

Mrs. WILSON in supporting a good consumer protection bill that I hope will help us, as consumers, fight the scourge that is spam.

No one disputes the great utility of e-mail, the fact that it has brought great efficiency and productivity gains, not only to our professional lives but also our personal lives. Nonetheless, our daily routine of scouring through and reviewing our e-mail also tells us that e-mail as a critical communications medium is under assault from unwanted e-mail—most peddling goods or services ranging from the real to the absurd. I do not have a problem with e-marketing per se, after all, our consumer based economy is highly dependent on marketing. However, e-mail communications make accountability more difficult. Therefore, unscrupulous people use it to advance fraudulent and deceptive acts and even good commercial actors are tempted to take advantage of this lack of accountability.

Effective and narrowly tailored legislation, like the one before us today, can help bring greater accountability to e-mail solicitations. That greater accountability is achieved by making sure that fraud and deception is prosecuted and subjected to severe penalties.

Legislation is only part of the solution, and in my view a smaller part. Rather, technology, consumer education, and industry cooperation, in my view, are the key tools in combating spam and injecting real and effective accountability. Finally, combating spam requires international cooperation. I think my bi-partisan bill, H.R. 3143, which strengthens the Federal Trade Commission's ability to address the growing problem of transnational fraud, will go a long way in fighting spam that is not home grown.

Mr. TAUZIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. TAUZIN) that the House suspend the rules and pass the Senate bill, S. 877, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. TAUZIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### CONFERENCE REPORT ON H.R. 2622, FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003

Mr. OXLEY (during consideration of H. Res. 458) submitted the following conference report and statement on the bill (H.R. 2622) to amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes:

CONFERENCE REPORT (H. REPT. 108-396)

The committee of conference on the disagreeing votes of the two Houses on the

amendment of the Senate to the bill (H.R. 2622), to amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the “Fair and Accurate Credit Transactions Act of 2003”.

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Effective dates.

#### TITLE I—IDENTITY THEFT PREVENTION AND CREDIT HISTORY RESTORATION

##### Subtitle A—Identity Theft Prevention

Sec. 111. Amendment to definitions.

Sec. 112. Fraud alerts and active duty alerts.

Sec. 113. Truncation of credit card and debit card account numbers.

Sec. 114. Establishment of procedures for the identification of possible instances of identity theft.

Sec. 115. Authority to truncate social security numbers.

##### Subtitle B—Protection and Restoration of Identity Theft Victim Credit History

Sec. 151. Summary of rights of identity theft victims.

Sec. 152. Blocking of information resulting from identity theft.

Sec. 153. Coordination of identity theft complaint investigations.

Sec. 154. Prevention of repollution of consumer reports.

Sec. 155. Notice by debt collectors with respect to fraudulent information.

Sec. 156. Statute of limitations.

Sec. 157. Study on the use of technology to combat identity theft.

#### TITLE II—IMPROVEMENTS IN USE OF AND CONSUMER ACCESS TO CREDIT INFORMATION

Sec. 211. Free consumer reports.

Sec. 212. Disclosure of credit scores.

Sec. 213. Enhanced disclosure of the means available to opt out of prescreened lists.

Sec. 214. Affiliate sharing.

Sec. 215. Study of effects of credit scores and credit-based insurance scores on availability and affordability of financial products.

Sec. 216. Disposal of consumer report information and records.

Sec. 217. Requirement to disclose communications to a consumer reporting agency.

#### TITLE III—ENHANCING THE ACCURACY OF CONSUMER REPORT INFORMATION

Sec. 311. Risk-based pricing notice.

Sec. 312. Procedures to enhance the accuracy and integrity of information furnished to consumer reporting agencies.

Sec. 313. FTC and consumer reporting agency action concerning complaints.

Sec. 314. Improved disclosure of the results of reinvestigation.

Sec. 315. Reconciling addresses.

Sec. 316. Notice of dispute through reseller.

Sec. 317. Reasonable reinvestigation required.

Sec. 318. FTC study of issues relating to the Fair Credit Reporting Act.

Sec. 319. FTC study of the accuracy of consumer reports.

#### TITLE IV—LIMITING THE USE AND SHARING OF MEDICAL INFORMATION IN THE FINANCIAL SYSTEM

Sec. 411. Protection of medical information in the financial system.

Sec. 412. Confidentiality of medical contact information in consumer reports.

#### TITLE V—FINANCIAL LITERACY AND EDUCATION IMPROVEMENT

Sec. 511. Short title.

Sec. 512. Definitions.

Sec. 513. Establishment of Financial Literacy and Education Commission.

Sec. 514. Duties of the Commission.

Sec. 515. Powers of the Commission.

Sec. 516. Commission personnel matters.

Sec. 517. Studies by the Comptroller General.

Sec. 518. The national public service multimedia campaign to enhance the state of financial literacy.

Sec. 519. Authorization of appropriations.

#### TITLE VI—PROTECTING EMPLOYEE MISCONDUCT INVESTIGATIONS

Sec. 611. Certain employee investigation communications excluded from definition of consumer report.

#### TITLE VII—RELATION TO STATE LAWS

Sec. 711. Relation to State laws.

#### TITLE VIII—MISCELLANEOUS

Sec. 811. Clerical amendments.

#### SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term “Board” means the Board of Governors of the Federal Reserve System;

(2) the term “Commission”, other than as used in title V, means the Federal Trade Commission;

(3) the terms “consumer”, “consumer report”, “consumer reporting agency”, “creditor”, “Federal banking agencies”, and “financial institution” have the same meanings as in section 603 of the Fair Credit Reporting Act, as amended by this Act; and

(4) the term “affiliates” means persons that are related by common ownership or affiliated by corporate control.

#### SEC. 3. EFFECTIVE DATES.

Except as otherwise specifically provided in this Act and the amendments made by this Act—

(1) before the end of the 2-month period beginning on the date of enactment of this Act, the Board and the Commission shall jointly prescribe regulations in final form establishing effective dates for each provision of this Act; and

(2) the regulations prescribed under paragraph (1) shall establish effective dates that are as early as possible, while allowing a reasonable time for the implementation of the provisions of this Act, but in no case shall any such effective date be later than 10 months after the date of issuance of such regulations in final form.

#### TITLE I—IDENTITY THEFT PREVENTION AND CREDIT HISTORY RESTORATION

##### Subtitle A—Identity Theft Prevention

#### SEC. 111. AMENDMENT TO DEFINITIONS.

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

“(q) DEFINITIONS RELATING TO FRAUD ALERTS.—

“(1) ACTIVE DUTY MILITARY CONSUMER.—The term ‘active duty military consumer’ means a consumer in military service who—

“(A) is on active duty (as defined in section 101(d)(1) of title 10, United States Code) or is a reservist performing duty under a call or order to active duty under a provision of law referred to in section 101(a)(13) of title 10, United States Code; and

“(B) is assigned to service away from the usual duty station of the consumer.

“(2) FRAUD ALERT; ACTIVE DUTY ALERT.—The terms ‘fraud alert’ and ‘active duty alert’ mean a statement in the file of a consumer that—

“(A) notifies all prospective users of a consumer report relating to the consumer that the consumer may be a victim of fraud, including identity theft, or is an active duty military consumer, as applicable; and

“(B) is presented in a manner that facilitates a clear and conspicuous view of the statement described in subparagraph (A) by any person requesting such consumer report.

“(3) IDENTITY THEFT.—The term ‘identity theft’ means a fraud committed using the identifying information of another person, subject to such further definition as the Commission may prescribe, by regulation.

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

“(A) that alleges an identity theft;

“(B) that is a copy of an official, valid report filed by a consumer with an appropriate Federal, State, or local law enforcement agency, including the United States Postal Inspection Service, or such other government agency deemed appropriate by the Commission; and

“(C) the filing of which subjects the person filing the report to criminal penalties relating to the filing of false information if, in fact, the information in the report is false.

“(5) NEW CREDIT PLAN.—The term ‘new credit plan’ means a new account under an open end credit plan (as defined in section 103(i) of the Truth in Lending Act) or a new credit transaction not under an open end credit plan.

“(r) CREDIT AND DEBIT RELATED TERMS—

“(1) CARD ISSUER.—The term ‘card issuer’ means—

“(A) a credit card issuer, in the case of a credit card; and

“(B) a debit card issuer, in the case of a debit card.

“(2) CREDIT CARD.—The term ‘credit card’ has the same meaning as in section 103 of the Truth in Lending Act.

“(3) DEBIT CARD.—The term ‘debit card’ means any card issued by a financial institution to a consumer for use in initiating an electronic fund transfer from the account of the consumer at such financial institution, for the purpose of transferring money between accounts or obtaining money, property, labor, or services.

“(4) ACCOUNT AND ELECTRONIC FUND TRANSFER.—The terms ‘account’ and ‘electronic fund transfer’ have the same meanings as in section 903 of the Electronic Fund Transfer Act.

“(5) CREDIT AND CREDITOR.—The terms ‘credit’ and ‘creditor’ have the same meanings as in section 702 of the Equal Credit Opportunity Act.

“(s) FEDERAL BANKING AGENCY.—The term ‘Federal banking agency’ has the same meaning as in section 3 of the Federal Deposit Insurance Act.

“(t) FINANCIAL INSTITUTION.—The term ‘financial institution’ means a State or National bank, a State or Federal savings and loan association, a mutual savings bank, a State or Federal credit union, or any other person that, directly or indirectly, holds a transaction account (as defined in section 19(b) of the Federal Reserve Act) belonging to a consumer.

“(u) RESELLER.—The term ‘reseller’ means a consumer reporting agency that—

“(1) assembles and merges information contained in the database of another consumer reporting agency or multiple consumer reporting agencies concerning any consumer for purposes of furnishing such information to any third party, to the extent of such activities; and

“(2) does not maintain a database of the assembled or merged information from which new consumer reports are produced.

“(v) COMMISSION.—The term ‘Commission’ means the Federal Trade Commission.

