph (1), the agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with the person. The notice shall include all relevant information regarding the dispute that the agency has received from the consumer or reseller.

[(B) PROVISION OF OTHER INFORMATION.]—The consumer reporting agency shall promptly provide to the person who provided the information in dispute all relevant information regarding the dispute that is received by the agency from the consumer or the reseller after the period referred to in subparagraph (A) and before the end of the period referred to in paragraph (1)(A).

[(3) DETERMINATION THAT DISPUTE IS FRIVOLOUS OR IRRELEVANT.]

[(A) IN GENERAL.]—Notwithstanding paragraph (1), a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under that paragraph if the agency reasonably determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure by a consumer to provide sufficient information to investigate the disputed information.

[(B) NOTICE OF DETERMINATION.]—Upon making any determination in accordance with subparagraph (A) that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer of such determination not later than 5 business days after making such determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the agency.

[(C) CONTENTS OF NOTICE.]—A notice under subparagraph (B) shall include—

[(i) the reasons for the determination under subparagraph (A); and

[(ii) identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of such information.]

[(4) CONSIDERATION OF CONSUMER INFORMATION.]—In conducting any reinvestigation under paragraph (1) with respect to disputed information in the file of any consumer, the con-

sumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in paragraph (1)(A) with respect to such disputed information.

[(5) TREATMENT OF INACCURATE OR UNVERIFIABLE INFORMATION.—

[(A) IN GENERAL.—If, after any reinvestigation under paragraph (1) of any information disputed by a consumer, an item of the information is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency shall—

[(i) promptly delete that item of information from the file of the consumer, or modify that item of information, as appropriate, based on the results of the reinvestigation; and

[(ii) promptly notify the furnisher of that information that the information has been modified or deleted from the file of the consumer.

[(B) REQUIREMENTS RELATING TO REINSERTION OF PREVIOUSLY DELETED MATERIAL.—

[(i) CERTIFICATION OF ACCURACY OF INFORMATION.— If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate.

[(ii) NOTICE TO CONSUMER.—If any information that has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing not later than 5 business days after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency.

[(iii) ADDITIONAL INFORMATION.—As part of, or in addition to, the notice under clause (ii), a consumer reporting agency shall provide to a consumer in writing not later than 5 business days after the date of the reinsertion—

[(I) a statement that the disputed information has been reinserted;

[(II) the business name and address of any furnisher of information contacted and the telephone number of such furnisher, if reasonably available, or of any furnisher of information that contacted the consumer reporting agency, in connection with the reinsertion of such information; and

[(III) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.

[(C) PROCEDURES TO PREVENT REAPPEARANCE.—A consumer reporting agency shall maintain reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of

information that is deleted pursuant to this paragraph (other than information that is reinserted in accordance with subparagraph (B)(i)).

[(D) AUTOMATED REINVESTIGATION SYSTEM.—Any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall implement an automated system through which furnishers of information to that consumer reporting agency may report the results of a reinvestigation that finds incomplete or inaccurate information in a consumer's file to other such consumer reporting agencies.

[(6) NOTICE OF RESULTS OF REINVESTIGATION.—

[(A) IN GENERAL.—A consumer reporting agency shall provide written notice to a consumer of the results of a reinvestigation under this subsection not later than 5 business days after the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by other means available to the agency.

[(B) CONTENTS.—As part of, or in addition to, the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing before the expiration of the 5-day period referred to in subparagraph (A)—

[(i) a statement that the reinvestigation is completed;

[(ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

[(iii) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the business name and address of any furnisher of information contacted in connection with such information and the telephone number of such furnisher, if reasonably available;

[(iv) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the information; and

[(v) a notice that the consumer has the right to request under subsection (d) that the consumer reporting agency furnish notifications under that subsection.

[(7) DESCRIPTION OF REINVESTIGATION PROCEDURE.—A consumer reporting agency shall provide to a consumer a description referred to in paragraph (6)(B)(iii) by not later than 15 days after receiving a request from the consumer for that description.

[(8) EXPEDITED DISPUTE RESOLUTION.—If a dispute regarding an item of information in a consumer's file at a consumer reporting agency is resolved in accordance with paragraph (5)(A) by the deletion of the disputed information by not later than 3 business days after the date on which the agency receives notice of the dispute from the consumer in accordance with paragraph (1)(A), then the agency shall not be required to comply with paragraphs (2), (6), and (7) with respect to that dispute if the agency—

[(A) provides prompt notice of the deletion to the consumer by telephone;

[(B) includes in that notice, or in a written notice that accompanies a confirmation and consumer report provided in accordance with subparagraph (C), a statement of the consumer's right to request under subsection (d) that the agency furnish notifications under that subsection; and

[(C) provides written confirmation of the deletion and a copy of a consumer report on the consumer that is based on the consumer's file after the deletion, not later than 5 business days after making the deletion.]

(a) REINVESTIGATIONS OF DISPUTED INFORMATION BY A CONSUMER REPORTING AGENCY.—

(1) REINVESTIGATIONS REQUIRED.—

(A) IN GENERAL.—Subject to subsection (f), if the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency (either directly or indirectly through a reseller or an authorized third party) of such dispute, the agency shall, free of charge—

(i) conduct a reasonable reinvestigation using the process described in paragraph (3) to determine whether the disputed information is inaccurate, incomplete, or cannot be verified;

(ii) notify the consumer that a notation described in section 605(e) will be added to the consumer's file until the reinvestigation has been completed and that such notation can be removed at the request of the consumer; and

(iii) before the end of the 30-day period beginning on the date on which the consumer reporting agency receives the notice of the dispute from the consumer or the reseller—

(I) record the current status of the disputed information; or

(II) delete or modify the item in accordance with paragraph (3)(D).

(B) EXTENSION OF PERIOD TO REINVESTIGATE.—Except as provided in subparagraph (C), the 30-day period described in subparagraph (A) may be extended for period not to exceed 15 days if the consumer reporting agency receives additional information from the consumer or the reseller regarding the dispute after the date on which the consumer reporting agency notified any person who provided any item of information in dispute under paragraph (2)(A).

(C) LIMITATIONS ON EXTENSION OF PERIOD TO REINVESTIGATE.—Subparagraph (B) shall not apply to any reinvestigation in which, during the 30-day period described in subparagraph (A), the disputed information is found to be inaccurate or incomplete, or the consumer reporting agency determines that the disputed information cannot be verified.

(2) *PROMPT NOTICE OF DISPUTE TO FURNISHER OF INFORMATION; PROVISION OF INFORMATION REGARDING DISPUTE PROVIDED BY THE CONSUMER OR RESELLER.*—

(A) *IN GENERAL.*—*Before the end of the period of 5 business days beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer or reseller under paragraph (1)(A), the consumer reporting agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with such person. The notice shall include all information, including substantiating documents, regarding the dispute that was submitted to the consumer reporting agency.*

(B) *PROVISION OF ADDITIONAL INFORMATION REGARDING DISPUTE AFTER NOTIFICATION TO THE FURNISHER OF INFORMATION.*—*If a consumer reporting agency receives additional information regarding the dispute from the consumer or reseller after the agency provides the notification described under subparagraph (A) and before the end of the 30-day period described in paragraph (1)(A), the consumer reporting agency shall, not later than 3 business days after receiving such information, provide such information to the person who provided the information in dispute.*

(3) *REASONABLE STANDARDS FOR CONSUMER REPORTING AGENCIES FOR CONDUCTING REINVESTIGATIONS AND RESOLVING DISPUTES SUBMITTED BY CONSUMERS.*—

(A) *IN GENERAL.*—*In conducting a reinvestigation of disputed information, a consumer reporting agency shall, at a minimum—*

(i) *maintain sufficient resources and trained staff, commensurate with the volume and complexity of disputes received or reasonably anticipated to be received, to determine whether the disputed information is accurate, complete, or can be verified by the person who provided the information;*

(ii) *ensure that all staff involved at any level of the reinvestigation process, including any individual with ultimate authority over determining whether the disputed information is inaccurate, incomplete, or cannot be verified, are located within the United States;*

(iii) *verify that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained in the consumer's file, and that such information is accurate and complete;*

(iv) *verify that the consumer reporting agency has a record of the information being disputed; and*

(v) *conduct a reasonable review that considers all information, including substantiating documents, provided by the consumer or reseller.*

(B) *CONSUMER REPORTING.*—*The consumer reporting agency shall not impose any limitation or otherwise impede the ability of a consumer to submit information about the disputed item.*

(C) INDEPENDENT ANALYSIS.—*The reinvestigation conducted under subparagraph (A) shall be an independent analysis, separate from any investigation by a reseller or a person who provided the disputed information.*

(D) DELETION OR MODIFICATION OF INFORMATION CONTAINED IN A CONSUMER FILE.—*If the disputed information is found to be inaccurate, incomplete, or cannot be verified, the dispute resolution staff of the consumer reporting agency shall have the direct authority to delete or modify such information in the consumer's file, as appropriate, during the 30-day period described in paragraph (1)(A), shall promptly notify the consumer of the results of the reinvestigation as described in paragraph (4), and shall promptly notify any person who provided such information to the consumer reporting agency of the modification or deletion made to the consumer's file.*

(4) NOTICE TO CONSUMER OF RESULTS OF REINVESTIGATION.—

(A) IN GENERAL.—*Not later than 5 business days after the conclusion of a reinvestigation conducted under this subsection, the consumer reporting agency shall provide written notice to the consumer of the results of the reinvestigation by postal mail or, if authorized by the consumer for that purpose, by other means available to the agency.*

(B) CONTENTS OF NOTICE TO CONSUMER OF RESULTS OF REINVESTIGATION.—*The notice described in subparagraph (A) shall include—*

(i) *a statement that the reinvestigation of the disputed information has been completed;*

(ii) *a statement informing the consumer as to whether the disputed information was determined to be inaccurate, incomplete, or unverifiable, including a statement of the specific reasons supporting the determination;*

(iii) *if information in the consumer's file has been deleted or modified as a result of the reinvestigation—*

(I) *a copy of the consumer report and credit score or educational score (if applicable) that is based upon the consumer's revised file;*

(II) *a statement identifying the specific information from the consumer's file that was deleted or modified because such information was determined to be inaccurate, incomplete, or unverifiable by the consumer reporting agency;*

(III) *a statement that the consumer has the right, free of charge, to obtain an additional consumer report and credit score or educational credit score (if applicable) within the 12-month period following the date of the conclusion of the reinvestigation, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational score (if applicable) under section 612; and*

(IV) *a statement that the consumer has the right, free of charge, to request under subsection (d) that*

the consumer reporting agency furnish notifications of the consumer's revised report;

(iv) a description of the procedure used by the dispute resolution staff of the consumer reporting agency to determine the accuracy or completeness of the information, including the business name, mailing address, telephone number, and Internet website address (if available) of any person who provided information who was contacted by the staff in connection with the determination;

(v) a statement that the consumer has the right, free of charge, to add a narrative statement to the consumer's file disputing the accuracy or completeness of the information, regardless of the results of the reinvestigation by the agency, and the process for submitting such a narrative pursuant to subsection (b);

(vi) a copy of all information relating to the consumer that was used by the consumer reporting agency in carrying out the reinvestigation and relied upon as the basis for the determination about the accuracy and completeness of the disputed information;

(vii) a statement that a consumer may, free of charge, challenge the results of the reinvestigation by appeal within 120 days after the date the notice of the results of the reinvestigation was provided to the consumer and the process for submitting an appeal;

(viii) a statement informing the consumer that a notation described in section 605(e) will be added to the file of the consumer during the period in which the consumer appeals the results of a reinvestigation and that such notation can be removed at the request of the consumer; and

(ix) any other information, as determined by the Bureau.

(5) REQUIREMENTS RELATING TO REINSERTION OF PREVIOUSLY DELETED OR MODIFIED MATERIAL.—

(A) CERTIFICATION OF NEW DETERMINATION THAT ITEM IS ACCURATE OR COMPLETE.—A consumer reporting agency may not reinsert into a consumer's file any information that was previously deleted or modified pursuant to paragraph (3)(D), unless the person who provided the information—

(i) requests that the consumer reporting agency reinsert such information;

(ii) submits a written certification that the information is accurate and complete; and

(iii) provides a statement describing the specific reasons why the information should be inserted.

