

109TH CONGRESS
2D SESSION

H. R. 5327

To amend the Servicemembers Civil Relief Act to protect the credit of servicemembers deployed to an overseas combat zone and to facilitate awareness of a servicemember's rights under such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2006

Mr. ISRAEL (for himself and Mr. DAVIS of Kentucky) introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Servicemembers Civil Relief Act to protect the credit of servicemembers deployed to an overseas combat zone and to facilitate awareness of a servicemember's rights under such Act, 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 "Servicemembers Credit
5 Protection Act".

1 **SEC. 2. NOTICE OF DEPLOYMENT REQUIRED.**

2 (a) IN GENERAL.—The Servicemembers Civil Relief
3 Act (50 U.S.C. App. 501 et seq.) is amended by adding
4 at the end the following new title:

5 **“TITLE VIII—NOTICE OF**
6 **DEPLOYMENT**

7 **“SEC. 801. NOTICE TO CONSUMER REPORTING AGENCIES.**

8 “(a) IN GENERAL.—In the case of the deployment
9 of a servicemember away from the usual duty station of
10 the servicemember to duty for which the servicemember
11 is entitled to special pay under section 310(a) of title 37,
12 United States Code, the Secretary shall—

13 “(1) notify each consumer reporting agency
14 that compiles and maintains files on consumers on
15 a nationwide basis of the deployment of the
16 servicemember within 30 days after the deployment,
17 together with such information as may be necessary
18 to permit such consumer reporting agency to comply
19 with section 605C of the Fair Credit Reporting Act
20 with respect to the servicemember; and

21 “(2) notify each such consumer reporting agen-
22 cy when the notice under paragraph (1) ceases to
23 apply with respect to such servicemember within 30
24 days after the end of the deployment.

25 “(b) ADMINISTRATIVE ACTION.—The Secretary shall
26 consult with each consumer reporting agency that com-

1 piles and maintains files on consumers on a nationwide
 2 basis and take such action as may be appropriate to en-
 3 sure that the Secretary and such consumer reporting
 4 agency can comply with the requirements of this section
 5 and section 605C of the Fair Credit Reporting Act in a
 6 timely manner.

7 “(c) DEFINITION.—For purposes of this section, the
 8 term ‘consumer reporting agency that compiles and main-
 9 tains files on consumers on a nationwide basis’ has the
 10 meaning given to such term in section 603(p) of the Fair
 11 Credit Reporting Act.

12 **“SEC. 802. INCREASE IN PENALTIES FOR CERTAIN VIOLA-**
 13 **TIONS INVOLVING SERVICEMEMBERS DE-**
 14 **PLOYED TO AN OVERSEAS COMBAT ZONE.**

15 “(a) IN GENERAL.—In the case of any person who
 16 is subject to a penalty under section 301(c)(1), 302(b)(1),
 17 303(d)(1), 305(h)(1), 306(e)(1), or 307(e)(1) in a case in-
 18 volving a servicemember whose consumer report, at the
 19 time of the violation giving rise to such person’s liability
 20 for the penalty, contains a combat zone duty alert, such
 21 section shall be applied by substituting ‘not more than 3
 22 years’ for ‘not more than one year’.

23 “(b) DEFINITIONS.—For purposes of subsection (a),
 24 the terms ‘combat zone duty alert’ and ‘consumer report’

1 have the same meanings as in section 603 of the Fair
2 Credit Reporting Act.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 for the Servicemembers Civil Relief Act (50 U.S.C App.
5 501 et seq.) is amended by inserting after the item relat-
6 ing to section 706 the following new items:

“TITLE VIII—NOTICE OF DEPLOYMENT

“Sec. 801. Notice to consumer reporting agencies.

“Sec. 802. Increase in penalties for certain violations involving servicemembers
deployed to an overseas combat zone.”.