“(w) NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY.—The term ‘nationwide specialty consumer reporting agency’ means a consumer reporting agency that maintains files on consumers on a nationwide basis relating to—

“(1) medical records or payments;

“(2) residential or tenant history;

“(3) check writing history;

“(4) employment history; or

“(5) insurance claims.”

#### SEC. 112. FRAUD ALERTS AND ACTIVE DUTY ALERTS.

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

##### “§ 605A. Identity theft prevention; fraud alerts and active duty alerts

“(a) ONE-CALL FRAUD ALERTS.—

“(1) INITIAL ALERTS.—Upon the direct request of a consumer, or an individual acting on behalf of or as a personal representative of a consumer, who asserts in good faith a suspicion that the consumer has been or is about to become a victim of fraud or related crime, including identity theft, a consumer reporting agency described in section 603(p) that maintains a file on the consumer and has received appropriate proof of the identity of the requester shall—

“(A) include a fraud alert in the file of that consumer, and also provide that alert along with any credit score generated in using that file, for a period of not less than 90 days, beginning on the date of such request, unless the consumer or such representative requests that such fraud alert be removed before the end of such period, and the agency has received appropriate proof of the identity of the requester for such purpose; and

“(B) refer the information regarding the fraud alert under this paragraph to each of the other consumer reporting agencies described in section 603(p), in accordance with procedures developed under section 621(f).

“(2) ACCESS TO FREE REPORTS.—In any case in which a consumer reporting agency includes a fraud alert in the file of a consumer pursuant to this subsection, the consumer reporting agency shall—

“(A) disclose to the consumer that the consumer may request a free copy of the file of the consumer pursuant to section 612(d); and

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

“(b) EXTENDED ALERTS.—

“(1) IN GENERAL.—Upon the direct request of a consumer, or an individual acting on behalf of or as a personal representative of a consumer, who submits an identity theft report to a consumer reporting agency described in section 603(p) that maintains a file on the consumer, if the agency has received appropriate proof of the identity of the requester, the agency shall—

“(A) include a fraud alert in the file of that consumer, and also provide that alert along with any credit score generated in using that file, during the 7-year period beginning on the date of such request, unless the consumer or such representative requests that such fraud alert be removed before the end of such period and the agency has received appropriate proof of the identity of the requester for such purpose;

“(B) during the 5-year period beginning on the date of such request, exclude the consumer from any list of consumers prepared by the consumer reporting agency and provided to any third party to offer credit or insurance to the consumer as part of a transaction that was not initiated by the consumer, unless the consumer or such representative requests that such exclusion be rescinded before the end of such period; and

“(C) refer the information regarding the extended fraud alert under this paragraph to each of the other consumer reporting agencies described in section 603(p), in accordance with procedures developed under section 621(f).

“(2) ACCESS TO FREE REPORTS.—In any case in which a consumer reporting agency includes a fraud alert in the file of a consumer pursuant to this subsection, the consumer reporting agency shall—

“(A) disclose to the consumer that the consumer may request 2 free copies of the file of the consumer pursuant to section 612(d) during the 12-month period beginning on the date on which the fraud alert was included in the file; and

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

“(c) ACTIVE DUTY ALERTS.—Upon the direct request of an active duty military consumer, or an individual acting on behalf of or as a personal representative of an active duty military consumer, a consumer reporting agency described in section 603(p) that maintains a file on the active duty military consumer and has received appropriate proof of the identity of the requester shall—

“(1) include an active duty alert in the file of that active duty military consumer, and also provide that alert along with any credit score generated in using that file, during a period of not less than 12 months, or such longer period as the Commission shall determine, by regulation, beginning on the date of the request, unless the active duty military consumer or such representative requests that such fraud alert be removed before the end of such period, and the agency has received appropriate proof of the identity of the requester for such purpose;

“(2) during the 2-year period beginning on the date of such request, exclude the active duty military consumer from any list of consumers prepared by the consumer reporting agency and provided to any third party to offer credit or insurance to the consumer as part of a transaction that was not initiated by the consumer, unless the consumer requests that such exclusion be rescinded before the end of such period; and

“(3) refer the information regarding the active duty alert to each of the other consumer reporting agencies described in section 603(p), in accordance with procedures developed under section 621(f).

“(d) PROCEDURES.—Each consumer reporting agency described in section 603(p) shall establish policies and procedures to comply with this section, including procedures that inform consumers of the availability of initial, extended, and active duty alerts and procedures that allow consumers and active duty military consumers to request initial, extended, or active duty alerts (as applicable) in a simple and easy manner, including by telephone.

“(e) REFERRALS OF ALERTS.—Each consumer reporting agency described in section 603(p) that receives a referral of a fraud alert or active duty alert from another consumer reporting agency pursuant to this section shall, as though the agency received the request from the consumer directly, follow the procedures required under—

“(1) paragraphs (1)(A) and (2) of subsection (a), in the case of a referral under subsection (a)(1)(B);

“(2) paragraphs (1)(A), (1)(B), and (2) of subsection (b), in the case of a referral under subsection (b)(1)(C); and

“(3) paragraphs (1) and (2) of subsection (c), in the case of a referral under subsection (c)(3).

“(f) DUTY OF RESELLER TO RECONVEY ALERT.—A reseller shall include in its report any fraud alert or active duty alert placed in the file of a consumer pursuant to this section by another consumer reporting agency.

“(g) DUTY OF OTHER CONSUMER REPORTING AGENCIES TO PROVIDE CONTACT INFORMATION.—If a consumer contacts any consumer reporting agency that is not described in section 603(p) to communicate a suspicion that the consumer has been or is about to become a victim of fraud or related crime, including identity theft, the agency shall provide information to the consumer on

how to contact the Commission and the consumer reporting agencies described in section 603(p) to obtain more detailed information and request alerts under this section.

**(h) LIMITATIONS ON USE OF INFORMATION FOR CREDIT EXTENSIONS.**—

**“(1) REQUIREMENTS FOR INITIAL AND ACTIVE DUTY ALERTS.**—

**“(A) NOTIFICATION.**—Each initial fraud alert and active duty alert under this section shall include information that notifies all prospective users of a consumer report on the consumer to which the alert relates that the consumer does not authorize the establishment of any new credit plan or extension of credit, other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issuance of an additional card on an existing credit account requested by a consumer, or any increase in credit limit on an existing credit account requested by a consumer, except in accordance with subparagraph (B).

**“(B) LIMITATION ON USERS.**—

**“(i) IN GENERAL.**—No prospective user of a consumer report that includes an initial fraud alert or an active duty alert in accordance with this section may establish a new credit plan or extension of credit, other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issue an additional card on an existing credit account requested by a consumer, or grant any increase in credit limit on an existing credit account requested by a consumer, unless the user utilizes reasonable policies and procedures to form a reasonable belief that the user knows the identity of the person making the request.

**“(ii) VERIFICATION.**—If a consumer requesting the alert has specified a telephone number to be used for identity verification purposes, before authorizing any new credit plan or extension described in clause (i) in the name of such consumer, a user of such consumer report shall contact the consumer using that telephone number or take reasonable steps to verify the consumer's identity and confirm that the application for a new credit plan is not the result of identity theft.

**“(2) REQUIREMENTS FOR EXTENDED ALERTS.**—

**“(A) NOTIFICATION.**—Each extended alert under this section shall include information that provides all prospective users of a consumer report relating to a consumer with—

**“(i) notification that the consumer does not authorize the establishment of any new credit plan or extension of credit described in clause (i), other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issuance of an additional card on an existing credit account requested by a consumer, or any increase in credit limit on an existing credit account requested by a consumer, except in accordance with subparagraph (B); and**

**“(ii) a telephone number or other reasonable contact method designated by the consumer.**

**“(B) LIMITATION ON USERS.**—No prospective user of a consumer report or of a credit score generated using the information in the file of a consumer that includes an extended fraud alert in accordance with this section may establish a new credit plan or extension of credit, other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issue an additional card on an existing credit account requested by a consumer, or any increase in credit limit on an existing credit account requested by a consumer, unless the user contacts the consumer in person or using the contact method described in subparagraph (A)(i) to confirm that the application for a new credit plan or increase in credit limit, or request for an additional card is not the result of identity theft.”

**(b) RULEMAKING.**—The Commission shall prescribe regulations to define what constitutes appropriate proof of identity for purposes of sections 605A, 605B, and 609(a)(1) of the Fair Credit Reporting Act, as amended by this Act.

**SEC. 113. TRUNCATION OF CREDIT CARD AND DEBIT CARD ACCOUNT NUMBERS.**

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

**“(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.”**

**SEC. 114. ESTABLISHMENT OF PROCEDURES FOR THE IDENTIFICATION OF POSSIBLE INSTANCES OF IDENTITY THEFT.**

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

**(1) by striking “(e)” at the end; and**

**(2) by adding at the end the following:**

**“(e) RED FLAG GUIDELINES AND REGULATIONS REQUIRED.**—

**“(1) GUIDELINES.**—The Federal banking agencies, the National Credit Union Administration, and the 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 guidelines 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.”

**SEC. 115. AUTHORITY TO TRUNCATE SOCIAL SECURITY NUMBERS.**

Section 609(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1)) is amended by striking “except that nothing” and inserting the following: “except that—

**“(A) if 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**

**“(B) nothing”.**

**Subtitle B—Protection and Restoration of Identity Theft Victim Credit History**

**SEC. 151. SUMMARY OF RIGHTS OF IDENTITY THEFT VICTIMS.**

**(a) IN GENERAL.**—

**(1) SUMMARY.**—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended by adding at the end the following:

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

**“(1) IN GENERAL.**—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 Commission 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 institution 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 Commission under paragraph (1), and information on how to contact the Commission 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 Commission; 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.”

(2) RELATION TO STATE LAWS.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1), as so redesignated) is amended by adding at the end the following new subparagraph:

“(G) section 609(e), relating to information available to victims under section 609(e).”

(b) PUBLIC CAMPAIGN TO PREVENT IDENTITY THEFT.—Not later than 2 years after the date of enactment of this Act, the Commission shall establish and implement a media and distribution campaign to teach the public how to prevent identity theft. Such campaign shall include existing Commission education materials, as well as radio, television, and print public service announcements, video cassettes, interactive digital video discs (DVD's) or compact audio discs (CD's), and Internet resources.