(B) NOTICE TO CONSUMER BEFORE REINSERTION CAN OCCUR.—Upon receipt of a request for reinsertion of disputed information under subparagraph (A), the consumer reporting agency shall, not later than 5 business days before the consumer reporting agency reinserts the information into the consumer's file, notify the consumer in writing of such request for reinsertion. Such notice shall include—

(i) the business name, mailing address, telephone number, and Internet website address (if available) of any person who provided information to or contacted the consumer reporting agency in connection with the reinsertion;

(ii) a copy of the information relating to the consumer, the certification that the information is accurate or complete, and the statement of the reasons supporting reinsertion provided by the person who provided the information to the consumer reporting agency under subparagraph (A);

(iii) a statement that the consumer may obtain, free of charge and within the 12-month period following the date the notice under this subparagraph was issued, a consumer report and credit score or educational score (if applicable) from the consumer reporting agency that includes the reinserted information, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational credit score (if applicable) under section 612;

(iv) a statement that the consumer may appeal the determination that the previously deleted or modified information is accurate or complete and a description of the procedure for the consumer to make such an appeal pursuant to subsection (h); and

(v) a statement that the consumer has the right to add a narrative statement, free of charge, to the consumer's file disputing the accuracy or completeness of the disputed information and a description of the process to add such a narrative statement pursuant to subsection (b).

(6) EXPEDITED DISPUTE RESOLUTION.—If a consumer reporting agency determines that the information provided by the consumer is sufficient to substantiate that the item of information is inaccurate, incomplete, or cannot be verified by the person who furnished such information, and the consumer reporting agency deletes or modifies such information within 3 business days of receiving notice of the dispute, the consumer reporting agency shall be exempt from the requirements of paragraph (4), if the consumer reporting agency provides to the consumer—

(A) prompt notice confirming the deletion or modification of the information from the consumer's file in writing or by other means, if agreed to by the consumer when the information is disputed;

(B) a statement of the consumer's right to request that the consumer reporting agency furnish notifications of a revised consumer report pursuant to subsection (d);

(C) not later than 5 business days after deleting or modifying the information, a copy of the consumer report and credit score or educational score (if applicable) that is based upon the consumer's revised file; and

(D) a statement that the consumer may obtain, free of charge and within the 12-month period following the date the notice under this paragraph was sent to the consumer, a consumer report and credit score or educational score (if

applicable) from the consumer reporting agency, regardless of whether the consumer obtained or will obtain their free annual consumer report and credit score or educational score (if applicable) under section 612.

(7) *NO EXCUSE FOR FAILURE TO CONDUCT REINVESTIGATION.*—
A consumer reporting agency may not refuse to conduct a reinvestigation under this subsection because the agency determines that the dispute was submitted by an authorized third party, unless the agency has clear and convincing evidence that the third party is not authorized to submit the dispute on the consumer's behalf. If the consumer reporting agency refuses to reinvestigate a dispute for these reasons, it shall provide a clear and conspicuous notice to the consumer explaining the reasons for the refusal and describing the specific information the consumer is required to provide for the agency to conduct the reinvestigation.

(b) If the reinvestigation does not resolve the dispute, or if the consumer is unsatisfied with the results of an appeal conducted under subsection (h), the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit such statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

(c) Whenever a statement of a dispute is filed, [unless there is reasonable grounds to believe that it is frivolous or irrelevant,] the consumer reporting agency shall, in any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.

(d) Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the consumer reporting agency shall, at the request of the consumer and without charge, furnish notification that the item has been deleted or the statement, codification or summary pursuant to subsection (b) or (c) to any person specifically designated by the consumer who has within two years prior thereto received a consumer report for employment purposes, or within six months prior thereto received a consumer report for any other purpose, which contained the deleted or disputed information.

(e) *TREATMENT OF COMPLAINTS AND REPORT TO CONGRESS.*—

(1) *IN GENERAL.*—[The Commission] *The Bureau* shall—

(A) compile all complaints that it receives that a file of a consumer that is maintained by a consumer reporting agency described in section 603(p) or 603(x) contains incomplete or inaccurate information, with respect to which, the consumer appears to have disputed the completeness or accuracy with the consumer reporting agency or otherwise utilized the procedures provided by subsection (a); and

(B) transmit each such complaint to each consumer reporting agency involved.

(2) *EXCLUSION.*—Complaints received or obtained by the Bureau pursuant to its investigative authority under the Con-

sumer Financial Protection Act of 2010 shall not be subject to paragraph (1).

(3) AGENCY RESPONSIBILITIES.—Each consumer reporting agency described in section 603(p) or 603(x) that receives a complaint transmitted by the Bureau pursuant to paragraph (1) shall—

(A) review each such complaint to determine whether all legal obligations imposed on the consumer reporting agency under this title (including any obligation imposed by an applicable court or administrative order) have been met with respect to the subject matter of the complaint;

(B) provide reports on a regular basis to the Bureau regarding the determinations of and actions taken by the consumer reporting agency, if any, in connection with its review of such complaints; and

(C) maintain, for a reasonable time period, records regarding the disposition of each such complaint that is sufficient to demonstrate compliance with this subsection.

(4) RULEMAKING AUTHORITY.—The Bureau may prescribe regulations, as appropriate to implement this subsection.

(5) ANNUAL REPORT.—The Bureau shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual report regarding information gathered by the Bureau under this subsection.

(f) REINVESTIGATION REQUIREMENT APPLICABLE TO RESELLERS.—

(1) EXEMPTION FROM GENERAL REINVESTIGATION REQUIREMENT.—Except as provided in paragraph (2), a reseller shall be exempt from the requirements of this section.

(2) ACTION REQUIRED UPON RECEIVING NOTICE OF A DISPUTE.—If a reseller receives a notice from a consumer of a dispute concerning the completeness or accuracy of any item of information contained in a consumer report on such consumer produced by the reseller, the reseller shall, within 5 business days of receiving the notice, and free of charge—

(A) determine whether the item of information is incomplete or inaccurate as a result of an act or omission of the reseller; and

(B) if—

(i) the reseller determines that the item of information is incomplete or inaccurate as a result of an act or omission of the reseller, not later than 20 days after receiving the notice, correct the information in the consumer report or delete it; or

(ii) if the reseller determines that the item of information is not incomplete or inaccurate as a result of an act or omission of the reseller, convey the notice of the dispute, together with all relevant information provided by the consumer, to each consumer reporting agency that provided the reseller with the information that is the subject of the dispute, using an address or a notification mechanism specified by the consumer reporting agency for such notices.

(3) RESPONSIBILITY OF CONSUMER REPORTING AGENCY TO NOTIFY CONSUMER THROUGH RESELLER.—Upon the completion of a

reinvestigation under this section of a dispute concerning the completeness or accuracy of any information in the file of a consumer by a consumer reporting agency that received notice of the dispute from a reseller under paragraph (2)—

(A) the notice by the consumer reporting agency under [paragraph (6), (7), or (8) of subsection (a)] *paragraph (4) or (5) of subsection (a)* shall be provided to the reseller in lieu of the consumer; and

(B) the reseller shall immediately reconvey such notice to the consumer, including any notice of a deletion by telephone [in the manner required under paragraph (8)(A)].

(4) RESELLER REINVESTIGATIONS.—No provision of this subsection shall be construed as prohibiting a reseller from conducting a reinvestigation of a consumer dispute directly.

(g) DISPUTE PROCESS FOR VETERAN'S MEDICAL DEBT.—

(1) IN GENERAL.—With respect to a veteran's medical debt, the veteran may submit a notice described in paragraph (2), proof of liability of the Department of Veterans Affairs for payment of that debt, or documentation that the Department of Veterans Affairs is in the process of making payment for authorized hospital care, medical services, or extended care services rendered to a consumer reporting agency or a reseller to dispute the inclusion of that debt on a consumer report of the veteran.

(2) NOTIFICATION TO VETERAN.—The Department of Veterans Affairs shall submit to a veteran a notice that the Department of Veterans Affairs has assumed liability for part or all of a veteran's medical debt.

(3) DELETION OF INFORMATION FROM FILE.—If a consumer reporting agency receives notice, proof of liability, or documentation under paragraph (1), the consumer reporting agency shall delete all information relating to the veteran's medical debt from the file of the veteran and notify the furnisher and the veteran of that deletion.

(h) INCREASED CONSUMER AWARENESS OF DISPUTE RIGHTS.—

(1) IN GENERAL.—*Not later than 180 days after the date of enactment of this subsection, each consumer reporting agency described under subsection (p) or (x) of section 603 shall—*

(A) establish an Internet website accessible to consumers; and

(B) post on the home page of such website a hyperlink to a separate webpage established and maintained solely for the purpose of providing information to a consumer about how to dispute an item of information in the consumer report of the consumer.

(2) DISPUTE WEBPAGE REQUIREMENTS.—*For a consumer reporting agency described under subsection (p) or (x) of section 603, the separate dispute webpage described in paragraph (1)(B)—*

(A) *may not include any type or form of marketing, advertising, information, or material associated with any products or services offered or sold to consumers;*

(B) *shall clearly and conspicuously disclose a concise statement regarding how to file a dispute through the agen-*

cy, free of charge, in the manner and format prescribed by the Bureau;

(C) shall describe the types of documents that will be used by the agency in resolving the dispute, including the business name and mailing address to which a consumer may send such documents;

(D) shall include a clear and concise explanation of and the process for using electronic or other means to submit such documents, free of charge, and without any character or data limitation imposed by the agency;

(E) shall include a statement that the consumer may submit information, free of charge, that the consumer believes will assist the consumer reporting agency in determining the results of the reinvestigation of the dispute;

(F) shall clearly and conspicuously disclose a statement describing the procedure likely to be used by the consumer reporting agency in carrying out a reinvestigation to determine the accuracy or completeness of the disputed item of information, including the time period in which the consumer will be notified of the results of the reinvestigation, and a statement that the agency may extend the reinvestigation period by an additional 15 days if the consumer submits additional information after a certain date; and

(G) shall provide translations of all information on the webpage in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis, and in formats accessible to individuals with hearing or vision impairments.

(i) CONSUMER RIGHT TO APPEAL RESULTS OF A CONSUMER REPORTING AGENCY REINVESTIGATION.—

(1) IN GENERAL.—Within 120 days after the date of receipt of the results of a reinvestigation conducted under subsection (a), a consumer (or authorized third party) may, free of charge, appeal the results of such reinvestigation by submitting a notice of appeal to the consumer reporting agency.

(2) NOTICE OF APPEAL.—

(A) REQUIREMENTS.—A notice of appeal described in paragraph (1) may be submitted in writing, or through a toll-free telephone number or other electronic means established by the consumer reporting agency (including on the Internet website described in subsection (g)), and—

(i) shall identify the information contained in the consumer's file that is the subject of the appeal;

(ii) shall describe the specific reasons for submitting the notice of appeal; and

(iii) may provide any information the consumer believes is relevant to substantiate the validity of the dispute.

(B) CONSUMER REPORTING AGENCY NOTICE TO CONSUMER.—Upon receipt of such notice of appeal, the consumer reporting agency shall promptly provide to the consumer a statement confirming the receipt of the consumer's notice of appeal that shall include—

(i) an approximate date on which the consumer's appeal review will be completed;

(ii) the process and procedures by which such review will be conducted; and

(iii) an employee reference number or other employee identifier for each of the specific individuals designated by the consumer reporting agency who, upon the request of the consumer, may discuss the substance and status of the appeal.

(3) CONSUMER REPORTING AGENCY REQUIREMENTS UPON RECEIPT OF NOTICE OF APPEAL.—

(A) *IN GENERAL.*—Not later than 20 days after receiving a notice of appeal, the consumer reporting agency shall review the appeal. If the consumer reporting agency determines the information is inaccurate, incomplete, or cannot be verified, the consumer reporting agency shall delete or modify the item of information being disputed by the consumer from the file of the consumer before the end of the 20-day period beginning on the date on which the consumer reporting agency receives a notice of an appeal from the consumer.

(B) *NOTICE OF APPEAL TO FURNISHER; INFORMATION REGARDING DISPUTE PROVIDED BY THE CONSUMER.*—

(i) *IN GENERAL.*—Before the end of the period of 3 business days beginning on the date on which a consumer reporting agency receives a notice of appeal, the consumer reporting agency shall provide notice of the appeal, including all information relating to the specific appeal that the consumer reporting agency has received from the consumer, to any person who provided any information in dispute.

