

114TH CONGRESS
1ST SESSION

S. 1847

To enhance the accuracy of credit reporting and provide greater rights to consumers who dispute errors in their credit reports, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2015

Mr. SCHATZ (for himself, Ms. WARREN, Mr. BLUMENTHAL, Mr. SANDERS, Mr. MERKLEY, and Mrs. McCASKILL) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To enhance the accuracy of credit reporting and provide greater rights to consumers who dispute errors in their credit reports, 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 “Stop Errors in Credit
5 Use and Reporting Act” or the “SECURE Act”.

6 **SEC. 2. LEGAL RECOURSE FOR CONSUMERS.**

7 (a) INJUNCTIVE RELIEF.—The Fair Credit Report-
8 ing Act (15 U.S.C. 1681 et seq.) is amended—

9 (1) in section 616—

1 (A) in subsection (a), by striking “(a) IN
 2 GENERAL.—” and inserting “(a) DAMAGES.—
 3 ”;

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

6 (C) by inserting after subsection (b) the
 7 following:

8 “(c) INJUNCTIVE RELIEF.—In addition to any other
 9 remedy set forth in this section, a court may award injunc-
 10 tive relief to require compliance with the requirements im-
 11 posed under this title with respect to any consumer. In
 12 the event of any successful action for injunctive relief
 13 under this subsection, the court may award to the pre-
 14 vailing party costs and reasonable attorney fees (as deter-
 15 mined by the court) incurred during the action by such
 16 party.”; and

17 (2) in section 617—

18 (A) in subsection (a), by striking “(a) IN
 19 GENERAL.—” and inserting “(a) DAMAGES.—
 20 ”;

21 (B) by redesignating subsection (b) as sub-
 22 section (c); and

23 (C) by inserting after subsection (a) the
 24 following:

1 “(b) INJUNCTIVE RELIEF.—In addition to any other
 2 remedy set forth in this section, a court may award injunc-
 3 tive relief to require compliance with the requirements im-
 4 posed under this title with respect to any consumer. In
 5 the event of any successful action for injunctive relief
 6 under this subsection, the court may award to the pre-
 7 vailing party costs and reasonable attorney fees (as deter-
 8 mined by the court) incurred during the action by such
 9 party.”.

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

13 (1) by striking “(A) KNOWING VIOLATIONS.—”
 14 and inserting “(A) NEGLIGENT, WILLFUL, OR
 15 KNOWING VIOLATIONS.—”; and

16 (2) by inserting “negligent, willful, or” before
 17 “knowing”.

18 **SEC. 3. INCREASED REQUIREMENTS FOR CONSUMER RE-**
 19 **PORTING AGENCIES AND FURNISHERS OF IN-**
 20 **FORMATION.**

21 (a) PROVISION AND CONSIDERATION OF DOCU-
 22 MENTATION PROVIDED BY CONSUMERS.—The Fair Credit
 23 Reporting Act (15 U.S.C. 1681 et seq.) is amended—

24 (1) in section 611—

25 (A) in subsection (a)—

1 (i) in paragraph (2)—

2 (I) in subparagraph (A), by in-
 3 serting “, including all documentation
 4 provided by the consumer” after “re-
 5 ceived from the consumer or reseller”;
 6 and

7 (II) in subparagraph (B), by in-
 8 serting “, including all documentation
 9 provided by the consumer,” after
 10 “from the consumer or reseller”; and

11 (ii) in paragraph (4), by inserting “,
 12 including all documentation,” after “rel-
 13 evant information”; and

14 (B) in subsection (f)(2)(B)(ii), by inserting
 15 “, including all documentation,” after “relevant
 16 information”; and

17 (2) in section 623—

18 (A) in subsection (a)(8)(E), by striking
 19 clause (ii) and inserting the following:

20 “(ii) review and consider all relevant
 21 information, including all documentation,
 22 provided by the consumer with the no-
 23 tice;”; and

24 (B) in subsection (b)(1), by striking sub-
 25 paragraph (B) and inserting the following:

1 “(B) review and consider all relevant infor-
2 mation, including all documentation, provided
3 by the consumer reporting agency pursuant to
4 section 611(a)(2);”.