**SEC. 152. BLOCKING OF INFORMATION RESULTING FROM IDENTITY THEFT.**

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

**“§ 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).

“(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 Commission 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.”

(b) CLERICAL AMENDMENT.—The table of sections for the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by inserting after the item relating to section 605 the following new items:

“605A. Identity theft prevention; fraud alerts and active duty alerts.

“605B. Block of information resulting from identity theft.”

#### SEC. 153. COORDINATION OF IDENTITY THEFT COMPLAINT INVESTIGATIONS.

Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended by adding at the end the following:

“(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 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 Commission on consumer complaints received by the agency on identity theft or fraud alerts.”

#### SEC. 154. PREVENTION OF REPOLLUTION OF CONSUMER REPORTS.

(a) PREVENTION OF REINSERTION OF ERRONEOUS 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:

“(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.”

(b) PROHIBITION ON SALE OR TRANSFER OF DEBT CAUSED BY IDENTITY THEFT.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m), as amended by this Act, is amended by adding at the end the following:

“(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.”

#### SEC. 155. NOTICE BY DEBT COLLECTORS WITH RESPECT TO FRAUDULENT INFORMATION.

Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m), as amended by this Act, is amended by adding at the end the following:

“(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.”

#### SEC. 156. STATUTE OF LIMITATIONS.

Section 618 of the Fair Credit Reporting Act (15 U.S.C. 1681p) is amended to read as follows:

##### “§ 618. Jurisdiction of courts; limitation of actions

“An action to enforce any liability created under this title may be brought in any appropriate United States district court, without regard to the amount in controversy, or in any other court of competent jurisdiction, not later than the earlier of—

“(1) 2 years after the date of discovery by the plaintiff of the violation that is the basis for such liability; or

“(2) 5 years after the date on which the violation that is the basis for such liability occurs.”

#### SEC. 157. STUDY ON THE USE OF TECHNOLOGY TO COMBAT IDENTITY THEFT.

(a) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study of the use of biometrics and other similar technologies to reduce the incidence and costs to society of identity theft by providing convincing evidence of who actually performed a given financial transaction.

(b) CONSULTATION.—The Secretary of the Treasury shall consult with Federal banking agencies, the Commission, and representatives of financial institutions, consumer reporting agencies, Federal, State, and local government agencies that issue official forms or means of identification, State prosecutors, law enforcement agencies, the biometric industry, and the general public in formulating and conducting the study required by subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Treasury for fiscal year 2004, such sums as may be necessary to carry out the provisions of this section.

(d) REPORT REQUIRED.—Before the end of the 180-day period beginning on the date of enactment of this Act, the Secretary shall submit a re-

port to Congress containing the findings and conclusions of the study required under subsection (a), together with such recommendations for legislative or administrative actions as may be appropriate.

#### TITLE II—IMPROVEMENTS IN USE OF AND CONSUMER ACCESS TO CREDIT INFORMATION

##### SEC. 211. FREE CONSUMER REPORTS.

(a) IN GENERAL.—Section 612 of the Fair Credit Reporting Act (15 U.S.C. 1681j) is amended—

(1) by redesignating subsection (a) as subsection (f), and transferring it to the end of the section;

(2) by inserting before subsection (b) the following:

“(a) FREE ANNUAL DISCLOSURE.—

“(1) NATIONWIDE CONSUMER REPORTING AGENCIES.—

“(A) IN GENERAL.—All consumer reporting agencies described in subsections (p) and (w) 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) 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 Commission 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 Commission under this subparagraph shall establish an effective date by which each nationwide specialty consumer reporting agency (as defined in section 603(w)) 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 Commission 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.”;

(3) by redesignating subsection (d) as subsection (e);

(4) by inserting before subsection (e), as redesignated, the following:

“(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.”;

(5) in subsection (e), as redesignated, by striking “subsection (a)” and inserting “subsection (f)”;

(6) in subsection (f), as redesignated, by striking “Except as provided in subsections (b), (c), and (d), a” and inserting “In the case of a request from a consumer other than a request that is covered by any of subsections (a) through (d), a”.

(b) CIRCUMVENTION PROHIBITED.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding after section 628, as added by section 216 of this Act, the following new section:

**“§629. Corporate and technological circumvention prohibited**

“The Commission shall prescribe regulations, to become effective not later than 90 days after the date of enactment of this section, to prevent a consumer reporting agency from circumventing or evading treatment as a consumer reporting agency described in section 603(p) for purposes of this title, including—

“(1) by means of a corporate reorganization or restructuring, including a merger, acquisition, dissolution, divestiture, or asset sale of a consumer reporting agency; or

“(2) by maintaining or merging public record and credit account information in a manner that is substantially equivalent to that described in paragraphs (1) and (2) of section 603(p), in the manner described in section 603(p).”.

(c) SUMMARY OF RIGHTS TO OBTAIN AND DISPUTE INFORMATION IN CONSUMER REPORTS AND TO OBTAIN CREDIT SCORES.—Section 609(c) of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended to read as follows:

“(c) SUMMARY OF RIGHTS TO OBTAIN AND DISPUTE INFORMATION IN CONSUMER REPORTS AND TO OBTAIN CREDIT SCORES.—

“(1) COMMISSION SUMMARY OF RIGHTS REQUIRED.—

“(A) IN GENERAL.—The Commission 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;

“(iii) the right of a consumer to dispute information in the file of the consumer under section 611;

“(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;

“(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 Commission

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 Commission prescribed under section 612(a)(1)(C).

“(C) AVAILABILITY OF SUMMARY OF RIGHTS.—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.

“(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 Commission 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) RULEMAKING REQUIRED.—

(1) IN GENERAL.—The Commission shall prescribe regulations applicable to consumer reporting agencies described in section 603(p) of the Fair Credit Reporting Act, to require the establishment of—

(A) a centralized source through which consumers may obtain a consumer report from each such consumer reporting agency, using a single request, and without charge to the consumer, as provided in section 612(a) of the Fair Credit Reporting Act (as amended by this section); and

(B) a standardized form for a consumer to make such a request for a consumer report by mail or through an Internet website.

(2) CONSIDERATIONS.—In prescribing regulations under paragraph (1), the Commission shall consider—

(A) the significant demands that may be placed on consumer reporting agencies in providing such consumer reports;

(B) 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

(C) the ease by which consumers should be able to contact consumer reporting agencies with respect to access to such consumer reports.

(3) CENTRALIZED SOURCE.—The centralized source for a request for a consumer report from a consumer required by this subsection shall provide for—

(A) a toll-free telephone number for such purpose;

(B) use of an Internet website for such purpose; and

(C) a process for requests by mail for such purpose.

(4) TRANSITION.—The regulations of the Commission under paragraph (1) shall provide for an orderly transition by consumer reporting

agencies described in section 603(p) of the Fair Credit Reporting Act to the centralized source for consumer report distribution required by section 612(a)(1)(B), as amended by this section, in a manner that—

(A) does not temporarily overwhelm such consumer reporting agencies with requests for disclosures of consumer reports beyond their capacity to deliver; and

(B) does not deny creditors, other users, and consumers access to consumer reports on a time-sensitive basis for specific purposes, such as home purchases or suspicions of identity theft, during the transition period.

(5) TIMING.—Regulations required by this subsection shall—

(A) be issued in final form not later than 6 months after the date of enactment of this Act; and

(B) become effective not later than 6 months after the date on which they are issued in final form.

(6) SCOPE OF REGULATIONS.—

(A) IN GENERAL.—The Commission shall, by rule, determine whether to require a consumer reporting agency that compiles and maintains files on consumers on substantially a nationwide basis, other than one described in section 603(p) of the Fair Credit Reporting Act, to make free consumer reports available upon consumer request, and if so, whether such consumer reporting agencies should make such free reports available through the centralized source described in paragraph (1)(A).

(B) CONSIDERATIONS.—Before making any determination under subparagraph (A), the Commission shall consider—

(i) the number of requests for consumer reports to, and the number of consumer reports generated by, the consumer reporting agency, in comparison with consumer reporting agencies described in subsections (p) and (w) of section 603 of the Fair Credit Reporting Act;

(ii) the overall scope of the operations of the consumer reporting agency;

(iii) the needs of consumers for access to consumer reports provided by consumer reporting agencies free of charge;

(iv) the costs of providing access to consumer reports by consumer reporting agencies free of charge; and

(v) the effects on the ongoing competitive viability of such consumer reporting agencies if such free access is required.

**SEC. 212. DISCLOSURE OF CREDIT SCORES.**

(a) STATEMENT ON AVAILABILITY OF CREDIT SCORES.—Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding at the end the following new paragraph:

“(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.”.

(b) DISCLOSURE OF CREDIT SCORES.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by this Act, is amended by adding at the end the following:

“(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 Commission, 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 re-

port, that factor shall be included in the disclosure pursuant to paragraph (1)(C) without regard to the numerical limitation in such paragraph.”

(c) DISCLOSURE OF CREDIT SCORES BY CERTAIN MORTGAGE LENDERS.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by this Act, is amended by adding at the end the following:

“(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 providing 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.”

