

108TH CONGRESS  
2D SESSION

# H. R. 4220

To amend the Fair Credit Reporting Act to protect the credit records of consumers who are affected by federally declared disasters, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2004

Ms. BORDALLO (for herself, Mr. SHERMAN, Mrs. CHRISTENSEN, Mr. FALEOMAVAEGA, Mr. MCINTYRE, Ms. NORTON, and Mr. OWENS) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Fair Credit Reporting Act to protect the credit records of consumers who are affected by federally declared disasters, and for other purposes.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Federal Disaster Con-  
5       sumer Protection Act”.

1 **SEC. 2. PROHIBITION ON INCLUDING LATE PAYMENTS IN**  
2 **CREDIT REPORTS THAT WERE LATE DUE**  
3 **SOLELY TO DECLARED DISASTERS.**

4 (a) IN GENERAL.—Section 605(a) of the Fair Credit  
5 Reporting Act (15 U.S.C. 1681c(a)) is amended by adding  
6 at the end the following new paragraph:

7 “(7) Any reference to a late payment that was  
8 due solely to a disruption caused by a declared dis-  
9 aster for which the agency receives notice under sub-  
10 section (i).”.

11 (b) PROCEDURE FOR STRIKING ADVERSE INFORMA-  
12 TION DUE TO DECLARED DISASTER.—Section 605 of the  
13 Fair Credit Reporting Act (15 U.S.C. 1681c) is amended  
14 by adding at the end the following new subsection:

15 “(i) PROCEDURE FOR STRIKING ADVERSE INFORMA-  
16 TION DUE TO DECLARED DISASTER.—

17 “(1) NOTICE FROM CONSUMER.—Any consumer  
18 who—

19 “(A) resides in an area which has been de-  
20 clared a disaster area by the President under  
21 the Robert T. Stafford Disaster Relief and  
22 Emergency Assistance Act;

23 “(B) fails to make a payment on an obliga-  
24 tion by the due date (of the payment) that falls  
25 within the grace period described in paragraph  
26 (4); and

1                   “(C) pays the obligation within 30 days of  
2                   the due date referred to in subparagraph (B),  
3 may notify the creditor at any time during the 2-year pe-  
4 riod following the end of the grace period, with respect  
5 to such obligation, that the late payment was due to the  
6 occurrence of the declared disaster.

7                   “(2) NOTICE TO CONSUMER REPORTING AGEN-  
8                   CY.—Any creditor which receives a notice from a  
9                   consumer under paragraph (1) shall notify any con-  
10                  sumer reporting agency to which the creditor fur-  
11                  nished information on the late payment described in  
12                  such paragraph that the late payment was due to a  
13                  disruption caused by a declared disaster.

14                  “(3) RESPONSIBILITIES OF THE SECRETARY OF  
15                  THE TREASURY.—The Secretary of the Treasury  
16                  may designate a grace period for purposes of para-  
17                  graph (1) if, after consultation with the Under Sec-  
18                  retary for Emergency Preparedness and Response of  
19                  the Department of Homeland Security, the Sec-  
20                  retary determines that—

21                         “(A) a disaster, as declared by the Presi-  
22                         dent under the Robert T. Stafford Disaster Re-  
23                         lief and Emergency Assistance Act has caused  
24                         damage to the infrastructure affecting banking,

1 credit, and other financial services and trans-  
2 actions in a specified geographic region; and

3 “(B) the damage sustained could disrupt  
4 the provision of financial services and the effi-  
5 cient execution of financial transactions for a  
6 period longer than the period described in para-  
7 graph (4)(A).

8 “(4) GRACE PERIOD DESCRIBED.—For pur-  
9 poses of paragraph (1), the grace period, with re-  
10 spect to any consumer, means the longer of—

11 “(A) the 7-day period that begins on the  
12 effective date of the declaration, by the Presi-  
13 dent, of the disaster area in which the con-  
14 sumer resides; and

15 “(B) the period, if any, prescribed by the  
16 Secretary of the Treasury under paragraph (3).

17 “(5) DUE DATE.—The term ‘due date’ means  
18 the first date upon which a late fee or other penalty  
19 may be imposed on a consumer for a failure of the  
20 consumer to make a periodic payment that is due on  
21 a debt.”.

22 (c) REPORT TO THE CONGRESS.—Before the end of  
23 the 2-year period beginning on the date of the enactment  
24 of this Act, the Secretary of the Treasury shall submit  
25 a report to the Congress containing—

1           (1) a detailed description of the actions taken  
2           to implement the requirements of the amendments  
3           made by this Act and prevent evasions of such re-  
4           quirements;

5           (2) pertinent information on the impact of such  
6           requirements on the financial services; and

7           (3) such recommendations for legislative or ad-  
8           ministrative actions as the Secretary may determine  
9           to be appropriate.

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