5 (b) GATHERING AND REPORTING OF INFORMATION
6 RELATING TO CONSUMER DISPUTES.—Section 611 of the
7 Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is
8 amended by adding at the end the following:

9 “(g) GATHERING AND REPORTING OF INFORMATION
10 RELATING TO CONSUMER DISPUTES.—

11 “(1) REPORTS REQUIRED.—The Bureau shall
12 provide reports regarding the disputes described in
13 subsection (a)(1) received by consumer reporting
14 agencies in such intervals and to such parties as the
15 Bureau deems appropriate.

16 “(2) GATHERING OF INFORMATION.—The Bu-
17 reau shall prescribe rules for the gathering of infor-
18 mation relating to disputes described in subsection
19 (a)(1) received by consumer reporting agencies to be
20 used in generating the reports under paragraph (1),
21 including rules establishing—

22 “(A) the type and format of information
23 that shall be received by the Bureau from each
24 consumer reporting agency; and

1 “(B) the frequency of receipt of the infor-
2 mation from consumer reporting agencies.”.

3 (c) ACCURACY COMPLIANCE PROCEDURES.—Section
4 607 of the Fair Credit Reporting Act (15 U.S.C. 1681e)
5 is amended by striking subsection (b) and inserting the
6 following:

7 “(b) ACCURACY OF REPORT.—

8 “(1) IN GENERAL.—A consumer reporting
9 agency shall follow reasonable procedures when pre-
10 paring a consumer report to assure maximum pos-
11 sible accuracy of the information concerning the in-
12 dividual to whom the consumer report relates.

13 “(2) BUREAU RULE TO ASSURE MAXIMUM POS-
14 SIBLE ACCURACY.—

15 “(A) PROPOSED RULE.—Not later than 1
16 year after the date of enactment of the Stop
17 Errors in Credit Use and Reporting Act, the
18 Bureau shall issue a proposed rule establishing
19 the procedures that a consumer reporting agen-
20 cy must follow to assure maximum possible ac-
21 curacy of all consumer reports furnished by the
22 agency in compliance with this subsection.

23 “(B) CONSIDERATIONS.—When formu-
24 lating the rule required under subparagraph
25 (A), the Bureau shall consider if requiring the

1 matching of the following information would
 2 improve the accuracy of consumer reports:

3 “(i) The first name and last name of
 4 a consumer.

5 “(ii) The date of birth of a consumer.

6 “(iii) All 9 digits of the social security
 7 number of a consumer.

8 “(iv) Any other information that the
 9 Bureau determines would aid in assuring
 10 maximum possible accuracy of all con-
 11 sumer reports furnished by consumer re-
 12 porting agencies in compliance with this
 13 subsection.”.

14 (d) RESPONSIBILITIES OF FURNISHERS OF INFOR-
 15 MATION TO CONSUMER REPORTING AGENCIES.—Section
 16 623(a)(8)(F)(i)(II) of the Fair Credit Reporting Act (15
 17 U.S.C. 1681s–2(a)(8)(F)(i)(II)) is amended by inserting
 18 “, and does not include any new or additional information
 19 that would be relevant to a reinvestigation” before the pe-
 20 riod.