(d) INCLUSION OF KEY FACTOR IN CREDIT SCORE INFORMATION IN CONSUMER REPORT.—Section 605(d) of the Fair Credit Reporting Act (15 U.S.C. 1681c(d)) is amended—

(1) by striking “DISCLOSED.—Any consumer reporting agency” and inserting “DISCLOSED.—

“(1) TITLE 11 INFORMATION.—Any consumer reporting agency”; and

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

“(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.”.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—Section 625(b) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)), as so designated by section 214 of this Act, is amended—

(1) by striking “or” at the end of paragraph (2); and

(2) by striking paragraph (3) and inserting the following:

“(3) with respect to the disclosures required to be made under subsection (c), (d), (e), or (g) of section 609, or subsection (f) of section 609 relating to the disclosure of credit scores for credit granting purposes, except that this paragraph—

“(A) shall not apply with respect to sections 1785.10, 1785.16, and 1785.20.2 of the California Civil Code (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003) and section 1785.15 through section 1785.15.2 of such Code (as in effect on such date);

“(B) shall not apply with respect to sections 5-3-106(2) and 212-14.3-104.3 of the Colorado Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003); and

“(C) shall not be construed as limiting, annulling, affecting, or superseding any provision of the laws of any State regulating the use in an insurance activity, or regulating disclosures concerning such use, of a credit-based insurance score of a consumer by any person engaged in the business of insurance;

“(4) with respect to the frequency of any disclosure under section 612(a), except that this paragraph shall not apply—

“(A) with respect to section 12-14.3-105(1)(d) of the Colorado Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(B) with respect to section 10-1-393(29)(C) of the Georgia Code (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(C) with respect to section 1316.2 of title 10 of the Maine Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(D) with respect to sections 14-1209(a)(1) and 14-1209(b)(1)(i) of the Commercial Law Article of the Code of Maryland (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(E) with respect to section 59(d) and section 59(e) of chapter 93 of the General Laws of Massachusetts (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(F) with respect to section 56:11-37.10(a)(1) of the New Jersey Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003); or

“(G) with respect to section 2480c(a)(1) of title 9 of the Vermont Statutes Annotated (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003); or”.

**SEC. 213. ENHANCED DISCLOSURE OF THE MEANS AVAILABLE TO OPT OUT OF PRESCREENED LISTS.**

(a) NOTICE AND RESPONSE FORMAT FOR USERS OF REPORTS.—Section 615(d)(2) of the Fair Credit Reporting Act (15 U.S.C. 1681m(d)(2)) is amended to read as follows:

“(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 Commission, by rule, in consultation with the Federal banking agencies and the National Credit Union Administration.”.

(b) RULEMAKING SCHEDULE.—Regulations required by section 615(d)(2) of the Fair Credit Re-

porting Act, as amended by this section, shall be issued in final form not later than 1 year after the date of enactment of this Act.

(c) DURATION OF ELECTIONS.—Section 604(e) of the Fair Credit Reporting Act (15 U.S.C. 1681b(e)) is amended in each of paragraphs (3)(A) and (4)(B)(i), by striking “2-year period” each place that term appears and inserting “5-year period”.

(d) PUBLIC AWARENESS CAMPAIGN.—The Commission shall actively publicize and conspicuously post on its website any address and the toll-free telephone number established as part of a notification system for opting out of prescreening under section 604(e) of the Fair Credit Reporting Act (15 U.S.C. 1681b(e)), and otherwise take measures to increase public awareness regarding the availability of the right to opt out of prescreening.

(e) ANALYSIS OF FURTHER RESTRICTIONS ON OFFERS OF CREDIT OR INSURANCE.—

(1) IN GENERAL.—The Board shall conduct a study of—

(A) the ability of consumers to avoid receiving written offers of credit or insurance in connection with transactions not initiated by the consumer; and

(B) the potential impact that any further restrictions on providing consumers with such written offers of credit or insurance would have on consumers.

(2) REPORT.—The Board shall submit a report summarizing the results of the study required under paragraph (1) to the Congress not later than 12 months after the date of enactment of this Act, together with such recommendations for legislative or administrative action as the Board may determine to be appropriate.

(3) CONTENT OF REPORT.—The report described in paragraph (2) shall address the following issues:

(A) The current statutory or voluntary mechanisms that are available to a consumer to notify lenders and insurance providers that the consumer does not wish to receive written offers of credit or insurance.

(B) The extent to which consumers are currently utilizing existing statutory and voluntary mechanisms to avoid receiving offers of credit or insurance.

(C) The benefits provided to consumers as a result of receiving written offers of credit or insurance.

(D) Whether consumers incur significant costs or are otherwise adversely affected by the receipt of written offers of credit or insurance.

(E) Whether further restricting the ability of lenders and insurers to provide written offers of credit or insurance to consumers would affect—

(i) the cost consumers pay to obtain credit or insurance;

(ii) the availability of credit or insurance;

(iii) consumers’ knowledge about new or alternative products and services;

(iv) the ability of lenders or insurers to compete with one another; and

(v) the ability to offer credit or insurance products to consumers who have been traditionally underserved.

**SEC. 214. AFFILIATE SHARING.**

(a) LIMITATION.—The Fair Credit Reporting Act (15 U.S.C. 1601 et seq.) is amended—

(1) by redesignating sections 624 (15 U.S.C. 1681t), 625 (15 U.S.C. 1681u), and 626 (15 U.S.C. 1681v) as sections 625, 626, and 627, respectively; and

(2) by inserting after section 623 the following:

**“§ 624. Affiliate sharing**

“(a) SPECIAL RULE FOR SOLICITATION FOR PURPOSES OF MARKETING.—

“(1) NOTICE.—Any person that receives from another person related to it by common ownership or affiliated by corporate control a communication of information that would be a consumer report, but for clauses (i), (ii), and (iii) of section 603(d)(2)(A), may not use the information to make a solicitation for marketing pur-

poses to a consumer about its products or services, unless—

“(A) it is clearly and conspicuously disclosed to the consumer that the information may be communicated among such persons for purposes of making such solicitations to the consumer; and

“(B) the consumer is provided an opportunity and a simple method to prohibit the making of such solicitations to the consumer by such person.

“(2) CONSUMER CHOICE.—

“(A) IN GENERAL.—The notice required under paragraph (1) shall allow the consumer the opportunity to prohibit all solicitations referred to in such paragraph, and may allow the consumer to choose from different options when electing to prohibit the sending of such solicitations, including options regarding the types of entities and information covered, and which methods of delivering solicitations the consumer elects to prohibit.

“(B) FORMAT.—Notwithstanding subparagraph (A), the notice required under paragraph (1) shall be clear, conspicuous, and concise, and any method provided under paragraph (1)(B) shall be simple. The regulations prescribed to implement this section shall provide specific guidance regarding how to comply with such standards.

“(3) DURATION.—

“(A) IN GENERAL.—The election of a consumer pursuant to paragraph (1)(B) to prohibit the making of solicitations shall be effective for at least 5 years, beginning on the date on which the person receives the election of the consumer, unless the consumer requests that such election be revoked.

“(B) NOTICE UPON EXPIRATION OF EFFECTIVE PERIOD.—At such time as the election of a consumer pursuant to paragraph (1)(B) is no longer effective, a person may not use information that the person receives in the manner described in paragraph (1) to make any solicitation for marketing purposes to the consumer, unless the consumer receives a notice and an opportunity, using a simple method, to extend the opt-out for another period of at least 5 years, pursuant to the procedures described in paragraph (1).

“(4) SCOPE.—This section shall not apply to a person—

“(A) using information to make a solicitation for marketing purposes to a consumer with whom the person has a pre-existing business relationship;

“(B) using information to facilitate communications to an individual for whose benefit the person provides employee benefit or other services pursuant to a contract with an employer related to and arising out of the current employment relationship or status of the individual as a participant or beneficiary of an employee benefit plan;

“(C) using information to perform services on behalf of another person related by common ownership or affiliated by corporate control, except that this subparagraph shall not be construed as permitting a person to send solicitations on behalf of another person, if such other person would not be permitted to send the solicitation on its own behalf as a result of the election of the consumer to prohibit solicitations under paragraph (1)(B);

“(D) using information in response to a communication initiated by the consumer;

“(E) using information in response to solicitations authorized or requested by the consumer; or

“(F) if compliance with this section by that person would prevent compliance by that person with any provision of State insurance laws pertaining to unfair discrimination in any State in which the person is lawfully doing business.

“(5) NO RETROACTIVITY.—This subsection shall not prohibit the use of information to send a solicitation to a consumer if such information was received prior to the date on which persons are required to comply with regulations implementing this subsection.

“(b) NOTICE FOR OTHER PURPOSES PERMISSIBLE.—A notice or other disclosure under this section may be coordinated and consolidated with any other notice required to be issued under any other provision of law by a person that is subject to this section, and a notice or other disclosure that is equivalent to the notice required by subsection (a), and that is provided by a person described in subsection (a) to a consumer together with disclosures required by any other provision of law, shall satisfy the requirements of subsection (a).

“(c) USER REQUIREMENTS.—Requirements with respect to the use by a person of information received from another person related to it by common ownership or affiliated by corporate control, such as the requirements of this section, constitute requirements with respect to the exchange of information among persons affiliated by common ownership or common corporate control, within the meaning of section 625(b)(2).

“(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) PRE-EXISTING BUSINESS RELATIONSHIP.—The term ‘pre-existing business relationship’ means a relationship between a person, or a person’s licensed agent, and a consumer, based on—

“(A) a financial contract between a person and a consumer which is in force;

“(B) the purchase, rental, or lease by the consumer of that person’s goods or services, or a financial transaction (including holding an active account or a policy in force or having another continuing relationship) between the consumer and that person during the 18-month period immediately preceding the date on which the consumer is sent a solicitation covered by this section;

“(C) an inquiry or application by the consumer regarding a product or service offered by that person, during the 3-month period immediately preceding the date on which the consumer is sent a solicitation covered by this section; or

“(D) any other pre-existing customer relationship defined in the regulations implementing this section.

“(2) SOLICITATION.—The term ‘solicitation’ means the marketing of a product or service initiated by a person to a particular consumer that is based on an exchange of information described in subsection (a), and is intended to encourage the consumer to purchase such product or service, but does not include communications that are directed at the general public or determined not to be a solicitation by the regulations prescribed under this section.”

(b) RULEMAKING REQUIRED.—

(1) IN GENERAL.—The Federal banking agencies, the National Credit Union Administration, and the Commission, with respect to the entities that are subject to their respective enforcement authority under section 621 of the Fair Credit Reporting Act and the Securities and Exchange Commission, and in coordination as described in paragraph (2), shall prescribe regulations to implement section 624 of the Fair Credit Reporting Act, as added by this section.