(ii) *PROVISION OF ADDITIONAL INFORMATION REGARDING THE DISPUTE.*—If the consumer reporting agency receives additional information from the consumer after the agency provides the notice required under clause (i) and before the end of the 20-day period described in subparagraph (A), the consumer reporting agency shall, not later than 3 business days after receiving such information, provide such information to any person who provided the information in dispute and shall have an additional 10 business days to complete the appeal review.

(C) MINIMUM STANDARDS FOR APPEALS EMPLOYEES.—

(i) *DESIGNATION.*—Upon receipt of a notice of appeal under paragraph (1), a consumer reporting agency shall designate one or more specific employees who—

(I) shall be assigned an employee reference number or other employee identifier that can be used by the consumer to discuss the appeal with the specific individuals handling the appeal;

(II) shall have direct authority to resolve the dispute that is the subject of the notice of appeal from the review stage to its completion;

(III) shall meet minimum training and ongoing certification requirements at regular intervals, as established by the Bureau;

(IV) shall be located within the United States;

(V) may not have been involved in the reinvestigation conducted or terminated pursuant to subsection (a); and

(VI) may not be subject to any requirements linking incentives, including promotion, to the number of appeals processed within a certain time period.

(ii) REQUIREMENTS.—Such employees shall conduct a robust review of the appeal and make a determination regarding the accuracy and completeness of the disputed information by—

(I) conducting an independent analysis, separate from any investigation by a reseller or person who provided the disputed information, and separate from any prior reinvestigation conducted by the consumer reporting agency of the disputed information;

(II) verifying that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained on the consumer's file;

(III) analyzing the notice of appeal and all information, including any substantiating documents, provided by the consumer with the notice of appeal;

(IV) evaluating the validity of any information submitted by any person that was used by the consumer reporting agency in the reinvestigation of the initial dispute;

(V) verifying that the consumer reporting agency has a record of the information being disputed; and

(VI) applying any additional factors or investigative processes, as specified by the Bureau.

(D) NOTICE OF APPEAL RESULTS.—Not later than 5 days after the end of the 20-day period described under subparagraph (A) (or the 10-day extension period, as applicable) the consumer reporting agency shall provide the consumer with written notice of the results of the appeal by postal mail or, if requested by the consumer, by other means. The contents of such notice shall include—

(i) a statement that the appeal is completed and the date on which it was completed, the results of the appeal, and the specific reasons supporting the results of the appeal;

(ii) a copy of all information relating to the consumer that was used as a basis for deciding the results of the appeal;

(iii) a consumer report that is based upon the consumer's file as that file may have been revised as a result of the appeal;

(iv) a description of the procedure used to determine the accuracy and completeness of the information, including the business name, telephone number, mailing address, and Internet website address (if applicable) of any person who provided information that was contacted in connection with such information, if reasonably available;

(v) information describing that the consumer may submit a statement, without charge, disputing the accuracy or completeness of information in the consumer's file that was the subject of an appeal under this subsection by submitting a statement directly to each consumer reporting agency that received the information;

(vi) a description of the consumer's rights pursuant to subsection (d) (relating to furnishing notifications to certain users of consumer reports); and

(vii) any other information, as determined by the Bureau.

(E) NO EXCUSE FOR FAILURE TO CONDUCT APPEAL.—A consumer reporting agency may not refuse to conduct a review of an appeal under this subsection because the agency determines that the notice of appeal was submitted by an authorized third party, unless the agency has clear and convincing evidence that the third party is not authorized to submit the notice of appeal on the consumer's behalf. If the consumer reporting agency refuses to conduct a review of the appeal for these reasons, it shall provide a clear and conspicuous written notice to the consumer explaining the reasons for the refusal and describing any information the consumer is required to provide for the agency to conduct a review of the appeal.

(j) REQUIREMENT TO SEND REVISED CONSUMER REPORT TO CONSUMER.—Upon receiving a notice described in section 623(a)(8)(E)(iv), each consumer reporting agency shall send to the consumer a revised consumer report and credit score or education credit score (if applicable) based upon the consumer's file as that file was changed as a result of the investigation.

SEC. 612. CHARGES FOR CERTAIN DISCLOSURES.

(a) FREE ANNUAL DISCLOSURE.—

(1) NATIONWIDE CONSUMER REPORTING AGENCIES.—

(A) IN GENERAL.—All consumer reporting agencies described in subsections (p) and [(w)] (x) of section 603 shall make all disclosures pursuant to section 609 once during any 12-month period upon request of the consumer and without charge to the consumer.

(B) CENTRALIZED SOURCE.—Subparagraph (A) shall apply with respect to a consumer reporting agency described in section 603(p) only if the request from the consumer is made using the centralized source established for such purpose in accordance with section 211(c) of the Fair and Accurate Credit Transactions Act of 2003.

(C) NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY.—

(i) IN GENERAL.—The Commission shall prescribe regulations applicable to each consumer reporting agency described in [section 603(w)] *section 603(x)* to require the establishment of a streamlined process for consumers to request consumer reports under subparagraph (A), which shall include, at a minimum, the establishment by each such agency of a toll-free telephone number for such requests.

(ii) CONSIDERATIONS.—In prescribing regulations under clause (i), the Bureau shall consider—

(I) the significant demands that may be placed on consumer reporting agencies in providing such consumer reports;

(II) appropriate means to ensure that consumer reporting agencies can satisfactorily meet those demands, including the efficacy of a system of staggering the availability to consumers of such consumer reports; and

(III) the ease by which consumers should be able to contact consumer reporting agencies with respect to access to such consumer reports.

(iii) DATE OF ISSUANCE.—The Commission shall issue the regulations required by this subparagraph in final form not later than 6 months after the date of enactment of the Fair and Accurate Credit Transactions Act of 2003.

(iv) CONSIDERATION OF ABILITY TO COMPLY.—The regulations of the Bureau under this subparagraph shall establish an effective date by which each nationwide specialty consumer reporting agency (as defined in [section 603(w)] *section 603(x)*) shall be required to comply with subsection (a), which effective date—

(I) shall be established after consideration of the ability of each nationwide specialty consumer reporting agency to comply with subsection (a); and

(II) shall be not later than 6 months after the date on which such regulations are issued in final form (or such additional period not to exceed 3 months, as the Bureau determines appropriate).

(2) TIMING.—A consumer reporting agency shall provide a consumer report under paragraph (1) not later than 15 days after the date on which the request is received under paragraph (1).

(3) REINVESTIGATIONS.—Notwithstanding the time periods specified in section 611(a)(1), a reinvestigation under that section by a consumer reporting agency upon a request of a consumer that is made after receiving a consumer report under this subsection shall be completed not later than 45 days after the date on which the request is received.

(4) EXCEPTION FOR FIRST 12 MONTHS OF OPERATION.—This subsection shall not apply to a consumer reporting agency that has not been furnishing consumer reports to third parties on a continuing basis during the 12-month period preceding a request under paragraph (1), with respect to consumers residing nationwide.

(b) FREE DISCLOSURE AFTER ADVERSE NOTICE TO CONSUMER.— Each consumer reporting agency that maintains a file on a consumer shall make all disclosures pursuant to section 609 without charge to the consumer if, not later than 60 days after receipt by such consumer of a notification pursuant to section 615, or of a notification from a debt collection agency affiliated with that consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected, the consumer makes a request under section 609.

(c) FREE DISCLOSURE UNDER CERTAIN OTHER CIRCUMSTANCES.— Upon the request of the consumer, a consumer reporting agency shall make all disclosures pursuant to section 609 once during any 12-month period without charge to that consumer if the consumer certifies in writing that the consumer—

- (1) is unemployed and intends to apply for employment in the 60-day period beginning on the date on which the certification is made;
- (2) is a recipient of public welfare assistance; or
- (3) has reason to believe that the file on the consumer at the agency contains inaccurate information due to fraud.

(d) FREE DISCLOSURES IN CONNECTION WITH FRAUD ALERTS.— Upon the request of a consumer, a consumer reporting agency described in section 603(p) shall make all disclosures pursuant to section 609 without charge to the consumer, as provided in subsections (a)(2) and (b)(2) of section 605A, as applicable.

(e) OTHER CHARGES PROHIBITED.—A consumer reporting agency shall not impose any charge on a consumer for providing any notification required by this title or making any disclosure required by this title, except as authorized by subsection (f).

(f) REASONABLE CHARGES ALLOWED FOR CERTAIN DISCLOSURES.—

(1) IN GENERAL.—In the case of a request from a consumer other than a request that is covered by any of subsections (a) through (d), a consumer reporting agency may impose a reasonable charge on a consumer—

- (A) for making a disclosure to the consumer pursuant to section 609, which charge—

(i) shall not exceed \$8; and

(ii) shall be indicated to the consumer before making the disclosure; and

(B) for furnishing, pursuant to section 611(d), following a reinvestigation under section 611(a), a statement, codification, or summary to a person designated by the consumer under that section after the 30-day period beginning on the date of notification of the consumer under paragraph (6) or (8) of section 611(a) with respect to the reinvestigation, which charge—

(i) shall not exceed the charge that the agency would impose on each designated recipient for a consumer report; and

(ii) shall be indicated to the consumer before furnishing such information.

(2) MODIFICATION OF AMOUNT.—The Bureau shall increase the amount referred to in paragraph (1)(A)(i) on January 1 of each year, based proportionally on changes in the Consumer

Price Index, with fractional changes rounded to the nearest fifty cents.

(g) PREVENTION OF DECEPTIVE MARKETING OF CREDIT REPORTS.—

(1) IN GENERAL.—Subject to rulemaking pursuant to section 205(b) of the Credit CARD Act of 2009, any advertisement for a free credit report in any medium shall prominently disclose in such advertisement that free credit reports are available under Federal law at: “AnnualCreditReport.com” (or such other source as may be authorized under Federal law).

(2) TELEVISION AND RADIO ADVERTISEMENT.—In the case of an advertisement broadcast by television, the disclosures required under paragraph (1) shall be included in the audio and visual part of such advertisement. In the case of an advertisement broadcast by television or radio, the disclosure required under paragraph (1) shall consist only of the following: “This is not the free credit report provided for by Federal law.”

* * * * *

§ 615. Requirements on users of consumer reports

(a) DUTIES OF USERS TAKING ADVERSE ACTIONS ON THE BASIS OF INFORMATION CONTAINED IN CONSUMER REPORTS.—If any person takes any adverse action with respect to any consumer that is based in whole or in part on any information contained in a consumer report, the person shall—

(1) provide oral, written, or electronic notice of the adverse action to the consumer;

(2) provide to the consumer written or electronic disclosure—
 (A) of a numerical credit score as defined in section 609(f)(2)(A) used by such person in taking any adverse action based in whole or in part on any information in a consumer report; and

(B) of the information set forth in subparagraphs (B) through (E) of section 609(f)(1);

(3) provide to the consumer orally, in writing, or electronically—

(A) the name, address, and telephone number of the consumer reporting agency (including a toll-free telephone number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis) that furnished the report to the person; and

(B) a statement that the consumer reporting agency did not make the decision to take the adverse action and is unable to provide the consumer the specific reasons why the adverse action was taken; and

(4) provide to the consumer an oral, written, or electronic notice of the consumer's right—

(A) to obtain, under section 612, a free copy of a consumer report on the consumer from the consumer reporting agency referred to in paragraph (3), which notice shall include an indication of the 60-day period under that section for obtaining such a copy; and

(B) to dispute, under section 611, with a consumer reporting agency] the accuracy or completeness of any information in a consumer report [furnished by the agency] to a consumer reporting agency under section 611 or to a per-

son who furnished information to an agency under section 623

(b) ADVERSE ACTION BASED ON INFORMATION OBTAINED FROM THIRD PARTIES OTHER THAN CONSUMER REPORTING AGENCIES.—

(1) IN GENERAL.—Whenever credit for personal, family, or household purposes involving a consumer is denied or the charge for such credit is increased either wholly or partly because of information obtained from a person other than a consumer reporting agency bearing upon the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, the user of such information shall, within a reasonable period of time, upon the consumer's written request for the reasons for such adverse action received within sixty days after learning of such adverse action, disclose the nature of the information to the consumer. The user of such information shall clearly and accurately disclose to the consumer his right to make such written request at the time such adverse action is communicated to the consumer.