21 (e) DISCLOSURES TO CONSUMERS.—Section 609 of
 22 the Fair Credit Reporting Act (15 U.S.C. 1681g) is
 23 amended—

(1) in subsection (a)(3)(B), by striking “; and”
and all that follows through the end of subparagraph
(B) and inserting the following:

“(ii) the address and telephone number of the person; and

“(iii) the permissible purpose of the person for obtaining the consumer report, including the specific type of credit product that is extended, reviewed, or collected as described in section 604(a)(3)(A).”;

(2) in subsection (f)—

(A) by amending paragraph (7)(A) to read as follows:

“(A) supply the consumer with a credit score that—

“(i) is derived from a credit scoring model that is widely distributed to users by the consumer reporting agency for the purpose of any extension of credit or other transaction designated by the consumer who is requesting the credit score; or

“(ii) is widely distributed to lenders of common consumer loan products and predicts the future credit behavior of the consumer; and”; and

(B) in paragraph (8), by inserting “, except that a credit score shall be provided free of charge to the consumer if requested in connection with a free annual consumer report described in section 612(a)” before the period; and

(3) in subsection (g)(1)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) through (G) as subparagraphs (C) through (F), respectively.

(f) NOTIFICATION REQUIREMENTS.—

(1) ADVERSE INFORMATION NOTIFICATION.—

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

(A) in section 612, by striking subsection

(b) and inserting the following:

“(b) FREE DISCLOSURE AFTER NOTICE OF ADVERSE ACTION OR OFFER OF CREDIT ON MATERIALLY LESS FAVORABLE TERMS.—

“(1) IN GENERAL.—Not later than 14 days after the date on which a consumer reporting agency receives a notification under subsection (a)(2) or (h)(6) of section 615, or from a debt collection agency affiliated with the consumer reporting agency, the

1 consumer reporting agency shall make, without
2 charge to the consumer, all disclosures required in
3 accordance with the rules prescribed by the Bureau
4 under section 609(h).

5 “(2) TRANSITION PERIOD.—After the effective
6 date of the provisions of the Stop Errors in Credit
7 Use and Reporting Act and before the Bureau has
8 finalized the rule required under section 609(h), a
9 consumer reporting agency that is required to make
10 disclosures under this subsection shall provide to the
11 consumer a copy of the current credit report on the
12 consumer and any other disclosures required under
13 this Act or the Stop Errors in Credit Use and Re-
14 porting Act, without charge to the consumer.”; and

15 (B) in section 615(a)—

16 (i) by redesignating paragraphs (2),
17 (3), and (4) as paragraphs (3), (4), and
18 (5) respectively;

19 (ii) by inserting after paragraph (1)
20 the following:

21 “(2) direct the consumer reporting agency that
22 provided the consumer report used in the decision to
23 take the adverse action to provide the consumer with
24 the disclosures described in section 612(b);” and

1 (iii) in paragraph (5), as redesignated
2 by this paragraph—

3 (I) in the matter preceding sub-
4 paragraph (A), by striking “of the
5 consumer’s right”;

6 (II) by striking subparagraph (A)
7 and inserting the following:

8 “(A) that the consumer will receive a copy
9 of the consumer report on the consumer, free of
10 charge, from the consumer reporting agency
11 that furnished the consumer report; and”;

12 (III) in subparagraph (B), by in-
13 serting “of the right of the consumer”
14 before “to dispute”.

15 (2) NOTIFICATION IN CASES OF LESS FAVOR-
16 ABLE TERMS.—Section 615(h) of the Fair Credit
17 Reporting Act (15 U.S.C. 1681m(h)) is amended—

18 (A) in paragraph (1), by striking “para-
19 graph (6)” and inserting “paragraph (7)”;

20 (B) in paragraph (2), by striking “para-
21 graph (6)” and inserting “paragraph (7)”;

22 (C) in paragraph (5)(C), by striking “may
23 obtain” and inserting “will receive”;

1 (D) by redesignating paragraphs (6), (7),
 2 and (8) as paragraphs (7), (8), and (9), respec-
 3 tively; and

4 (E) by inserting after paragraph (5) the
 5 following:

6 “(6) REPORTS PROVIDED TO CONSUMERS.—A
 7 person who uses a consumer report as described in
 8 paragraph (1) shall notify and direct the consumer
 9 reporting agency that provided the consumer report
 10 to provide the consumer with the disclosures de-
 11 scribed in section 612(b).”.