(2) COORDINATION.—Each agency required to prescribe regulations under paragraph (1) shall consult and coordinate with each other such agency so that, to the extent possible, the regulations prescribed by each such entity are consistent and comparable with the regulations prescribed by each other such agency.

(3) CONSIDERATIONS.—In promulgating regulations under this subsection, each agency referred to in paragraph (1) shall—

(A) ensure that affiliate sharing notification methods provide a simple means for consumers to make determinations and choices under section 624 of the Fair Credit Reporting Act, as added by this section;

(B) consider the affiliate sharing notification practices employed on the date of enactment of this Act by persons that will be subject to that section 624; and

(C) ensure that notices and disclosures may be coordinated and consolidated, as provided in subsection (b) of that section 624.

(4) TIMING.—Regulations required by this subsection shall—

(A) be issued in final form not later than 9 months after the date of enactment of this Act; and

(B) become effective not later than 6 months after the date on which they are issued in final form.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 603(d)(2)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681(d)(2)(A)) is amended by inserting “subject to section 624,” after “(A)”.

(2) RELATION TO STATE LAWS.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1)), as so designated by subsection (a) of this section, is amended—

(A) by striking “or” after the semicolon at the end of subparagraph (E); and

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

“(H) section 624, relating to the exchange and use of information to make a solicitation for marketing purposes; or”.

(3) CROSS REFERENCE CORRECTION.—Section 627(d) of the Fair Credit Reporting Act (15 U.S.C. 1681v(d)), as so designated by subsection (a) of this section, is amended by striking “section 625” and inserting “section 626”.

(4) TABLE OF SECTIONS.—The table of sections for title VI of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by striking the items relating to sections 624 through 626 and inserting the following:

“624. Affiliate sharing.

“625. Relation to State laws.

“626. Disclosures to FBI for counterintelligence purposes.

“627. Disclosures to governmental agencies for counterintelligence purposes.”

(e) STUDIES OF INFORMATION SHARING PRACTICES.—

(1) IN GENERAL.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly conduct regular studies of the consumer information sharing practices by financial institutions and other persons that are creditors or users of consumer reports with their affiliates.

(2) MATTERS FOR STUDY.—In conducting the studies required by paragraph (1), the agencies described in paragraph (1) shall—

(A) identify—

(i) the purposes for which financial institutions and other creditors and users of consumer reports share consumer information;

(ii) the types of information shared by such entities with their affiliates;

(iii) the number of choices provided to consumers with respect to the control of such sharing, and the degree to and manner in which consumers exercise such choices, if at all; and

(iv) whether such entities share or may share personally identifiable transaction or experience information with affiliates for purposes—

(I) that are related to employment or hiring, including whether the person that is the subject of such information is given notice of such sharing, and the specific uses of such shared information; or

(II) of general publication of such information; and

(B) specifically examine the information sharing practices that financial institutions and other creditors and users of consumer reports and their affiliates employ for the purpose of making underwriting decisions or credit evaluations of consumers.

(3) REPORTS.—

(A) INITIAL REPORT.—Not later than 3 years after the date of enactment of this Act, the Federal banking agencies, the National Credit Union Administration, and the Commission

shall jointly submit a report to the Congress on the results of the initial study conducted in accordance with this subsection, together with any recommendations for legislative or regulatory action.

(B) FOLLOWUP REPORTS.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall, not less frequently than once every 3 years following the date of submission of the initial report under subparagraph (A), jointly submit a report to the Congress that, together with any recommendations for legislative or regulatory action—

(i) documents any changes in the areas of study referred to in paragraph (2)(A) occurring since the date of submission of the previous report;

(ii) identifies any changes in the practices of financial institutions and other creditors and users of consumer reports in sharing consumer information with their affiliates for the purpose of making underwriting decisions or credit evaluations of consumers occurring since the date of submission of the previous report; and

(iii) examines the effects that changes described in clause (ii) have had, if any, on the degree to which such affiliate sharing practices reduce the need for financial institutions, creditors, and other users of consumer reports to rely on consumer reports for such decisions.

**SEC. 215. STUDY OF EFFECTS OF CREDIT SCORES AND CREDIT-BASED INSURANCE SCORES ON AVAILABILITY AND AFFORDABILITY OF FINANCIAL PRODUCTS.**

(a) STUDY REQUIRED.—The Commission and the Board, in consultation with the Office of Fair Housing and Equal Opportunity of the Department of Housing and Urban Development, shall conduct a study of—

(1) the effects of the use of credit scores and credit-based insurance scores on the availability and affordability of financial products and services, including credit cards, mortgages, auto loans, and property and casualty insurance;

(2) the statistical relationship, utilizing a multivariate analysis that controls for prohibited factors under the Equal Credit Opportunity Act and other known risk factors, between credit scores and credit-based insurance scores and the quantifiable risks and actual losses experienced by businesses;

(3) the extent to which, if any, the use of credit scoring models, credit scores, and credit-based insurance scores impact on the availability and affordability of credit and insurance to the extent information is currently available or is available through proxies, by geography, income, ethnicity, race, color, religion, national origin, age, sex, marital status, and creed, including the extent to which the consideration or lack of consideration of certain factors by credit scoring systems could result in negative or differential treatment of protected classes under the Equal Credit Opportunity Act, and the extent to which, if any, the use of underwriting systems relying on these models could achieve comparable results through the use of factors with less negative impact; and

(4) the extent to which credit scoring systems are used by businesses, the factors considered by such systems, and the effects of variables which are not considered by such systems.

(b) PUBLIC PARTICIPATION.—The Commission shall seek public input about the prescribed methodology and research design of the study described in subsection (a), including from relevant Federal regulators, State insurance regulators, community, civil rights, consumer, and housing groups.

(c) REPORT REQUIRED.—

(1) IN GENERAL.—Before the end of the 24-month period beginning on the date of enactment of this Act, the Commission shall submit a detailed report on the study conducted pursuant to subsection (a) to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) CONTENTS OF REPORT.—The report submitted under paragraph (1) shall include the findings and conclusions of the Commission, recommendations to address specific areas of concerns addressed in the study, and recommendations for legislative or administrative action that the Commission may determine to be necessary to ensure that credit and credit-based insurance scores are used appropriately and fairly to avoid negative effects.

**SEC. 216. DISPOSAL OF CONSUMER REPORT INFORMATION AND RECORDS.**

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by this Act, is amended by adding at the end the following:

**“§ 628. Disposal of records**

“(a) REGULATIONS.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Federal banking agencies, the National Credit Union Administration, and the Commission with respect to the entities that are subject to their respective enforcement authority under section 621, and the Securities and Exchange Commission, and in coordination as described in paragraph (2), shall issue final regulations requiring any person that maintains or otherwise possesses consumer information, or any compilation of consumer information, derived from consumer reports for a business purpose to properly dispose of any such information or compilation.

“(2) COORDINATION.—Each agency required to prescribe regulations under paragraph (1) shall—

“(A) consult and coordinate with each other such agency so that, to the extent possible, the regulations prescribed by each such agency are consistent and comparable with the regulations by each such other agency; and

“(B) ensure that such regulations are consistent with the requirements and regulations issued pursuant to Public Law 106-102 and other provisions of Federal law.

“(3) EXEMPTION AUTHORITY.—In issuing regulations under this section, the Federal banking agencies, the National Credit Union Administration, the Commission, and the Securities and Exchange Commission may exempt any person or class of persons from application of those regulations, as such agency deems appropriate to carry out the purpose of this section.

“(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed—

“(1) to require a person to maintain or destroy any record pertaining to a consumer that is not imposed under other law; or

“(2) to alter or affect any requirement imposed under any other provision of law to maintain or destroy such a record.”.

(b) CLERICAL AMENDMENT.—The table of sections for title VI of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by inserting after the item relating to section 627, as added by section 214 of this Act, the following:

“628. Disposal of records.

“629. Corporate and technological circumvention prohibited.”.

**SEC. 217. REQUIREMENT TO DISCLOSE COMMUNICATIONS TO A CONSUMER REPORTING AGENCY.**

(a) IN GENERAL.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)) as amended by this Act, is amended by inserting after paragraph (6), the following new paragraph:

“(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 BOARD TO PREPARE.—The Board shall prescribe a brief model disclosure 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 shall be construed as requiring a financial institution to use any such model form prescribed by the Board.

“(iii) COMPLIANCE USING MODEL.—A financial institution shall be deemed to be in compliance with subparagraph (A) if the financial institution uses any such model form prescribed by the Board, 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.”.

(b) MODEL DISCLOSURE FORM.—Before the end of the 6-month period beginning on the date of enactment of this Act, the Board shall adopt the model disclosure required under the amendment made by subsection (a) after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

**TITLE III—ENHANCING THE ACCURACY OF CONSUMER REPORT INFORMATION**

**SEC. 311. RISK-BASED PRICING NOTICE.**

(a) DUTIES OF USERS.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m), as amended by this Act, is amended by adding at the end the following:

“(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; and

“(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)).

“(6) RULEMAKING.—

“(A) RULES REQUIRED.—The Commission and the Board shall jointly prescribe rules.

“(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.”.

(b) RELATION TO STATE LAWS.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1)), as so designated by section 214 of this Act, is amended by adding at the end the following:

“(I) section 615(h), relating to the duties of users of consumer reports to provide notice with respect to terms in certain credit transactions;”.

**SEC. 312. PROCEDURES TO ENHANCE THE ACCURACY AND INTEGRITY OF INFORMATION FURNISHED TO CONSUMER REPORTING AGENCIES.**

(a) ACCURACY GUIDELINES AND REGULATIONS.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 15 U.S.C. 1681s-2) is amended by adding at the end the following:

“(e) ACCURACY GUIDELINES AND REGULATIONS REQUIRED.—

“(1) GUIDELINES.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall, with respect to the entities that are subject to their respective enforcement authority under section 621, and in coordination as described in paragraph (2)—

“(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) COORDINATION.—Each agency required to prescribe regulations under paragraph (1) shall consult and coordinate with each other such agency so that, to the extent possible, the regulations prescribed by each such entity are consistent and comparable with the regulations prescribed by each other such agency.