(2) DUTIES OF PERSON TAKING CERTAIN ACTIONS BASED ON INFORMATION PROVIDED BY AFFILIATE.—

(A) DUTIES, GENERALLY.—If a person takes an action described in subparagraph (B) with respect to a consumer, based in whole or in part on information described in subparagraph (C), the person shall—

(i) notify the consumer of the action, including a statement that the consumer may obtain the information in accordance with clause (ii); and

(ii) upon a written request from the consumer received within 60 days after transmittal of the notice required by clause (i), disclose to the consumer the nature of the information upon which the action is based by not later than 30 days after receipt of the request.

(B) ACTION DESCRIBED.—An action referred to in subparagraph (A) is an adverse action described in section 603(k)(1)(A), taken in connection with a transaction initiated by the consumer, or any adverse action described in clause (i) or (ii) of section 603(k)(1)(B).

(C) INFORMATION DESCRIBED.—Information referred to in subparagraph (A)—

(i) except as provided in clause (ii), is information that—

(I) is furnished to the person taking the action by a person related by common ownership or affiliated by common corporate control to the person taking the action; and

(II) bears on the credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living of the consumer; and

(ii) does not include—

(I) information solely as to transactions or experiences between the consumer and the person furnishing the information; or

(II) information in a consumer report.

(c) No person shall be held liable for any violation of this section if he shows by a preponderance of the evidence that at the time of the alleged violation he maintained reasonable procedures to assure compliance with the provisions of this section.

(d) DUTIES OF USERS MAKING WRITTEN CREDIT OR INSURANCE SOLICITATIONS ON THE BASIS OF INFORMATION CONTAINED IN CONSUMER FILES.—

(1) IN GENERAL.—Any person who uses a consumer report on any consumer in connection with any credit or insurance transaction that is not initiated by the consumer, that is provided to that person under section 604(c)(1)(B), shall provide with each written solicitation made to the consumer regarding the transaction a clear and conspicuous statement that—

(A) information contained in the consumer's consumer report was used in connection with the transaction;

(B) the consumer received the offer of credit or insurance because the consumer satisfied the criteria for credit worthiness or insurability under which the consumer was selected for the offer;

(C) if applicable, the credit or insurance may not be extended if, after the consumer responds to the offer, the consumer does not meet the criteria used to select the consumer for the offer or any applicable criteria bearing on credit worthiness or insurability or does not furnish any required collateral;

(D) the consumer has a right to prohibit information contained in the consumer's file with any consumer reporting agency from being used in connection with any credit or insurance transaction that is not initiated by the consumer; and

(E) the consumer may exercise the right referred to in subparagraph (D) by notifying a notification system established under section 604(e).

(2) DISCLOSURE OF ADDRESS AND TELEPHONE NUMBER; FORMAT.—A statement under paragraph (1) shall—

(A) include the address and toll-free telephone number of the appropriate notification system established under section 604(e); and

(B) be presented in such format and in such type size and manner as to be simple and easy to understand, as established by the Bureau, by rule, in consultation with the Federal Trade Commission, the Federal banking agencies, and the National Credit Union Administration.

(3) MAINTAINING CRITERIA ON FILE.—A person who makes an offer of credit or insurance to a consumer under a credit or insurance transaction described in paragraph (1) shall maintain on file the criteria used to select the consumer to receive the offer, all criteria bearing on credit worthiness or insurability, as applicable, that are the basis for determining whether or not to extend credit or insurance pursuant to the offer, and any requirement for the furnishing of collateral as a condition of the extension of credit or insurance, until the expiration of the 3-year period beginning on the date on which the offer is made to the consumer.

(4) AUTHORITY OF FEDERAL AGENCIES REGARDING UNFAIR OR DECEPTIVE ACTS OR PRACTICES NOT AFFECTED.—This section is not intended to affect the authority of any Federal or State agency to enforce a prohibition against unfair or deceptive acts or practices, including the making of false or misleading statements in connection with a credit or insurance transaction that is not initiated by the consumer.

(e) RED FLAG GUIDELINES AND REGULATIONS REQUIRED.—

(1) GUIDELINES.—The Federal banking agencies, the National Credit Union Administration, the Federal Trade Commission, the Commodity Futures Trading Commission, and the Securities and Exchange Commission shall jointly, with respect to the entities that are subject to their respective enforcement authority under section 621—

(A) establish and maintain guidelines for use by each financial institution and each creditor regarding identity theft with respect to account holders at, or customers of, such entities, and update such guidelines as often as necessary;

(B) prescribe regulations requiring each financial institution and each creditor to establish reasonable policies and procedures for implementing the guidelines established pursuant to subparagraph (A), to identify possible risks to account holders or customers or to the safety and soundness of the institution or customers; and

(C) prescribe regulations applicable to card issuers to ensure that, if a card issuer receives notification of a change of address for an existing account, and within a short period of time (during at least the first 30 days after such notification is received) receives a request for an additional or replacement card for the same account, the card issuer may not issue the additional or replacement card, unless the card issuer, in accordance with reasonable policies and procedures—

(i) notifies the cardholder of the request at the former address of the cardholder and provides to the cardholder a means of promptly reporting incorrect address changes;

(ii) notifies the cardholder of the request by such other means of communication as the cardholder and the card issuer previously agreed to; or

(iii) uses other means of assessing the validity of the change of address, in accordance with reasonable policies and procedures established by the card issuer in accordance with the regulations prescribed under subparagraph (B).

(2) CRITERIA.—

(A) IN GENERAL.—In developing the guidelines required by paragraph (1)(A), the agencies described in paragraph (1) shall identify patterns, practices, and specific forms of activity that indicate the possible existence of identity theft.

(B) INACTIVE ACCOUNTS.—In developing the guidelines required by paragraph (1)(A), the agencies described in paragraph (1) shall consider including reasonable guide-

lines providing that when a transaction occurs with respect to a credit or deposit account that has been inactive for more than 2 years, the creditor or financial institution shall follow reasonable policies and procedures that provide for notice to be given to a consumer in a manner reasonably designed to reduce the likelihood of identity theft with respect to such account.

(3) CONSISTENCY WITH VERIFICATION REQUIREMENTS.—Guidelines established pursuant to paragraph (1) shall not be inconsistent with the policies and procedures required under section 5318(l) of title 31, United States Code.

(4) DEFINITIONS.—As used in this subsection, the term “creditor”—

(A) means a creditor, as defined in section 702 of the Equal Credit Opportunity Act (15 U.S.C. 1691a), that regularly and in the ordinary course of business—

(i) obtains or uses consumer reports, directly or indirectly, in connection with a credit transaction;

(ii) furnishes information to consumer reporting agencies, as described in section 623, in connection with a credit transaction; or

(iii) advances funds to or on behalf of a person, based on an obligation of the person to repay the funds or repayable from specific property pledged by or on behalf of the person;

(B) does not include a creditor described in subparagraph (A)(iii) that advances funds on behalf of a person for expenses incidental to a service provided by the creditor to that person; and

(C) includes any other type of creditor, as defined in that section 702, as the agency described in paragraph (1) having authority over that creditor may determine appropriate by rule promulgated by that agency, based on a determination that such creditor offers or maintains accounts that are subject to a reasonably foreseeable risk of identity theft.

(f) PROHIBITION ON SALE OR TRANSFER OF DEBT CAUSED BY IDENTITY THEFT.—

(1) IN GENERAL.—No person shall sell, transfer for consideration, or place for collection a debt that such person has been notified under section 605B has resulted from identity theft.

(2) APPLICABILITY.—The prohibitions of this subsection shall apply to all persons collecting a debt described in paragraph (1) after the date of a notification under paragraph (1).

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit—

(A) the repurchase of a debt in any case in which the assignee of the debt requires such repurchase because the debt has resulted from identity theft;

(B) the securitization of a debt or the pledging of a portfolio of debt as collateral in connection with a borrowing; or

(C) the transfer of debt as a result of a merger, acquisition, purchase and assumption transaction, or transfer of substantially all of the assets of an entity.

(g) DEBT COLLECTOR COMMUNICATIONS CONCERNING IDENTITY THEFT.—If a person acting as a debt collector (as that term is defined in title VIII) on behalf of a third party that is a creditor or other user of a consumer report is notified that any information relating to a debt that the person is attempting to collect may be fraudulent or may be the result of identity theft, that person shall—

- (1) notify the third party that the information may be fraudulent or may be the result of identity theft; and
- (2) upon request of the consumer to whom the debt purportedly relates, provide to the consumer all information to which the consumer would otherwise be entitled if the consumer were not a victim of identity theft, but wished to dispute the debt under provisions of law applicable to that person.

(h) DUTIES OF USERS IN CERTAIN CREDIT TRANSACTIONS.—

(1) IN GENERAL.—Subject to rules prescribed as provided in paragraph (6), if any person uses a consumer report in connection with an application for, or a grant, extension, or other provision of, credit on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person shall provide an oral, written, or electronic notice to the consumer in the form and manner required by regulations prescribed in accordance with this subsection.

(2) TIMING.—The notice required under paragraph (1) may be provided at the time of an application for, or a grant, extension, or other provision of, credit or the time of communication of an approval of an application for, or grant, extension, or other provision of, credit, except as provided in the regulations prescribed under paragraph (6).

(3) EXCEPTIONS.—No notice shall be required from a person under this subsection if—

(A) the consumer applied for specific material terms and was granted those terms, unless those terms were initially specified by the person after the transaction was initiated by the consumer and after the person obtained a consumer report; or

(B) the person has provided or will provide a notice to the consumer under subsection (a) in connection with the transaction.

(4) OTHER NOTICE NOT SUFFICIENT.—A person that is required to provide a notice under subsection (a) cannot meet that requirement by providing a notice under this subsection.

(5) CONTENT AND DELIVERY OF NOTICE.—A notice under this subsection shall, at a minimum—

(A) include a statement informing the consumer that the terms offered to the consumer are set based on information from a consumer report;

(B) identify the consumer reporting agency furnishing the report;

(C) include a statement informing the consumer that the consumer may obtain a copy of a consumer report from that consumer reporting agency without charge;

- (D) include the contact information specified by that consumer reporting agency for obtaining such consumer reports (including a toll-free telephone number established by the agency in the case of a consumer reporting agency described in section 603(p)); and
 - (E) include a statement informing the consumer of—
 - (i) a numerical credit score as defined in section 609(f)(2)(A), used by such person in making the credit decision described in paragraph (1) based in whole or in part on any information in a consumer report; and
 - (ii) the information set forth in subparagraphs (B) through (E) of section 609(f)(1).
- (6) RULEMAKING.—
- (A) RULES REQUIRED.—The Bureau shall prescribe rules to carry out this subsection.
 - (B) CONTENT.—Rules required by subparagraph (A) shall address, but are not limited to—
 - (i) the form, content, time, and manner of delivery of any notice under this subsection;
 - (ii) clarification of the meaning of terms used in this subsection, including what credit terms are material, and when credit terms are materially less favorable;
 - (iii) exceptions to the notice requirement under this subsection for classes of persons or transactions regarding which the agencies determine that notice would not significantly benefit consumers;
 - (iv) a model notice that may be used to comply with this subsection; and
 - (v) the timing of the notice required under paragraph (1), including the circumstances under which the notice must be provided after the terms offered to the consumer were set based on information from a consumer report.
- (7) COMPLIANCE.—A person shall not be liable for failure to perform the duties required by this section if, at the time of the failure, the person maintained reasonable policies and procedures to comply with this section.
- (8) ENFORCEMENT.—
- (A) NO CIVIL ACTIONS.—Sections 616 and 617 shall not apply to any failure by any person to comply with this section.
 - (B) ADMINISTRATIVE ENFORCEMENT.—This section shall be enforced exclusively under section 621 by the Federal agencies and officials identified in that section.