12 (3) NOTIFICATION OF SUBSEQUENT SUBMIS-
 13 SIONS OF NEGATIVE INFORMATION.—Section
 14 623(a)(7)(A)(ii) of the Fair Credit Reporting Act
 15 (15 U.S.C. 1681s–2(a)(7)(A)(ii)) is amended by
 16 striking “or customer” and inserting “or” before
 17 “account”.

18 (4) BUREAU RULE DEFINING CERTAIN DISCLO-
 19 SURE REQUIREMENTS.—Section 609 of the Fair
 20 Credit Reporting Act (15 U.S.C. 1681g) is amended
 21 by adding at the end the following:

22 “(h) BUREAU RULE DEFINING CERTAIN DISCLO-
 23 SURE REQUIREMENTS.—

24 “(1) PROPOSED RULE.—Not later than 1 year
 25 after the date of enactment of the Stop Errors in

1 Credit Use and Reporting Act, the Bureau shall
 2 publish a proposed rule to implement the disclosure
 3 requirements described in section 612(b).

4 “(2) CONSIDERATIONS.—In formulating the
 5 rule required under paragraph (1), the Bureau shall
 6 consider—

7 “(A) what information would enable con-
 8 sumers to determine the reasons for which a
 9 person took adverse action or offered credit on
 10 materially less favorable terms and to verify the
 11 accuracy of such information; and

12 “(B) how to provide the information de-
 13 scribed in subparagraph (A) while protecting
 14 consumer privacy, including procedures to en-
 15 sure that such information is provided to the
 16 consumer at the appropriate address.”.

17 **SEC. 4. REGULATORY REFORM.**

18 Section 621 of the Federal Credit Reporting Act (15
 19 U.S.C. 1681s) is amended by adding at the end the fol-
 20 lowing:

21 “(h) CONSUMER REPORTING AGENCY REGISTRY.—

22 “(1) ESTABLISHMENT OF REGISTRY.—Not later
 23 than 180 days after the date of enactment of the
 24 Stop Errors in Credit Use and Reporting Act, the

1 Bureau shall establish 3 publicly available registries
 2 of consumer reporting agencies, including—

3 “(A) a registry of nationwide consumer re-
 4 porting agencies as described in section 603(p);

5 “(B) a registry of nationwide specialty con-
 6 sumer reporting agencies as defined in section
 7 603(x); and

8 “(C) a registry of all other consumer re-
 9 porting agencies included under section 603(f)
 10 that are not included under section 603(p) or
 11 603(x).

12 “(2) REGISTRATION REQUIREMENT.—All con-
 13 sumer reporting agencies as defined in section
 14 603(f) must register with one of the registries estab-
 15 lished by the Bureau under this subsection in a
 16 timeframe established by the Bureau.”.

17 **SEC. 5. IDENTITY THEFT PROTECTION FOR MINORS.**

18 (a) IN GENERAL.—The Fair Credit Reporting Act
 19 (15 U.S.C. 1681 et seq.) is amended by inserting after
 20 section 605B (15 U.S.C. 1681c–2) the following:

21 **“SEC. 605C. ADDITIONAL PROTECTIONS FOR CREDIT RE-**
 22 **PORTS OF MINOR CONSUMERS.**

23 “(a) DEFINITIONS.—In this section—

1 “(1) the term ‘blocked file’ means a file of a
2 minor consumer in which, under this section, a con-
3 sumer reporting agency—

4 “(A) maintains a file with the name, social
5 security number, date of birth, and, if applica-
6 ble, any credit information of the minor con-
7 sumer;

8 “(B) may not provide any person with a
9 consumer report of the minor consumer; and

10 “(C) blocks the input of any information
11 into the file, except with permission from a cov-
12 ered guardian of the minor consumer;

13 “(2) the term ‘covered guardian’ means—

14 “(A) the legal guardian of a minor child;

15 “(B) the custodian of a minor child; or

16 “(C) in the case of a child in foster care,
17 the State agency or Indian tribe or tribal orga-
18 nization responsible for the foster care of the
19 child; and

20 “(3) the term ‘minor consumer’ means a con-
21 sumer who has not attained 16 years of age.