“(3) CRITERIA.—In developing the guidelines required by paragraph (1)(A), the agencies described in paragraph (1) 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 assure 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.”.

(b) DUTY OF FURNISHERS TO PROVIDE ACCURATE INFORMATION.—Section 623(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)(1)) is amended—

(1) in subparagraph (A), by striking “knows or consciously avoids knowing that the information is inaccurate” and inserting “knows or has reasonable cause to believe that the information is inaccurate”; and

(2) by adding at the end the following:

“(D) DEFINITION.—For purposes of subparagraph (A), the term ‘reasonable cause to believe that the information is inaccurate’ means having specific knowledge, other than solely allegations by the consumer, that would cause a reasonable person to have substantial doubts about the accuracy of the information.”.

(c) ABILITY OF CONSUMER TO DISPUTE INFORMATION DIRECTLY WITH FURNISHER.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)), as amended by this Act, is amended by adding at the end the following:

“(8) ABILITY OF CONSUMER TO DISPUTE INFORMATION DIRECTLY WITH FURNISHER.—

“(A) IN GENERAL.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly prescribe regulations that shall identify the circumstances under which a furnisher shall be required to re-investigate a dispute concerning the accuracy 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 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 (i) 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.

“(G) 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 section 403(3), or an entity that would be a credit repair organization, but for section 403(3)(B)(i).”.

(d) FURNISHER LIABILITY EXCEPTION.—Section 623(a)(5) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)(5)) is amended—

(1) by striking “A person” and inserting the following:

“(A) IN GENERAL.—A person”;

(2) by inserting “date of delinquency on the account, which shall be the” before “month”;

(3) by inserting “on the account” before “that immediately preceded”; and

(4) by adding at the end the following:

“(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 reported 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.”.

(e) LIABILITY AND ENFORCEMENT.—

(1) CIVIL LIABILITY.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s-2) is amended by striking subsections (c) and (d) and inserting the following:

“(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.”.

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

(A) in paragraph (1)(B)(ii), by striking “of section 623(a)” and inserting “described in any of paragraphs (1) through (3) of section 623(c)”; and

(B) in paragraph (5)—

(i) in each of subparagraphs (A) and (B), by striking “of section 623(a)(1)” each place that term appears and inserting “described in any of paragraphs (1) through (3) of section 623(c)”; and

(ii) by amending the paragraph heading to read as follows:

“(5) LIMITATIONS ON STATE ACTIONS FOR CERTAIN VIOLATIONS.—”

(f) RULE OF CONSTRUCTION.—Nothing in this section, the amendments made by this section, or any other provision of this Act shall be construed to affect any liability under section 616 or 617 of the Fair Credit Reporting Act (15 U.S.C. 1681n, 1681o) that existed on the day before the date of enactment of this Act.

#### SEC. 313. FTC AND CONSUMER REPORTING AGENCY ACTION CONCERNING COMPLAINTS.

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

“(e) TREATMENT OF COMPLAINTS AND REPORT TO CONGRESS.—

“(1) IN GENERAL.—The Commission 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) 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 Commission pursuant to its investigative authority under the Federal Trade Commission Act shall not be subject to paragraph (1).

“(3) AGENCY RESPONSIBILITIES.—Each consumer reporting agency described in section 603(p) that receives a complaint transmitted by the Commission 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 Commission 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 Commission may prescribe regulations, as appropriate to implement this subsection.

“(5) ANNUAL REPORT.—The Commission 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 Commission under this subsection.”

(b) PROMPT INVESTIGATION OF DISPUTED CONSUMER INFORMATION.—

(1) STUDY REQUIRED.—The Board and the Commission shall jointly study the extent to which, and the manner in which, consumer reporting agencies and furnishers of consumer information to consumer reporting agencies are complying with the procedures, time lines, and

requirements under the Fair Credit Reporting Act for the prompt investigation of the disputed accuracy of any consumer information, the completeness of the information provided to consumer reporting agencies, and the prompt correction or deletion, in accordance with such Act, of any inaccurate or incomplete information or information that cannot be verified.

(2) REPORT REQUIRED.—Before the end of the 12-month period beginning on the date of enactment of this Act, the Board and the Commission shall jointly submit a progress report to the Congress on the results of the study required under paragraph (1).

(3) CONSIDERATIONS.—In preparing the report required under paragraph (2), the Board and the Commission shall consider information relating to complaints compiled by the Commission under section 611(e) of the Fair Credit Reporting Act, as added by this section.

(4) RECOMMENDATIONS.—The report required under paragraph (2) shall include such recommendations as the Board and the Commission jointly determine to be appropriate for legislative or administrative action, to ensure that—

(A) consumer disputes with consumer reporting agencies over the accuracy or completeness of information in a consumer's file are promptly and fully investigated and any incorrect, incomplete, or unverifiable information is corrected or deleted immediately thereafter;

(B) furnishers of information to consumer reporting agencies maintain full and prompt compliance with the duties and responsibilities established under section 623 of the Fair Credit Reporting Act; and

(C) consumer reporting agencies establish and maintain appropriate internal controls and management review procedures for maintaining full and continuous compliance with the procedures, time lines, and requirements under the Fair Credit Reporting Act for the prompt investigation of the disputed accuracy of any consumer information and the prompt correction or deletion, in accordance with such Act, of any inaccurate or incomplete information or information that cannot be verified.

#### SEC. 314. IMPROVED DISCLOSURE OF THE RESULTS OF REINVESTIGATION.

(a) IN GENERAL.—Section 611(a)(5)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(5)(A)) is amended by striking “shall” and all that follows through the end of the subparagraph, and inserting the following: “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) FURNISHER REQUIREMENTS RELATING TO INACCURATE, INCOMPLETE, OR UNVERIFIABLE INFORMATION.—Section 623(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(b)(1)) is amended—

(1) in subparagraph (C), by striking “and” at the end; and

(2) in subparagraph (D), by striking the period at the end and inserting the following: “; 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.”

#### SEC. 315. RECONCILING ADDRESSES.

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

“(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 Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly, with respect to the entities that are subject to their respective enforcement authority under section 621, 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.”

#### SEC. 316. NOTICE OF DISPUTE THROUGH RESELLER.

(a) REQUIREMENT FOR REINVESTIGATION OF DISPUTED INFORMATION UPON NOTICE FROM A RESELLER.—Section 611(a) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(1)(A)) is amended—

(1) in paragraph (1)(A)—

(A) by striking “If the completeness” and inserting “Subject to subsection (f), if the completeness”; and

(B) by inserting “, or indirectly through a reseller,” after “notifies the agency directly”; and

(C) by inserting “or reseller” before the period at the end;

(2) in paragraph (2)(A)—

(A) by inserting “or a reseller” after “dispute from any consumer”; and

(B) by inserting “or reseller” before the period at the end; and

(3) in paragraph (2)(B), by inserting “or the reseller” after “from the consumer”.

(b) REINVESTIGATION REQUIREMENT APPLICABLE TO RESELLERS.—Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i), as amended by this Act, is amended by adding at the end the following:

“(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) 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.”

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 611(a)(2)(B) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(2)(B)) is amended in the subparagraph heading, by striking “FROM CONSUMER”.

**SEC. 317. REASONABLE REINVESTIGATION REQUIRED.**

Section 611(a)(1)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(1)(A)) is amended by striking “shall reinvestigate free of charge” and inserting “shall, free of charge, conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate”.

**SEC. 318. FTC STUDY OF ISSUES RELATING TO THE FAIR CREDIT REPORTING ACT.**

(a) STUDY REQUIRED.—

(1) IN GENERAL.—The Commission shall conduct a study on ways to improve the operation of the Fair Credit Reporting Act.

(2) AREAS FOR STUDY.—In conducting the study under paragraph (1), the Commission shall review—

(A) the efficacy of increasing the number of points of identifying information that a credit reporting agency is required to match to ensure that a consumer is the correct individual to whom a consumer report relates before releasing a consumer report to a user, including—

(i) the extent to which requiring additional points of such identifying information to match would—

(I) enhance the accuracy of credit reports; and

(II) combat the provision of incorrect consumer reports to users;

(ii) the extent to which requiring an exact match of the first and last name, social security number, and address and ZIP Code of the consumer would enhance the likelihood of increasing credit report accuracy; and

(iii) the effects of allowing consumer reporting agencies to use partial matches of social security numbers and name recognition software on the accuracy of credit reports;

(B) requiring notification to consumers when negative information has been added to their credit reports, including—

(i) the potential impact of such notification on the ability of consumers to identify errors on their credit reports; and

(ii) the potential impact of such notification on the ability of consumers to remove fraudulent information from their credit reports;

(C) the effects of requiring that a consumer who has experienced an adverse action based on a credit report receives a copy of the same credit report that the creditor relied on in taking the adverse action, including—

(i) the extent to which providing such reports to consumers would increase the ability of consumers to identify errors in their credit reports; and

(ii) the extent to which providing such reports to consumers would increase the ability of consumers to remove fraudulent information from their credit reports;

(D) any common financial transactions that are not generally reported to the consumer reporting agencies, but would provide useful information in determining the credit worthiness of consumers; and

(E) any actions that might be taken within a voluntary reporting system to encourage the reporting of the types of transactions described in subparagraph (D).

(3) COSTS AND BENEFITS.—With respect to each area of study described in paragraph (2), the Commission shall consider the extent to which such requirements would benefit consumers, balanced against the cost of implementing such provisions.

(b) REPORT REQUIRED.—Not later than 1 year after the date of enactment of this Act, the chairman of the Commission shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives containing a detailed summary of the findings and conclusions of the study under this section, together with such recommendations for legislative or administrative actions as may be appropriate.

**SEC. 319. FTC STUDY OF THE ACCURACY OF CONSUMER REPORTS.**

(a) STUDY REQUIRED.—Until the final report is submitted under subsection (b)(2), the Commission shall conduct an ongoing study of the accuracy and completeness of information contained in consumer reports prepared or maintained by consumer reporting agencies and methods for improving the accuracy and completeness of such information.