§ 616. Civil liability for willful noncompliance

- (a) **[IN GENERAL.—]** **DAMAGES.**—Any person who willfully fails to comply with any requirement imposed under this title with respect to any consumer is liable to that consumer in an amount equal to the sum of—
 - (1)(A) any actual damages sustained by the consumer as a result of the failure or damages of not less than \$100 and not more than \$1,000; or
 - (B) in the case of liability of a natural person for obtaining a consumer report under false pretenses or knowingly without

a permissible purpose, actual damages sustained by the consumer as a result of the failure or \$1,000, whichever is greater;

(2) such amount of punitive damages as the court may allow; and

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

(b) CIVIL LIABILITY FOR KNOWING NONCOMPLIANCE.—Any person who obtains a consumer report from a consumer reporting agency under false pretenses or knowingly without a permissible purpose shall be liable to the consumer reporting agency for actual damages sustained by the consumer reporting agency or \$1,000, whichever is greater.

(c) *INJUNCTIVE RELIEF.*—*In addition to any other remedy set forth in this section, a court may award injunctive relief to require compliance with the requirements imposed under this title with respect to any consumer. In the event of any successful action for injunctive relief under this subsection, the court may award to the prevailing party costs and reasonable attorney fees (as determined by the court) incurred during the action by such party.*

[(c)] (d) ATTORNEY'S FEES.—Upon a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for purposes of harassment, the court shall award to the prevailing party attorney's fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.

[(d)] (e) CLARIFICATION OF WILLFUL NONCOMPLIANCE.—For the purposes of this section, any person who printed an expiration date on any receipt provided to a consumer cardholder at a point of sale or transaction between December 4, 2004, and the date of the enactment of this subsection but otherwise complied with the requirements of section 605(g) for such receipt shall not be in willful noncompliance with section 605(g) by reason of printing such expiration date on the receipt.

§ 617. Civil liability for negligent noncompliance

(a) *[IN GENERAL.—] DAMAGES.*—Any person who is negligent in failing to comply with any requirement imposed under this title with respect to any consumer is liable to that consumer in an amount equal to the sum of—

(1) any actual damages sustained by the consumer as a result of the failure; and

(2) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

(b) *INJUNCTIVE RELIEF.*—*In addition to any other remedy set forth in this section, a court may award injunctive relief to require compliance with the requirements imposed under this title with respect to any consumer. In the event of any successful action for injunctive relief under this subsection, the court may award to the prevailing party costs and reasonable attorney fees (as determined by the court) incurred during the action by such party.*

[(b)] (c) ATTORNEY'S FEES.—On a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for pur-

poses of harassment, the court shall award to the prevailing party attorney's fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.

* * * * *

§ 621. Administrative enforcement

(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—

(1) IN GENERAL.—The Federal Trade Commission shall be authorized to enforce compliance with the requirements imposed by this title under the Federal Trade Commission Act (15 U.S.C. 41 et seq.), with respect to consumer reporting agencies and all other persons subject thereto, except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under any of subparagraphs (A) through (G) of subsection (b)(1), and subject to subtitle B of the Consumer Financial Protection Act of 2010, subsection (b). For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement or prohibition imposed under this title shall constitute an unfair or deceptive act or practice in commerce, in violation of section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)), and shall be subject to enforcement by the Federal Trade Commission under section 5(b) of that Act with respect to any consumer reporting agency or person that is subject to enforcement by the Federal Trade Commission pursuant to this subsection, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests under the Federal Trade Commission Act. The Federal Trade Commission shall have such procedural, investigative, and enforcement powers, including the power to issue procedural rules in enforcing compliance with the requirements imposed under this title and to require the filing of reports, the production of documents, and the appearance of witnesses, as though the applicable terms and conditions of the Federal Trade Commission Act were part of this title. Any person violating any of the provisions of this title shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act as though the applicable terms and provisions of such Act are part of this title.

(2) PENALTIES.—

(A) **[KNOWING VIOLATIONS.—] NEGLIGENCE, WILLFUL, OR KNOWING VIOLATIONS.—** Except as otherwise provided by subtitle B of the Consumer Financial Protection Act of 2010, in the event of a *negligent, willful, or knowing* violation, which constitutes a pattern or practice of violations of this title, the Federal Trade Commission may commence a civil action to recover a civil penalty in a district court of the United States against any person that violates this title. In such action, such person shall be liable for a civil penalty of not more than \$2,500 per violation.

(B) **DETERMINING PENALTY AMOUNT.—**In determining the amount of a civil penalty under subparagraph (A), the court shall take into account the degree of culpability, any history of such prior conduct, ability to pay, effect on abil-

ity to continue to do business, and such other matters as justice may require.

(C) LIMITATION.—Notwithstanding paragraph (2), a court may not impose any civil penalty on a person for a violation of section 623(a)(1), unless the person has been enjoined from committing the violation, or ordered not to commit the violation, in an action or proceeding brought by or on behalf of the Federal Trade Commission, and has violated the injunction or order, and the court may not impose any civil penalty for any violation occurring before the date of the violation of the injunction or order.

(b) ENFORCEMENT BY OTHER AGENCIES.—

(1) IN GENERAL.—Subject to subtitle B of the Consumer Financial Protection Act of 2010, compliance with the requirements imposed under this title with respect to consumer reporting agencies, persons who use consumer reports from such agencies, persons who furnish information to such agencies, and users of information that are subject to section 615(d) shall be enforced under—

(A) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), with respect to—

(i) any national bank or State savings association, and any Federal branch or Federal agency of a foreign bank;

(ii) any member bank of the Federal Reserve System (other than a national bank), a branch or agency of a foreign bank (other than a Federal branch, Federal agency, or insured State branch of a foreign bank), a commercial lending company owned or controlled by a foreign bank, and any organization operating under section 25 or 25A of the Federal Reserve Act; and

(iii) any bank or Federal savings association insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) and any insured State branch of a foreign bank;

(B) the Federal Credit Union Act (12 U.S.C. 1751 et seq.), by the Administrator of the National Credit Union Administration with respect to any Federal credit union;

(C) subtitle IV of title 49, United States Code, by the Secretary of Transportation, with respect to all carriers subject to the jurisdiction of the Surface Transportation Board;

(D) the Federal Aviation Act of 1958 (49 U.S.C. App. 1301 et seq.), by the Secretary of Transportation, with respect to any air carrier or foreign air carrier subject to that Act;

(E) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) (except as provided in section 406 of that Act), by the Secretary of Agriculture, with respect to any activities subject to that Act;

(F) the Commodity Exchange Act, with respect to a person subject to the jurisdiction of the Commodity Futures Trading Commission;

(G) the Federal securities laws, and any other laws that are subject to the jurisdiction of the Securities and Exchange Commission, with respect to a person that is subject to the jurisdiction of the Securities and Exchange Commission; and

(H) subtitle E of the Consumer Financial Protection Act of 2010, by the Bureau, with respect to any person subject to this title.

(2) INCORPORATED DEFINITIONS.—The terms used in paragraph (1) that are not defined in this title or otherwise defined in section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) have the same meanings as in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101).

(c) STATE ACTION FOR VIOLATIONS.—

(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

(B) subject to paragraph (5), may bring an action on behalf of the residents of the State to recover—

(i) damages for which the person is liable to such residents under sections 616 and 617 as a result of the violation;

(ii) in the case of a violation described in any of paragraphs (1) through (3) of section 623(c), damages for which the person would, but for section 623(c), be liable to such residents as a result of the violation; or

(iii) damages of not more than \$1,000 for each willful or negligent violation; and

(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

(2) RIGHTS OF FEDERAL REGULATORS.—The State shall serve prior written notice of any action under paragraph (1) upon the Bureau and the Federal Trade Commission or the appropriate Federal regulator determined under subsection (b) and provide the Bureau and the Federal Trade Commission or appropriate Federal regulator with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Bureau and the Federal Trade Commission or appropriate Federal regulator shall have the right—

(A) to intervene in the action;

(B) upon so intervening, to be heard on all matters arising therein;

(C) to remove the action to the appropriate United States district court; and

(D) to file petitions for appeal.

(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, nothing in this subsection shall prevent the chief law enforcement officer, or an official or agen-

cy designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Bureau, the Federal Trade Commission, or the appropriate Federal regulator has instituted a civil action or an administrative action under section 8 of the Federal Deposit Insurance Act for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Bureau, the Federal Trade Commission, or the appropriate Federal regulator for any violation of this title that is alleged in that complaint.

(5) LIMITATIONS ON STATE ACTIONS FOR CERTAIN VIOLATIONS.—

(A) VIOLATION OF INJUNCTION REQUIRED.—A State may not bring an action against a person under paragraph (1)(B) for a violation described in any of paragraphs (1) through (3) of section 623(c), unless—

- (i) the person has been enjoined from committing the violation, in an action brought by the State under paragraph (1)(A); and
- (ii) the person has violated the injunction.

(B) LIMITATION ON DAMAGES RECOVERABLE.—In an action against a person under paragraph (1)(B) for a violation described in any of paragraphs (1) through (3) of section 623(c), a State may not recover any damages incurred before the date of the violation of an injunction on which the action is based.

(d) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title any other authority conferred on it by law.

(e) REGULATORY AUTHORITY.—

(1) IN GENERAL.—The Bureau shall prescribe such regulations as are necessary to carry out the purposes of this title, except with respect to sections 615(e) and 628. The Bureau may prescribe regulations as may be necessary or appropriate to administer and carry out the purposes and objectives of this title, and to prevent evasions thereof or to facilitate compliance therewith. Except as provided in section 1029(a) of the Consumer Financial Protection Act of 2010, the regulations prescribed by the Bureau under this title shall apply to any person that is subject to this title, notwithstanding the enforcement authorities granted to other agencies under this section.

(2) DEFERENCE.—Notwithstanding any power granted to any Federal agency under this title, the deference that a court affords to a Federal agency with respect to a determination made

by such agency relating to the meaning or interpretation of any provision of this title that is subject to the jurisdiction of such agency shall be applied as if that agency were the only agency authorized to apply, enforce, interpret, or administer the provisions of this title. The regulations prescribed by the Bureau under this title shall apply to any person that is subject to this title, notwithstanding the enforcement authorities granted to other agencies under this section.

(f) COORDINATION OF CONSUMER COMPLAINT INVESTIGATIONS.—

(1) IN GENERAL.—Each consumer reporting agency described in section 603(p) shall develop and maintain procedures for the referral to each other such agency of any consumer complaint received by the agency alleging identity theft, or requesting a fraud alert under section 605A or a block under section 605B.

(2) MODEL FORM AND PROCEDURE FOR REPORTING IDENTITY THEFT.—The Commission, in consultation with the Federal Trade Commission, the Federal banking agencies, and the National Credit Union Administration, shall develop a model form and model procedures to be used by consumers who are victims of identity theft for contacting and informing creditors and consumer reporting agencies of the fraud.

(3) ANNUAL SUMMARY REPORTS.—Each consumer reporting agency described in section 603(p) shall submit an annual summary report to the Bureau on consumer complaints received by the agency on identity theft or fraud alerts.

(g) BUREAU REGULATION OF CODING OF TRADE NAMES.—If the Bureau determines that a person described in paragraph (9) of section 623(a) has not met the requirements of such paragraph, the Bureau shall take action to ensure the person's compliance with such paragraph, which may include issuing model guidance or prescribing reasonable policies and procedures, as necessary to ensure that such person complies with such paragraph.

* * * * *

SEC. 623. RESPONSIBILITIES OF FURNISHERS OF INFORMATION TO CONSUMER REPORTING AGENCIES.

(a) DUTY OF FURNISHERS OF INFORMATION TO PROVIDE ACCURATE AND COMPLETE INFORMATION.—

(1) PROHIBITION.—

(A) REPORTING INFORMATION WITH ACTUAL KNOWLEDGE OF ERRORS.—A person shall not furnish any information relating to a consumer to any consumer reporting agency if the person knows or has reasonable cause to believe that the information is inaccurate or incomplete.

(B) REPORTING INFORMATION AFTER NOTICE AND CONFIRMATION OF ERRORS.—A person shall not furnish information relating to a consumer to any consumer reporting agency if—

(i) the person has been notified by the consumer, at the address specified by the person for such notices, that specific information is inaccurate or incomplete; and

(ii) the information is, in fact, inaccurate or incomplete.

(C) NO ADDRESS REQUIREMENT.—A person who clearly and conspicuously specifies to the consumer an address for notices referred to in subparagraph (B) shall not be subject to subparagraph (A); however, nothing in subparagraph (B) shall require a person to specify such an address.