22 “(b) BLOCKING A FILE.—A consumer reporting
23 agency described in section 603(p) shall, upon request by,
24 and receipt of appropriate proof of identity of, the covered
25 guardian or minor consumer, create a blocked file for the

1 minor consumer or convert a file of the minor consumer
2 already in existence to a blocked file.

3 “(c) UNBLOCKING A FILE.—A consumer reporting
4 agency described in section 603(p) shall unblock a blocked
5 file—

6 “(1) upon request by the covered guardian of a
7 minor consumer;

8 “(2) if the file was blocked as a result of a ma-
9 terial misrepresentation, including—

10 “(A) a representation that the consumer
11 was a minor consumer when the consumer was
12 not a minor consumer at the time of the rep-
13 resentation; and

14 “(B) a representation that an individual
15 was the covered guardian of a minor consumer
16 when the individual was not the covered guard-
17 ian of the minor consumer at the time of the
18 representation;

19 “(3) on the date of the 16th birthday of the
20 minor consumer; or

21 “(4) if the minor consumer becomes emanci-
22 pated under the law of the State in which the minor
23 consumer resides, on the date of the emancipation of
24 the minor consumer.

1 “(d) REGULATIONS.—The Bureau shall promulgate
2 regulations carrying out this section.

3 “(e) FEES.—

4 “(1) IN GENERAL.—A credit reporting agency
5 may charge a fair and reasonable fee, as determined
6 by the Bureau, to create a blocked file or to unblock
7 a file.

8 “(2) EXEMPTION.—The Bureau may exempt an
9 individual who suspects that the individual has been
10 a victim of fraud or identity theft from a fee de-
11 scribed in paragraph (1).

12 “(f) EXCEPTIONS.—No provision of this section shall
13 be construed as requiring a consumer reporting agency de-
14 scribed in section 603(p) to prevent a Federal, State, or
15 local law enforcement agency from accessing a blocked
16 file.”.

17 (b) TABLE OF CONTENTS AMENDMENT.—The table
18 of contents of the Fair Credit Reporting Act (15 U.S.C.
19 1681 et seq.) is amended by inserting after the item re-
20 lated to section 605B the following new item:

“605C. Additional protections for credit reports of minor consumers.”.

21 **SEC. 6. STUDY OF A PUBLIC CREDIT REPORTING SYSTEM.**

22 (a) STUDY.—Not later than 6 months after the date
23 of enactment of this Act, the Comptroller General of the
24 United States shall undertake a study—

1 (1) of credit systems in the international credit
2 system with government-administered consumer
3 credit reporting systems;

4 (2) of available information regarding the accu-
5 racy of existing government-administered consumer
6 credit reporting systems;

7 (3) to evaluate the feasibility of a national, gov-
8 ernment-administered consumer credit reporting sys-
9 tem;

10 (4) of any consumer benefits that might reason-
11 ably be expected to result from a government-admin-
12 istered consumer credit report; and

13 (5) of any costs that might result from a gov-
14 ernment-administered consumer credit reporting sys-
15 tem in the United States.

16 (b) PUBLICATION OF FINDINGS.—Not later than 18
17 months after the date of enactment of this Act, the Comp-
18 troller General of the United States shall publish the find-
19 ings under subsection (a).

20 **SEC. 7. EFFECTIVE DATE.**

21 Except as otherwise provided in this Act and the
22 amendments made by this Act, the provisions of this Act
23 and the amendments made by this Act shall take effect
24 6 months after the date of enactment of this Act.

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