(b) BIENNIAL REPORTS REQUIRED.—

(1) INTERIM REPORTS.—The Commission shall submit an interim report to the Congress on the study conducted under subsection (a) at the end of the 1-year period beginning on the date of enactment of this Act and biennially thereafter for 8 years.

(2) FINAL REPORT.—The Commission shall submit a final report to the Congress on the study conducted under subsection (a) at the end of the 2-year period beginning on the date on which the final interim report is submitted to the Congress under paragraph (1).

(3) CONTENTS.—Each report submitted under this subsection shall contain a detailed summary of the findings and conclusions of the Commission with respect to the study required under subsection (a) and such recommendations for legislative and administrative action as the Commission may determine to be appropriate.

**TITLE IV—LIMITING THE USE AND SHARING OF MEDICAL INFORMATION IN THE FINANCIAL SYSTEM**

**SEC. 411. PROTECTION OF MEDICAL INFORMATION IN THE FINANCIAL SYSTEM.**

(a) IN GENERAL.—Section 604(g) of the Fair Credit Reporting Act (15 U.S.C. 1681b(g)) is amended to read as follows:

“(g) PROTECTION OF MEDICAL INFORMATION.—

“(1) LIMITATION ON CONSUMER REPORTING AGENCIES.—A consumer reporting agency shall not furnish for employment purposes, or in connection with a credit or insurance transaction, a consumer report that contains medical information about a consumer, unless—

“(A) if furnished in connection with an insurance transaction, the consumer affirmatively consents to the furnishing of the report;

“(B) if furnished for employment purposes or in connection with a credit transaction—

“(i) the information to be furnished is relevant to process or effect the employment or credit transaction; and

“(ii) the consumer provides specific written consent for the furnishing of the report that describes in clear and conspicuous language the use for which the information will be furnished; or

“(C) the information to be furnished pertains solely to transactions, accounts, or balances relating to debts arising from the receipt of medical services, products, or devices, where such information, other than account status or amounts, is restricted or reported using codes that do not identify, or do not provide information sufficient to infer, the specific provider or the nature of such services, products, or devices, as provided in section 605(a)(6).

“(2) LIMITATION ON CREDITORS.—Except as permitted pursuant to paragraph (3)(C) or regulations prescribed under paragraph (5)(A), a creditor shall not obtain or use medical information pertaining to a consumer in connection with any determination of the consumer's eligibility, or continued eligibility, for credit.

“(3) ACTIONS AUTHORIZED BY FEDERAL LAW, INSURANCE ACTIVITIES AND REGULATORY DETERMINATIONS.—Section 603(d)(3) shall not be construed so as to treat information or any communication of information as a consumer report if the information or communication is disclosed—

“(A) in connection with the business of insurance or annuities, including the activities described in section 18B of the model Privacy of Consumer Financial and Health Information Regulation issued by the National Association of Insurance Commissioners (as in effect on January 1, 2003);

“(B) for any purpose permitted without authorization under the Standards for Individually Identifiable Health Information promulgated by the Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996, or referred to under section 1179 of such Act, or described in section 502(e) of Public Law 106-102; or

“(C) as otherwise determined to be necessary and appropriate, by regulation or order and subject to paragraph (6), by the Commission, any Federal banking agency or the National Credit Union Administration (with respect to any financial institution subject to the jurisdiction of such agency or Administration under paragraph (1), (2), or (3) of section 621(b), or the applicable State insurance authority (with respect to any person engaged in providing insurance or annuities).

“(4) LIMITATION ON REDISCLOSURE OF MEDICAL INFORMATION.—Any person that receives medical information pursuant to paragraph (1) or (3) shall not disclose such information to any other person, except as necessary to carry out the purpose for which the information was initially disclosed, or as otherwise permitted by statute, regulation, or order.

“(5) REGULATIONS AND EFFECTIVE DATE FOR PARAGRAPH (2).—

“(A) REGULATIONS REQUIRED.—Each Federal banking agency and the National Credit Union Administration shall, subject to paragraph (6) and after notice and opportunity for comment, prescribe regulations that permit transactions under paragraph (2) that are determined to be necessary and appropriate to protect legitimate operational, transactional, risk, consumer, and other needs (and which shall include permitting actions necessary for administrative verification purposes), consistent with the intent of paragraph (2) to restrict the use of medical information for inappropriate purposes.

“(B) FINAL REGULATIONS REQUIRED.—The Federal banking agencies and the National Credit Union Administration shall issue the regulations required under subparagraph (A) in final form before the end of the 6-month period

beginning on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003.

“(6) COORDINATION WITH OTHER LAWS.—No provision of this subsection shall be construed as altering, affecting, or superseding the applicability of any other provision of Federal law relating to medical confidentiality.”

(b) RESTRICTION ON SHARING OF MEDICAL INFORMATION.—Section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended—

(1) in paragraph (2), by striking “The term” and inserting “Except as provided in paragraph (3), the term”; and

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

“(3) RESTRICTION ON SHARING OF MEDICAL INFORMATION.—Except for information or any communication of information disclosed as provided in section 604(g)(3), the exclusions in paragraph (2) shall not apply with respect to information disclosed to any person related by common ownership or affiliated by corporate control, if the information is—

“(A) medical information;

“(B) an individualized list or description based on the payment transactions of the consumer for medical products or services; or

“(C) an aggregate list of identified consumers based on payment transactions for medical products or services.

(c) DEFINITION.—Section 603(i) of the Fair Credit Reporting Act (15 U.S.C. 1681a(i)) is amended to read as follows:

“(i) MEDICAL INFORMATION.—The term ‘medical information’—

“(1) means information or data, whether oral or recorded, in any form or medium, created by or derived from a health care provider or the consumer, that relates to—

“(A) the past, present, or future physical, mental, or behavioral health or condition of an individual;

“(B) the provision of health care to an individual; or

“(C) the payment for the provision of health care to an individual.

“(2) does not include the age or gender of a consumer, demographic information about the consumer, including a consumer’s residence address or e-mail address, or any other information about a consumer that does not relate to the physical, mental, or behavioral health or condition of a consumer, including the existence or value of any insurance policy.”

(d) EFFECTIVE DATES.—This section shall take effect at the end of the 180-day period beginning on the date of enactment of this Act, except that paragraph (2) of section 604(g) of the Fair Credit Reporting Act (as amended by subsection (a) of this section) shall take effect on the later of—

(1) the end of the 90-day period beginning on the date on which the regulations required under paragraph (5)(B) of such section 604(g) are issued in final form; or

(2) the date specified in the regulations referred to in paragraph (1).

#### SEC. 412. CONFIDENTIALITY OF MEDICAL CONTACT INFORMATION IN CONSUMER REPORTS.

(a) DUTIES OF MEDICAL INFORMATION FURNISHERS.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)), as amended by this Act, is amended by adding at the end the following:

“(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.”

(b) RESTRICTION OF DISSEMINATION OF MEDICAL CONTACT INFORMATION.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)) is amended by adding at the end the following:

“(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.”

(c) NO EXCEPTIONS ALLOWED FOR DOLLAR AMOUNTS.—Section 605(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c(b)) is amended by striking “The provisions of subsection (a)” and inserting “The provisions of paragraphs (1) through (5) of subsection (a)”

(d) COORDINATION WITH OTHER LAWS.—No provision of any amendment made by this section shall be construed as altering, affecting, or superseding the applicability of any other provision of Federal law relating to medical confidentiality.

(e) FTC REGULATION OF CODING OF TRADE NAMES.—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s), as amended by this Act, is amended by adding at the end the following:

“(g) FTC REGULATION OF CODING OF TRADE NAMES.—If the Commission determines that a person described in paragraph (9) of section 623(a) has not met the requirements of such paragraph, the Commission 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.”

(f) TECHNICAL AND CONFORMING AMENDMENTS.—Section 604(g) of the Fair Credit Reporting Act (15 U.S.C. 1681b(g)), as amended by section 411 of this Act, is amended—

(1) in paragraph (1), by inserting “(other than medical contact information treated in the manner required under section 605(a)(6))” after “a consumer report that contains medical information”; and

(2) in paragraph (2), by inserting “(other than medical information treated in the manner required under section 605(a)(6))” after “a creditor shall not obtain or use medical information”.

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 15-month period beginning on the date of enactment of this Act.

### TITLE V—FINANCIAL LITERACY AND EDUCATION IMPROVEMENT

#### SEC. 511. SHORT TITLE.

This title may be cited as the “Financial Literacy and Education Improvement Act”.

#### SEC. 512. DEFINITIONS.

As used in this title—

(1) the term “Chairperson” means the Chairperson of the Financial Literacy and Education Commission; and

(2) the term “Commission” means the Financial Literacy and Education Commission established under section 513.

#### SEC. 513. ESTABLISHMENT OF FINANCIAL LITERACY AND EDUCATION COMMISSION.

(a) IN GENERAL.—There is established a commission to be known as the “Financial Literacy and Education Commission”.

(b) PURPOSE.—The Commission shall serve to improve the financial literacy and education of persons in the United States through development of a national strategy to promote financial literacy and education.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of—

(A) the Secretary of the Treasury;

(B) the respective head of each of the Federal banking agencies (as defined in section 3 of the

Federal Deposit Insurance Act), the National Credit Union Administration, the Securities and Exchange Commission, each of the Departments of Education, Agriculture, Defense, Health and Human Services, Housing and Urban Development, Labor, and Veterans Affairs, the Federal Trade Commission, the General Services Administration, the Small Business Administration, the Social Security Administration, the Commodity Futures Trading Commission, and the Office of Personnel Management; and

(C) at the discretion of the President, not more than 5 individuals appointed by the President from among the administrative heads of any other Federal agencies, departments, or other Federal Government entities, whom the President determines to be engaged in a serious effort to improve financial literacy and education.

(2) ALTERNATES.—Each member of the Commission may designate an alternate if the member is unable to attend a meeting of the Commission. Such alternate shall be an individual who exercises significant decisionmaking authority.

(d) CHAIRPERSON.—The Secretary of the Treasury shall serve as the Chairperson.