(D) DEFINITION.—For purposes of subparagraph (A), the term “reasonable cause to believe that the information is inaccurate *or incomplete*” means having specific knowledge, other than solely allegations by the consumer, that would cause a reasonable person to have substantial doubts about the accuracy *or completeness* of the information.

(E) REHABILITATION OF PRIVATE EDUCATION LOANS.—

(i) IN GENERAL.—Notwithstanding any other provision of this section, a consumer may request a financial institution to remove from a consumer report a reported default regarding a private education loan, and such information shall not be considered inaccurate *or incomplete*, if—

(I) the financial institution chooses to offer a loan rehabilitation program which includes, without limitation, a requirement of the consumer to make consecutive on-time monthly payments in a number that demonstrates, in the assessment of the financial institution offering the loan rehabilitation program, a renewed ability and willingness to repay the loan; and

(II) the requirements of the loan rehabilitation program described in subclause (I) are successfully met.

(ii) BANKING AGENCIES.—

(I) IN GENERAL.—If a financial institution is supervised by a Federal banking agency, the financial institution shall seek written approval concerning the terms and conditions of the loan rehabilitation program described in clause (i) from the appropriate Federal banking agency.

(II) FEEDBACK.—An appropriate Federal banking agency shall provide feedback to a financial institution within 120 days of a request for approval under subclause (I).

(iii) LIMITATION.—

(I) IN GENERAL.—A consumer may obtain the benefits available under this subsection with respect to rehabilitating a loan only 1 time per loan.

(II) RULE OF CONSTRUCTION.—Nothing in this subparagraph may be construed to require a financial institution to offer a loan rehabilitation program or to remove any reported default from a consumer report as a consideration of a loan rehabilitation program, except as described in clause (i).

(iv) DEFINITIONS.—For purposes of this subparagraph—

(I) the term "appropriate Federal banking agency" has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(II) the term "private education loan" has the meaning given the term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).

(2) DUTY TO CORRECT AND UPDATE INFORMATION.—A person who—

(A) regularly and in the ordinary course of business furnishes information to one or more consumer reporting agencies about the person's transactions or experiences with any consumer; and

(B) has furnished to a consumer reporting agency information that the person determines is not complete or accurate,

shall promptly notify the consumer reporting agency of that determination and provide to the agency any corrections to that information, or any additional information, that is necessary to make the information provided by the person to the agency complete and accurate, and shall not thereafter furnish to the agency any of the information that remains not complete or accurate.

(3) DUTY TO PROVIDE NOTICE OF DISPUTE.—If the completeness or accuracy of any information furnished by any person to any consumer reporting agency is disputed to such person by a consumer, the person may not furnish the information to any consumer reporting agency without notice that such information is disputed by the consumer.

(4) DUTY TO PROVIDE NOTICE OF CLOSED ACCOUNTS.—A person who regularly and in the ordinary course of business furnishes information to a consumer reporting agency regarding a consumer who has a credit account with that person shall notify the agency of the voluntary closure of the account by the consumer, in information regularly furnished for the period in which the account is closed.

(5) DUTY TO PROVIDE NOTICE OF DELINQUENCY OF ACCOUNTS.—(A) IN GENERAL.—A person who furnishes information to a consumer reporting agency regarding a delinquent account being placed for collection, charged to profit or loss, or subjected to any similar action shall, not later than 90 days after furnishing the information, notify the agency of the date of delinquency on the account, which shall be the month and year of the commencement of the delinquency on the account that immediately preceded the action.

(B) RULE OF CONSTRUCTION.—For purposes of this paragraph only, and provided that the consumer does not dispute the information, a person that furnishes information on a delinquent account that is placed for collection, charged for profit or loss, or subjected to any similar action, complies with this paragraph, if—

(i) the person reports the same date of delinquency as that provided by the creditor to which the account was owed at the time at which the commencement of the delinquency occurred, if the creditor previously re-

ported that date of delinquency to a consumer reporting agency;

(ii) the creditor did not previously report the date of delinquency to a consumer reporting agency, and the person establishes and follows reasonable procedures to obtain the date of delinquency from the creditor or another reliable source and reports that date to a consumer reporting agency as the date of delinquency; or

(iii) the creditor did not previously report the date of delinquency to a consumer reporting agency and the date of delinquency cannot be reasonably obtained as provided in clause (ii), the person establishes and follows reasonable procedures to ensure the date reported as the date of delinquency precedes the date on which the account is placed for collection, charged to profit or loss, or subjected to any similar action, and reports such date to the credit reporting agency.

(6) DUTIES OF FURNISHERS UPON NOTICE OF IDENTITY THEFT-RELATED INFORMATION.—

(A) REASONABLE PROCEDURES.—A person that furnishes information to any consumer reporting agency shall have in place reasonable procedures to respond to any notification that it receives from a consumer reporting agency under section 605B relating to information resulting from identity theft, to prevent that person from refurnishing such blocked information.

(B) INFORMATION ALLEGED TO RESULT FROM IDENTITY THEFT.—If a consumer submits an identity theft report to a person who furnishes information to a consumer reporting agency at the address specified by that person for receiving such reports stating that information maintained by such person that purports to relate to the consumer resulted from identity theft, the person may not furnish such information that purports to relate to the consumer to any consumer reporting agency, unless the person subsequently knows or is informed by the consumer that the information is correct.

[7] NEGATIVE INFORMATION.—

[A] NOTICE TO CONSUMER REQUIRED.—

[i] IN GENERAL.—If any financial institution that extends credit and regularly and in the ordinary course of business furnishes information to a consumer reporting agency described in section 603(p) furnishes negative information to such an agency regarding credit extended to a customer, the financial institution shall provide a notice of such furnishing of negative information, in writing, to the customer.

[ii] NOTICE EFFECTIVE FOR SUBSEQUENT SUBMISSIONS.—After providing such notice, the financial institution may submit additional negative information to a consumer reporting agency described in section 603(p) with respect to the same transaction, extension of credit, account, or customer without providing additional notice to the customer.

[B] TIME OF NOTICE.—

[(i) IN GENERAL.—The notice required under subparagraph (A) shall be provided to the customer prior to, or no later than 30 days after, furnishing the negative information to a consumer reporting agency described in section 603(p).

[(ii) COORDINATION WITH NEW ACCOUNT DISCLOSURES.—If the notice is provided to the customer prior to furnishing the negative information to a consumer reporting agency, the notice may not be included in the initial disclosures provided under section 127(a) of the Truth in Lending Act.

[(C) COORDINATION WITH OTHER DISCLOSURES.—The notice required under subparagraph (A)—

[(i) may be included on or with any notice of default, any billing statement, or any other materials provided to the customer; and

[(ii) must be clear and conspicuous.

[(D) MODEL DISCLOSURE.—

[(i) DUTY OF BUREAU.—The Bureau shall prescribe a brief model disclosure that a financial institution may use to comply with subparagraph (A), which shall not exceed 30 words.

[(ii) USE OF MODEL NOT REQUIRED.—No provision of this paragraph may be construed to require a financial institution to use any such model form prescribed by the Bureau.

[(iii) COMPLIANCE USING MODEL.—A financial institution shall be deemed to be in compliance with subparagraph (A) if the financial institution uses any model form prescribed by the Bureau under this subparagraph, or the financial institution uses any such model form and rearranges its format.

[(E) USE OF NOTICE WITHOUT SUBMITTING NEGATIVE INFORMATION.—No provision of this paragraph shall be construed as requiring a financial institution that has provided a customer with a notice described in subparagraph (A) to furnish negative information about the customer to a consumer reporting agency.

[(F) SAFE HARBOR.—A financial institution shall not be liable for failure to perform the duties required by this paragraph if, at the time of the failure, the financial institution maintained reasonable policies and procedures to comply with this paragraph or the financial institution reasonably believed that the institution is prohibited, by law, from contacting the consumer.

[(G) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

[(i) NEGATIVE INFORMATION.—The term “negative information” means information concerning a customer’s delinquencies, late payments, insolvency, or any form of default.

[(ii) CUSTOMER; FINANCIAL INSTITUTION.—The terms “customer” and “financial institution” have the same meanings as in section 509 Public Law 106 102.]

(7) DUTY OF FURNISHERS TO INFORM CONSUMERS ABOUT REPORTING NEGATIVE INFORMATION.—

(A) GENERAL NEGATIVE INFORMATION WARNING NOTICE TO ALL CONSUMERS PRIOR TO FURNISHING SUCH INFORMATION.—

(i) IN GENERAL.—Any person that regularly furnishes negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 about activity on any accounts of a consumer held by such person or transactions associated with credit extended to a consumer by such person shall provide a written general negative information warning notice to each such consumer before such person may furnish any negative information relating to such a consumer.

(ii) CONTENT.—Such notice shall—

(I) be clear and conspicuous;

(II) describe the types of activities that constitute negative information;

(III) inform the consumer that the person may report negative information relating to any such accounts or transactions to a consumer reporting agency described in subsection (p) or (x) of section 603;

(IV) state that the negative information may appear on a consumer report of the consumer for the periods described in section 605 and that during such periods, the negative information may adversely impact the consumer's credit score;

(V) state that in some limited circumstances, the negative information may result in other adverse actions, including a denial of a new job or a promotion from existing employment; and

(VI) state that the consumer has right to—

(aa) obtain a copy of their consumer report and credit score or educational score (if applicable), which in some instances can be obtained free of charge, from any consumer reporting agency to which negative information may be sent; and

(bb) dispute, free of charge, any errors on a consumer report relating to the consumer.

(iii) TIMING OF NOTICE.—Such person shall provide such notice to a consumer not later than 90 days before the date on which the person furnishes negative information relating to such consumer.

(B) SPECIFIC NEGATIVE INFORMATION NOTICE TO A CONSUMER.—

(i) IN GENERAL.—Any person described in subparagraph (A) that has furnished negative information relating to activity on any accounts of a consumer held by such person or transactions associated with credit extended to a consumer by such person to a consumer reporting agency described in subsection (p) or (x) of section 603 shall send a written notice to each such consumer.

(ii) **CONTENT.**—Such notice shall—

(I) be clear and conspicuous;

(II) inform the consumer that the person has furnished negative information relating to such accounts or transactions to a consumer reporting agency described in subsection (p) or (x) of section 603;

(III) identify any consumer reporting agency to which the negative information was furnished, including the name of the agency, mailing address, Internet website address, and toll-free telephone number; and

(IV) include the statements described in subclauses (IV), (V), and (VI) of subparagraph (A)(ii).

(iii) **TIME OF NOTICE.**—Such person shall provide such notice to a consumer not later than 5 business days after the date on which the person furnished negative information relating to such consumer.

(C) **NOTICE EFFECTIVE FOR SUBSEQUENT SUBMISSIONS.**—After providing the notice described in subparagraph (B), the person may submit additional negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 without providing additional notice to the consumer, unless another person acquires the right to repayment connected to the additional negative information. The acquiring person shall be subject to the requirements of this paragraph and shall be required to send consumers the written notices described in this paragraph, if applicable.

(D) **NON-TRADITIONAL DATA FURNISHERS.**—Any person that furnishes negative information to a consumer reporting agency described in subsection (p) or (x) of section 603 relating to any accounts of, or transactions associated with, a consumer by such person involving non-traditional data shall be subject to the requirements described in subparagraphs (A), (B), and (C).

(E) **MODEL NOTICES.**—

(i) **DUTY OF BUREAU.**—Not later than 6 months after date of the enactment of this paragraph, the Bureau shall issue model forms for the notices described in subparagraphs (A) and (B) that a person may use to comply with the requirements of this paragraph.

(ii) **USE OF MODEL NOTICE NOT REQUIRED.**—No provision of this paragraph may be construed to require a person to use the model notices prescribed by the Bureau.

(iii) **COMPLIANCE USING MODEL NOTICES.**—A person shall be deemed to be in compliance with the requirements of subparagraph (A)(ii) or (B)(ii) (as applicable) if the person uses the model notice prescribed by the Bureau.

(F) **ISSUANCE OF GENERAL NEGATIVE WARNING NOTICE WITHOUT SUBMITTING NEGATIVE INFORMATION.**—No provision of this paragraph may be construed to require a person described in subparagraph (A) or (D) to furnish nega-

tive information about a consumer to a consumer reporting agency described in subsection (p) or (x) of section 603.