7 **SEC. 3. NOTATIONS IN CONSUMER FILES OF**
8 **SERVICEMEMBERS.**

9 (a) IN GENERAL.—The Fair Credit Reporting Act
10 (15 U.S.C. 1681 et seq.) is amended by inserting after
11 section 605B the following new section:

12 **“§ 605C. Combat zone duty alert**

13 “(a) IN GENERAL.—Each consumer reporting agency
14 described in section 603(p) that receives a notice under
15 section 801(a)(1) of the Servicemembers Civil Relief Act
16 from the Secretary of Defense with respect to a consumer
17 who is a servicemember (as defined in section 101(1) of
18 such Act) shall—

19 “(1) include a combat zone duty alert in the file
20 of that consumer, and also provide that alert along
21 with any credit score generated in using that file,
22 until notified by the Secretary of Defense that such
23 consumer no longer qualifies for such alert; and

1 “(2) during the period such alert is in effect,
2 exclude the consumer from any list of consumers
3 prepared by the consumer reporting agency and pro-
4 vided to any third party to offer credit or insurance
5 to the consumer as part of a transaction that was
6 not initiated by the consumer.

7 “(b) INFORMATION ON CONSUMER’S RIGHTS RE-
8 QUIRED TO BE INCLUDED.—The combat zone duty alert
9 included in any consumer’s file pursuant to subsection (a)
10 shall include a summary of the rights of the consumer
11 under the Servicemembers Civil Relief Act and the duties
12 of creditors and other persons under such Act to the con-
13 sumer.

14 “(c) NOTICE TO FURNISHERS OF ADVERSE INFOR-
15 MATION.—If any person, including another consumer re-
16 porting agency, furnishes adverse information to a con-
17 sumer reporting agency described in section 603(p) with
18 respect to a consumer whose file includes a combat zone
19 duty alert under subsection (a)(1), the consumer reporting
20 agency shall notify such person of the existence of the
21 combat zone duty alert in the file of such consumer to-
22 gether with the summary of rights and duties described
23 in subsection (b).

24 “(d) DUTY OF RESELLER TO RECONVEY ALERT.—
25 A reseller shall include in its report any combat zone duty

1 alert placed in the file of a consumer pursuant to this sec-
 2 tion by another consumer reporting agency.

3 “(e) PROCEDURES.—Each consumer reporting agen-
 4 cy described in section 603(p) shall establish policies and
 5 procedures to comply with this section and shall cooperate
 6 with the Secretary of Defense in establishing such proce-
 7 dures to ensure effective compliance with the requirements
 8 of this section.

9 “(f) NOTICE FROM SECRETARY.—This section shall
 10 cease to apply to with respect to any consumer as of the
 11 date the consumer reporting agency described in section
 12 603(p) receives a notice from the Secretary of Defense
 13 under section 801(a)(2) relating to such consumer.”.

14 (b) DEFINITIONS.—

15 (1) IN GENERAL.—Subsection (q) of section
 16 603 of the Fair Credit Reporting Act (15 U.S.C.
 17 1681a(q)) is amended by adding at the end the fol-
 18 lowing new paragraph:

19 “(6) COMBAT ZONE DUTY ALERT.—The term
 20 ‘combat zone duty alert’ means a statement in the
 21 file of a consumer that—

22 “(A) notifies all prospective users of a con-
 23 sumer report relating to the consumer that the
 24 consumer is serving as a servicemember in a

1 combat zone and includes any information re-
2 quired under section 605C; and

3 “(B) is presented in a manner that facili-
4 tates a clear and conspicuous view of the state-
5 ment described in subparagraph (A) by any
6 person requesting such consumer report.”.

7 (2) TECHNICAL AND CONFORMING AMEND-
8 MENT.—The heading for subsection (q) of section
9 603 of the Fair Credit Reporting Act (15 U.S.C.
10 1681a(q)) is amended by inserting “AND MILITARY”
11 after “TO FRAUD”.

12 (c) CLERICAL AMENDMENT.—The table of sections
13 for title VI of the Consumer Credit Protection Act is
14 amended by inserting after the item relating to section
15 605B the following new item:

“605C. Combat zone duty alert.”.

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