(G) *SAFE HARBOR.*—A person shall not be liable for failure to perform the duties required by this paragraph if the person reasonably believes that the person is prohibited, by law, from contacting the consumer.

(H) *EFFECTIVE DATE.*—The requirements of subparagraphs (A), (B), (C), and (D) shall not take effect until the date that is 6 months after the date of the issuance of model forms for notices under subparagraph (E).

(I) *DEFINITIONS.*—In this paragraph, the following definitions shall apply:

(i) *NEGATIVE INFORMATION.*—The term “negative information” means information concerning a consumer’s delinquencies, late payments, insolvency, or any form of default.

(ii) *NON-TRADITIONAL DATA.*—The term “non-traditional data” relates to telecommunications payments, utility payments, rent payments, remittances, wire transfers, and such other items as determined by the Bureau.

(8) **ABILITY OF CONSUMER TO DISPUTE INFORMATION DIRECTLY WITH FURNISHER.**—

(A) *IN GENERAL.*—The Bureau shall, in consultation with the Federal Trade Commission, the Federal banking agencies, and the National Credit Union Administration, prescribe regulations that shall identify the circumstances under which a furnisher shall be required to [reinvestigate] investigate a dispute concerning the accuracy and completeness of information contained in a consumer report on the consumer, based on a direct request of a consumer.

(B) *CONSIDERATIONS.*—In prescribing regulations under subparagraph (A), the agencies shall weigh—

(i) the benefits to consumers with the costs on furnishers and the credit reporting system;

(ii) the impact on the overall accuracy and integrity of consumer reports of any such requirements;

(iii) whether direct contact by the consumer with the furnisher would likely result in the most expeditious resolution of any such dispute; and

(iv) the potential impact on the credit reporting process if credit repair organizations, as defined in section 403(3), including entities that would be a credit repair organization, but for section 403(3)(B)(i), are able to circumvent the prohibition in subparagraph (G).

(C) *APPLICABILITY.*—Subparagraphs (D) through (G) shall apply in any circumstance identified under the regulations promulgated under subparagraph (A).

(D) *SUBMITTING A NOTICE OF DISPUTE.*—A consumer who seeks to dispute the accuracy or completeness of information shall provide a dispute notice directly to such person at the address specified by the person for such notices that—

- (i) identifies the specific information that is being disputed;
- (ii) explains the basis for the dispute; and
- (iii) includes all supporting documentation required by the furnisher to substantiate the basis of the dispute.

[(E) DUTY OF PERSON AFTER RECEIVING NOTICE OF DISPUTE.]—After receiving a notice of dispute from a consumer pursuant to subparagraph (D), the person that provided the information in dispute to a consumer reporting agency shall—

- [(i) conduct an investigation with respect to the disputed information;]
- [(ii) review all relevant information provided by the consumer with the notice;]
- [(iii) complete such person's investigation of the dispute and report the results of the investigation to the consumer before the expiration of the period under section 611(a)(1) within which a consumer reporting agency would be required to complete its action if the consumer had elected to dispute the information under that section; and]
- [(iv) if the investigation finds that the information reported was inaccurate, promptly notify each consumer reporting agency to which the person furnished the inaccurate information of that determination and provide to the agency any correction to that information that is necessary to make the information provided by the person accurate.]

[(F) FRIVOLOUS OR IRRELEVANT DISPUTE.]

[(i) IN GENERAL.]—This paragraph shall not apply if the person receiving a notice of a dispute from a consumer reasonably determines that the dispute is frivolous or irrelevant, including—

[(I) by reason of the failure of a consumer to provide sufficient information to investigate the disputed information; or]

[(II) the submission by a consumer of a dispute that is substantially the same as a dispute previously submitted by or for the consumer, either directly to the person or through a consumer reporting agency under subsection (b), with respect to which the person has already performed the person's duties under this paragraph or subsection (b), as applicable.]

[(ii) NOTICE OF DETERMINATION.]—Upon making any determination under clause (i) that a dispute is frivolous or irrelevant, the person shall notify the consumer of such determination not later than 5 business days after making such determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the person.

[(iii) CONTENTS OF NOTICE.]—A notice under clause (ii) shall include—

[(I) the reasons for the determination under clause (i); and

[(II) identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of such information.]

(E) DUTIES OF FURNISHERS AFTER RECEIVING NOTICE OF DISPUTE FROM A CONSUMER.—*After receiving a notice of dispute from a consumer pursuant to subparagraph (D), the person that provided the information in dispute to a consumer reporting agency shall—*

(i) promptly provide to each consumer reporting agency to which the person furnished the disputed information the notice of dispute;

(ii) review all information, including any substantiating documents, provided by the consumer about the disputed information and conduct an investigation, separate from any reinvestigation by a consumer reporting agency or a reseller conducted with respect to the disputed information;

(iii) before the expiration of the period under section 611(a)(1) within which a consumer reporting agency would be required to complete its action if the consumer had elected to dispute the information under that section, complete an investigation of the disputed information pursuant to the standards described in subparagraph (G);

(iv) notify the consumer, in writing, of the receipt of the dispute that includes—

(I) a statement about any information additional to the information that the person is required to maintain under subsection (f) that would support the person's ability to carry out an investigation to resolve the consumer's dispute; and

(II) a statement that the consumer reporting agency to which the disputed information was provided will include a notation described in section 605(e) in the consumer's file until the investigation has been completed, and information about how a consumer may request that such notation is removed by the agency;

(v) if the investigation determines the disputed information is inaccurate, incomplete, or unverifiable, promptly notify each consumer reporting agency to which the person furnished such information in accordance with paragraph (2); and

(vi) notify the consumer of the results of the investigation, in writing, in accordance with subparagraph (H).

[(G)] (F) EXCLUSION OF CREDIT REPAIR ORGANIZATIONS.—This paragraph shall not apply if the notice of the dispute is submitted by, is prepared on behalf of the consumer by, or is submitted on a form supplied to the consumer by, a credit repair organization, as defined in sec-

tion 403(3), or an entity that would be a credit repair organization, but for section 403(3)(B)(i).

(G) *REASONABLE STANDARDS FOR FURNISHERS FOR CONDUCTING INVESTIGATIONS AND RESOLVING DISPUTES SUBMITTED BY CONSUMERS.*—*In any investigation conducted by a person who furnishes information to a consumer reporting agency of an item of information being disputed by a consumer, the person, at a minimum—*

- (i) shall maintain sufficient resources and trained staff, commensurate with the volume and complexity of disputes received or reasonably anticipated to be received, to conduct investigations;*
- (ii) shall verify that the person has a record of the particular information being disputed, consistent with the requirements of subsection (f);*
- (iii) shall verify that the personally identifiable information of the consumer submitting the dispute matches the personally identifiable information contained on such records;*
- (iv) shall conduct a reasonable review to determine whether the disputed information is accurate, complete, and can be verified that considers all the information, including any substantiating documents, provided by the consumer about the disputed information;*
- (v) shall ensure that the investigation is an independent analysis that is separate from any reinvestigation by a consumer reporting agency or a reseller conducted with respect to the disputed information; and*
- (vi) may not impose any limitations or otherwise impede the ability of a consumer to submit information, including any substantiating documents, about the disputed information.*

(H) *CONTENTS OF THE NOTICE TO THE CONSUMER ABOUT THE RESULTS OF THE INVESTIGATION BY THE FURNISHER.*—*The notice of the results of the investigation described in subparagraph (E) shall include—*

- (i) a statement informing the consumer as to whether the disputed information was determined to be inaccurate, incomplete, or unverifiable;*
- (ii) a statement of the specific reasons supporting the results of the investigation;*
- (iii) a description of the procedure used by the dispute resolution staff of the person who furnishes information to a consumer reporting agency to determine the accuracy or completeness of the information, including the business name, mailing address, telephone number, and Internet website address (if available) of any person who was contacted by the staff in connection with the determination;*
- (iv) a copy of all information relating to the consumer that was used in carrying out the investigation and was the basis for any determination about the accuracy or completeness of the disputed information;*
- (v) a statement that consumer will receive, free of charge, a copy of their consumer report and credit score*

or educational credit score (if applicable), from any consumer reporting agency to which the disputed information had been provided, regardless of whether the consumer obtained or will obtain a free consumer report and credit score or educational credit score (if applicable) in the 12-month period preceding receipt of the notice described in this subparagraph pursuant to section 612(a)(1);

(vi) if the disputed information was found to be inaccurate, incomplete, or unverifiable, a statement that the consumer report of the consumer shall be revised to reflect the change to the consumer's file as a result of the investigation;

(vii) a statement that the consumer has the right to appeal the results of the investigation under paragraph (10), free of charge, within 120 days after the date of the notice of the results of the investigation was provided to the consumer and the process for submitting an appeal;

(viii) a statement that the consumer may add a narrative statement, free of charge, to the consumer's file held by the consumer reporting agency to which the information has been furnished disputing the accuracy or completeness of the information, regardless of the results of the investigation by the person, and the process for contacting any agency that received the consumer's information from the person to submit a narrative statement;

(ix) a statement informing the consumer that a notation described in section 605(e) will be added to the consumer's file during the period in which the consumer appeals the results of an investigation and that such notation can be removed at the request of the consumer; and

(x) a statement that the consumer has the right to request a copy of their consumer report and credit score or educational credit score (if applicable), free of charge, within the 12-month period following the date of the conclusion of the investigation from any consumer reporting agency in which the disputed information had been provided, regardless of whether the consumer obtained or will obtain a free annual consumer report and credit score or educational credit score (if applicable) under this subparagraph or section 612(a)(1).

(9) DUTY TO PROVIDE NOTICE OF STATUS AS MEDICAL INFORMATION FURNISHER.—A person whose primary business is providing medical services, products, or devices, or the person's agent or assignee, who furnishes information to a consumer reporting agency on a consumer shall be considered a medical information furnisher for purposes of this title, and shall notify the agency of such status.

(10) DUTY OF FURNISHERS OF INFORMATION UPON NOTICE OF APPEAL OF INVESTIGATION.—

(A) *IN GENERAL.*—Within 120 days of the date of receipt of the results of an investigation conducted under paragraph (8)(E), a consumer may, free of charge, appeal such results by submitting a notice of appeal to the person who provided the information in the dispute to a consumer reporting agency (hereafter in this paragraph referred to as the “furnisher”).

(B) *NOTICE OF APPEAL.*—A notice of appeal described in subparagraph (A) may be submitted in writing, through a toll-free telephone number, or by other electronic means established by the furnisher, and—

- (i) shall identify the information contained in the consumer’s file that is the subject of the appeal;
- (ii) shall describe the specific reasons for submitting the notice of appeal; and
- (iii) may include any information, including substantiating documents, the consumer believes is relevant to the appeal.

(C) *FURNISHER ACTIONS.*—Upon receipt of such notice of appeal, the furnisher shall—

- (i) before the end of the period of 3 business days beginning on the date on which the furnisher receives the notice of appeal, notify each consumer reporting agency to which the person furnished such information a statement identifying the items of information that a consumer is appealing; and
- (ii) notify the consumer confirming the receipt of the consumer’s notice of appeal, including an approximate date when the consumer’s appeal will be completed, the process and procedures by which a review of the appeal will be conducted, and the specific individual designated by the consumer reporting agency who, upon the request of the consumer, may discuss the substance and status of the appeal.

(D) *FURNISHER REQUIREMENTS UPON RECEIPT OF NOTICE OF APPEAL.*—Not later than 20 days after receiving a notice of appeal, the furnisher shall determine whether the item of information being disputed by the consumer is inaccurate, incomplete, or cannot be verified, and shall notify the consumer reporting agency of the determination. If the furnisher cannot verify the accuracy or completeness of the disputed information, the furnisher shall, before the end of the 20-day period beginning on the date on which the furnisher receives notice of an appeal from the consumer, submit instructions to the consumer reporting agency that the item of information being disputed by the consumer should be deleted from the file of the consumer.

(E) *MINIMUM STANDARDS FOR APPEALS EMPLOYEES.*—Upon receipt of a notice of appeal under subparagraph (A), a furnisher shall designate one or more specific employees who—

- (i) shall be assigned an employee reference number or other employee identifier that can be used by the consumer to discuss the appeal with the specific individuals handling the appeal;

(ii) shall have direct authority to resolve the dispute that is the subject of the notice of appeal on behalf of the furnisher from the review stage to its completion;

(iii) shall meet minimum training and ongoing certification requirements at regular intervals, as established by the Bureau;

(iv) may not have been involved in an investigation conducted pursuant to paragraph (8); and

(v) may not be subject to any requirements linking incentives, including promotion, to the number of appeals processed within a certain time period.

(F) REQUIREMENTS FOR APPEALS PROCESS.—Such employees shall conduct a robust review of the appeal and make a determination regarding the accuracy and completeness of the disputed information by—

(i) conducting an independent analysis, separate from any reinvestigation by a reseller or consumer reporting agency, of the disputed information;

(ii) verifying that the personally identifiable information related to the dispute is accurate and complete;

(iii) analyzing the notice of appeal and all information, including substantiating documents, provided by the consumer with the notice of appeal;

(iv) evaluating the validity of any information submitted by any person that was used by the furnisher in the initial investigation into the dispute;

(v) verifying that the information being disputed relates to the consumer in whose file the information is located;

(vi) verifying that the furnisher has a record of the information being disputed; and

(vii) applying any additional factors or investigative processes, as specified by the Bureau.

(G) EXTENSION OF REVIEW PERIOD.—If a consumer submits additional information related to the appeal after the period of 3 business days described in subparagraph (C)(i) and before the end of the 20-day period described in subparagraph (D), the furnisher shall have an additional 10 business days to complete the review of the appeal.

(H) NOTICE OF APPEAL RESULTS.—Not later than 5 days after the end of the 20-day period described in subparagraph (D) (or the 10 business day extension described under subparagraph (G), as applicable) the furnisher shall provide the consumer with written notice of the results of the appeal by mail or, if requested by the consumer, by other means. The contents of such notice shall include—

(i) a statement that the appeal is completed and the date on which it was completed, the results of the appeal, and the specific reasons supporting the results of the appeal;

(ii) a copy of all information relating to the consumer that was used as a basis for deciding the results of the appeal;

(iii) if the appeal results in any change to the consumer report, a notification that the consumer shall re-

ceive a copy, free of charge, of a revised consumer report (based upon the consumer's file as that file was changed as a result of the appeal) and a credit score or educational credit score (if applicable) from each consumer reporting agency that had been furnished incorrect information;

(iv) a description of the procedure used to determine the accuracy and completeness of the information, including the business name, telephone number, mailing address, and Internet website address (if applicable), of any person who provided information that was contacted in connection with such information, if reasonably available;

(v) information describing that the consumer may submit a statement, without charge, disputing the accuracy or completeness of information in the consumer's file that was the subject of an appeal under this paragraph by submitting a statement directly to each consumer reporting agency that received the information; and

(vi) a notification that the consumer may request the furnisher to submit to each consumer reporting agency the consumer's request to furnish notifications pursuant to section 611(d) (relating to furnishing notifications to certain users of consumer reports).

(b) DUTIES OF FURNISHERS OF INFORMATION UPON NOTICE OF DISPUTE.—

(1) IN GENERAL.—After receiving notice pursuant to section 611(a)(2) of a dispute with regard to the completeness or accuracy of any information provided by a person to a consumer reporting agency, the person shall—

(A) conduct an investigation with respect to the disputed information;

(B) review all [relevant] information provided by the consumer reporting agency pursuant to section 611(a)(2);

(C) report the results of the investigation to the consumer reporting agency;

(D) if the investigation finds that the information is incomplete or inaccurate, report those results to all other consumer reporting agencies to which the person furnished the information and that compile and maintain files on consumers on a nationwide basis; and

(E) if an item of information disputed by a consumer is found to be inaccurate or incomplete or cannot be verified after any reinvestigation under paragraph (1), for purposes of reporting to a consumer reporting agency only, as appropriate, based on the results of the reinvestigation promptly—

(i) modify that item of information;

(ii) delete that item of information; or

(iii) permanently block the reporting of that item of information.

(2) DEADLINE.—A person shall complete all investigations, reviews, and reports required under paragraph (1) regarding information provided by the person to a consumer reporting

agency, before the expiration of the period under section 611(a)(1) within which the consumer reporting agency is required to complete actions required by that section regarding that information.

(c) LIMITATION ON LIABILITY.—Except as provided in section 621(c)(1)(B), sections 616 and 617 do not apply to any violation of—

(1) subsection (a) of this section, including any regulations issued thereunder;

(2) subsection (e) of this section, except that nothing in this paragraph shall limit, expand, or otherwise affect liability under section 616 or 617, as applicable, for violations of subsection (b) of this section; or

(3) subsection (e) of section 615.

(d) LIMITATION ON ENFORCEMENT.—The provisions of law described in paragraphs (1) through (3) of subsection (c) (other than with respect to the exception described in paragraph (2) of subsection (c)) shall be enforced exclusively as provided under section 621 by the Federal agencies and officials and the State officials identified in section 621.

(e) ACCURACY GUIDELINES AND REGULATIONS REQUIRED.—

(1) GUIDELINES.—The Bureau shall, with respect to persons or entities that are subject to the enforcement authority of the Bureau under section 621—

(A) establish and maintain guidelines for use by each person that furnishes information to a consumer reporting agency regarding the accuracy and integrity of the information relating to consumers that such entities furnish to consumer reporting agencies, and update such guidelines as often as necessary; and

(B) prescribe regulations requiring each person that furnishes information to a consumer reporting agency to establish reasonable policies and procedures for implementing the guidelines established pursuant to subparagraph (A).

(2) CRITERIA.—In developing the guidelines required by paragraph (1)(A), the Bureau shall—

(A) identify patterns, practices, and specific forms of activity that can compromise the accuracy and integrity of information furnished to consumer reporting agencies;

(B) review the methods (including technological means) used to furnish information relating to consumers to consumer reporting agencies;

(C) determine whether persons that furnish information to consumer reporting agencies maintain and enforce policies to ensure the accuracy and integrity of information furnished to consumer reporting agencies; and

(D) examine the policies and processes that persons that furnish information to consumer reporting agencies employ to conduct reinvestigations and correct inaccurate information relating to consumers that has been furnished to consumer reporting agencies.

(f) DUTY OF FURNISHERS TO MAINTAIN RECORDS OF CONSUMERS.—

(1) IN GENERAL.—A person who furnishes information to a consumer reporting agency relating to a consumer who has an

account with that person shall maintain all information necessary to substantiate the accuracy and completeness of the information furnished, including any records establishing the liability and terms and conditions under which credit was extended to a consumer and any payment history with respect to such credit.

(2) *RETENTION PERIOD.—Records described under paragraph (1) shall be maintained until the information with respect to which the records relate may no longer be included in a consumer report pursuant to sections 605.*

(3) *TRANSFER OF OWNERSHIP.—If a person providing information to a consumer reporting agency is acquired by another person, or if another person acquires the right to repayment connected to such information, the acquiring person shall be subject to the requirements of this subsection with respect to such information to the same extent as the person who initially provided such information to the consumer reporting agency. The person selling or transferring the right to repayment shall provide the information described in paragraph (1) to the transferee or the acquirer.*

* * * * *

§ 630. Promotional periods

(a) *TERMINATION NOTICE.—With respect to any product or service related to a consumer report or a credit score that is provided to a consumer under promotional terms, the seller or provider of such product or service shall provide clear and conspicuous notice to the consumer within a reasonable period of time before the promotional period ends.*

(b) *OPT-IN.—With respect to any such product or service, the seller or provider may not continue to sell or provide such product or service to the consumer after the end of the promotional period unless the consumer specifically agrees at the end of the promotional period to continue receiving the product or service.*

§ 631. Fair and reasonable fees for products and services

The Bureau may, with respect to any product or service offered by a consumer reporting agency to a consumer, set a fair and reasonable maximum fee that may be charged for such product or service, except where such maximum fee is otherwise provided under this title.

§ 632. Fair access to information for nonnative English speakers and the visually and hearing impaired

(a) *IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Bureau shall issue a rule to require consumer reporting agencies and persons who furnish information to consumer reporting agencies under this title, to the maximum extent reasonably practicable—*

(1) to provide any information, disclosures, or other communication with consumers—

(A) in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis; and

(B) in formats accessible to individuals with hearing or vision impairments; and

(2) to ensure that—

(A) customer service representatives, including employees assigned to handle disputes or appeals under sections 611 and 623, who are available to assist consumers are highly familiar with the requirements of this title;

(B) such representatives are available during regular business hours and outside of regular business hours, including evenings and weekends; and

(C) at least one among such representatives is fluent in each of the 10 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis.

(b) BUREAU CONSULTATION.—The Bureau shall consult with advocates for civil rights, consumer groups, community groups, and organizations that serve traditionally underserved communities and populations in issuing the rule described in subsection (a).

§ 633. Nationwide consumer reporting agencies registry

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Bureau shall establish and maintain a publicly accessible registry of consumer reporting agencies described in subsection (p) or (x) of section 603 (and any other agencies the Bureau determines provide similar services to such consumer reporting agencies) that includes current contact information of each such agency, including the Internet website address of the Internet website described under section 611(h), and information on how consumers can obtain their consumer report, credit scores, or educational credit scores (as applicable) by toll-free telephone, postal mail, or electronic means.

(b) REGISTRY REQUIREMENTS.—The registry described in subsection (a) shall—

(1) identify the largest agencies and the markets and demographics covered by such agencies; and

(2) disclose, with respect to each agency, whether the agency is subject to the supervisory authority of the Bureau under this title.

(c) INFORMATION UPDATES.—Each agency described under subsection (a) shall submit to the Bureau contact information for the registry, including any updates to such information. The Bureau shall—

(1) independently verify information submitted by each agency; and

(2) update the registry not less frequently than annually.

* * * * *

MINORITY VIEWS

H.R. 3642, the *Improving Credit Reporting for All Consumers Act*, would dramatically alter the credit reporting dispute process by creating both a new reinvestigation process and a new appeal process for reinvestigations. H.R. 3642 would impose new requirements on both credit reporting agencies and furnishers including a standard of “completeness,” a nebulous term that is not defined in the bill. H.R. 3642 would further grant injunctive relief for consumers and prohibit several products and sales practices employed by credit reporting agencies. Finally, the bill would mandate the creation of a registry of credit reporting agencies to be maintained by the Consumer Financial Protection Bureau (CFPB).

Committee Republicans believe the bill’s reinvestigation and re-investigation appeal processes are redundant and will be cumbersome and time-consuming for the consumer, the furnisher, and the credit reporting agency. Republicans believe the current re-investigation process that exists, including existing rules, provide consumers with outlets to challenge the results of an investigation related to their credit reports. The processes contemplated in H.R. 3642 would not only add confusion for consumer reporting agencies but would create the potential to flood consumers with duplicative and unsolicited information. The new and undefined “completeness” standard exposes furnishers and credit reporting agencies to liability, similar to the CFPB’s authority over “abusive” products, which will benefit the trial bar more than the consumer. “Completeness” has never been defined or outlined in any meaningful way.

Committee Republicans also believe other provisions of H.R. 3642 are inconsistent to other proposals introduced by Committee Democrats. For example, H.R. 3642 focuses on ensuring information contained in consumer reports is “complete” while other bills seek to remove or mandate the removal of predictive information from the same reports—thus making a standard of “completeness” impossible to meet.

Committee Republicans agree that certain aspects of the credit reporting process need reform. Ranking Member McHenry offered a substitute amendment during the markup that would make significant strides in creating a more friendly consumer-facing credit reporting system. The Ranking Member’s substitute amendment would ensure protections for victims of financial abuse, mandate the expedited removal of paid medical debt, enhance data security protections at the consumer reporting agencies, require the inclusion of public record data sources in consumer reports, and statutorily require consumer reporting agencies to register with the CFPB. Unfortunately, this substitute amendment was ruled non-germane.

Without amendments, Committee Republicans believe H.R. 3642 fails to create a stronger or more equitable system for the consumer. Rather, the legislation adds layers of bureaucracy on credit reporting agencies and furnishers. Ultimately, the bill will do little more than lead to diminished underwriting standards and result in increased cost and reduction of credit availability.

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