(e) MEETINGS.—The Commission shall hold, at the call of the Chairperson, at least 1 meeting every 4 months. All such meetings shall be open to the public. The Commission may hold, at the call of the Chairperson, such other meetings as the Chairperson sees fit to carry out this title.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) INITIAL MEETING.—The Commission shall hold its first meeting not later than 60 days after the date of enactment of this Act.

#### SEC. 514. DUTIES OF THE COMMISSION.

(a) DUTIES.—

(1) IN GENERAL.—The Commission, through the authority of the members referred to in section 513(c), shall take such actions as it deems necessary to streamline, improve, or augment the financial literacy and education programs, grants, and materials of the Federal Government, including curricula for all Americans.

(2) AREAS OF EMPHASIS.—To improve financial literacy and education, the Commission shall emphasize, among other elements, basic personal income and household money management and planning skills, including how to—

(A) create household budgets, initiate savings plans, and make strategic investment decisions for education, retirement, home ownership, wealth building, or other savings goals;

(B) manage spending, credit, and debt, including credit card debt, effectively;

(C) increase awareness of the availability and significance of credit reports and credit scores in obtaining credit, the importance of their accuracy (and how to correct inaccuracies), their effect on credit terms, and the effect common financial decisions may have on credit scores;

(D) ascertain fair and favorable credit terms;

(E) avoid abusive, predatory, or deceptive credit offers and financial products;

(F) understand, evaluate, and compare financial products, services, and opportunities;

(G) understand resources that ought to be easily accessible and affordable, and that inform and educate investors as to their rights and avenues of recourse when an investor believes his or her rights have been violated by unprofessional conduct of market intermediaries;

(H) increase awareness of the particular financial needs and financial transactions (such as the sending of remittances) of consumers who are targeted in multilingual financial literacy and education programs and improve the development and distribution of multilingual financial literacy and education materials;

(I) promote bringing individuals who lack basic banking services into the financial mainstream by opening and maintaining an account with a financial institution; and

(J) improve financial literacy and education through all other related skills, including personal finance and related economic education,

with the primary goal of programs not simply to improve knowledge, but rather to improve consumers' financial choices and outcomes.

(b) WEBSITE.—

(1) IN GENERAL.—The Commission shall establish and maintain a website, such as the domain name "FinancialLiteracy.gov", or a similar domain name.

(2) PURPOSES.—The website established under paragraph (1) shall—

(A) serve as a clearinghouse of information about Federal financial literacy and education programs;

(B) provide a coordinated entry point for accessing information about all Federal publications, grants, and materials promoting enhanced financial literacy and education;

(C) offer information on all Federal grants to promote financial literacy and education, and on how to target, apply for, and receive a grant that is most appropriate under the circumstances;

(D) as the Commission considers appropriate, feature website links to efforts that have no commercial content and that feature information about financial literacy and education programs, materials, or campaigns; and

(E) offer such other information as the Commission finds appropriate to share with the public in the fulfillment of its purpose.

(c) TOLL-FREE HOTLINE.—The Commission shall establish a toll-free telephone number that shall be made available to members of the public seeking information about issues pertaining to financial literacy and education.

(d) DEVELOPMENT AND DISSEMINATION OF MATERIALS.—The Commission shall—

(1) develop materials to promote financial literacy and education; and

(2) disseminate such materials to the general public.

(e) COORDINATION OF EFFORTS.—The Commission shall take such steps as are necessary to coordinate and promote financial literacy and education efforts at the State and local level, including promoting partnerships among Federal, State, and local governments, nonprofit organizations, and private enterprises.

(f) NATIONAL STRATEGY.—

(1) IN GENERAL.—The Commission shall—

(A) not later than 18 months after the date of enactment of this Act, develop a national strategy to promote basic financial literacy and education among all American consumers; and

(B) coordinate Federal efforts to implement the strategy developed under subparagraph (A).

(2) STRATEGY.—The strategy to promote basic financial literacy and education required to be developed under paragraph (1) shall provide for—

(A) participation by State and local governments and private, nonprofit, and public institutions in the creation and implementation of such strategy;

(B) the development of methods—

(i) to increase the general financial education level of current and future consumers of financial services and products; and

(ii) to enhance the general understanding of financial services and products;

(C) review of Federal activities designed to promote financial literacy and education, and development of a plan to improve coordination of such activities; and

(D) the identification of areas of overlap and duplication among Federal financial literacy and education activities and proposed means of eliminating any such overlap and duplication.

(3) NATIONAL STRATEGY REVIEW.—The Commission shall, not less than annually, review the national strategy developed under this subsection and make such changes and recommendations as it deems necessary.

(g) CONSULTATION.—The Commission shall actively consult with a variety of representatives from private and nonprofit organizations and State and local agencies, as determined appropriate by the Commission.

(h) REPORTS.—

(1) IN GENERAL.—Not later than 18 months after the date of the first meeting of the Commission, and annually thereafter, the Commission shall issue a report, the Strategy for Assuring Financial Empowerment ("SAFE Strategy"), to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the progress of the Commission in carrying out this title.

(2) CONTENTS.—The report required under paragraph (1) shall include—

(A) the national strategy for financial literacy and education, as described under subsection (f);

(B) information concerning the implementation of the duties of the Commission under subsections (a) through (g);

(C) an assessment of the success of the Commission in implementing the national strategy developed under subsection (f);

(D) an assessment of the availability, utilization, and impact of Federal financial literacy and education materials;

(E) information concerning the content and public use of—

(i) the website established under subsection (b); and

(ii) the toll-free telephone number established under subsection (c);

(F) a brief survey of the financial literacy and education materials developed under subsection (d), and data regarding the dissemination and impact of such materials, as measured by improved financial decisionmaking;

(G) a brief summary of any hearings conducted by the Commission, including a list of witnesses who testified at such hearings;

(H) information about the activities of the Commission planned for the next fiscal year;

(I) a summary of all Federal financial literacy and education activities targeted to communities that have historically lacked access to financial literacy materials and education, and have been underserved by the mainstream financial systems; and

(J) such other materials relating to the duties of the Commission as the Commission deems appropriate.

(3) INITIAL REPORT.—The initial report under paragraph (1) shall include information regarding all Federal programs, materials, and grants which seek to improve financial literacy, and assess the effectiveness of such programs.

(i) TESTIMONY.—The Commission shall annually provide testimony by the Chairperson to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

**SEC. 515. POWERS OF THE COMMISSION.**

(a) HEARINGS.—

(1) IN GENERAL.—The Commission shall hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems appropriate to carry out this title.

(2) PARTICIPATION.—In hearings held under this subsection, the Commission shall consider inviting witnesses from, among other groups—

(A) other Federal Government officials;

(B) State and local government officials;

(C) consumer and community groups;

(D) nonprofit financial literacy and education groups (such as those involved in personal finance and economic education); and

(E) the financial services industry.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this title. Upon request of the Chairperson, the head of such department or agency shall furnish such information to the Commission.

(c) PERIODIC STUDIES.—The Commission may conduct periodic studies regarding the state of financial literacy and education in the United

States, as the Commission determines appropriate.

(d) MULTILINGUAL.—The Commission may take any action to develop and promote financial literacy and education materials in languages other than English, as the Commission deems appropriate, including for the website established under section 514(b), at the toll-free number established under section 514(c), and in the materials developed and disseminated under section 514(d).

**SEC. 516. COMMISSION PERSONNEL MATTERS.**

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall serve without compensation in addition to that received for their service as an officer or employee of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) ASSISTANCE.—

(1) IN GENERAL.—The Director of the Office of Financial Education of the Department of the Treasury shall provide assistance to the Commission, upon request of the Commission, without reimbursement.

(2) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

**SEC. 517. STUDIES BY THE COMPTROLLER GENERAL.**

(a) EFFECTIVENESS STUDY.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to Congress assessing the effectiveness of the Commission in promoting financial literacy and education.

(b) STUDY AND REPORT ON THE NEED AND MEANS FOR IMPROVING FINANCIAL LITERACY AMONG CONSUMERS.—

(1) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study to assess the extent of consumers' knowledge and awareness of credit reports, credit scores, and the dispute resolution process, and on methods for improving financial literacy among consumers.

(2) FACTORS TO BE INCLUDED.—The study required under paragraph (1) shall include the following issues:

(A) The number of consumers who view their credit reports.

(B) Under what conditions and for what purposes do consumers primarily obtain a copy of their consumer report (such as for the purpose of ensuring the completeness and accuracy of the contents, to protect against fraud, in response to an adverse action based on the report, or in response to suspected identity theft) and approximately what percentage of the total number of consumers who obtain a copy of their consumer report do so for each such primary purpose.

(C) The extent of consumers' knowledge of the data collection process.

(D) The extent to which consumers know how to get a copy of a consumer report.

(E) The extent to which consumers know and understand the factors that positively or negatively impact credit scores.

(3) REPORT REQUIRED.—Before the end of the 12-month period beginning on the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the findings and conclusions of the Comptroller General pursuant to the study conducted under this subsection, together with such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate, including recommendations on methods for improving financial literacy among consumers.

**SEC. 518. THE NATIONAL PUBLIC SERVICE MULTIMEDIA CAMPAIGN TO ENHANCE THE STATE OF FINANCIAL LITERACY.**

(a) *IN GENERAL.*—The Secretary of the Treasury (in this section referred to as the “Secretary”), after review of the recommendations of the Commission, as part of the national strategy, shall develop, implement, and conduct a pilot national public service multimedia campaign to enhance the state of financial literacy and education in the United States.

**(b) PROGRAM REQUIREMENTS.—**

(1) *PUBLIC SERVICE CAMPAIGN.*—The Secretary, after review of the recommendations of the Commission, shall select and work with a nonprofit organization or organizations that are especially well-qualified in the distribution of public service campaigns, and have secured private sector funds to produce the pilot national public service multimedia campaign.

(2) *DEVELOPMENT OF MULTIMEDIA CAMPAIGN.*—The Secretary, after review of the recommendations of the Commission, shall develop, in consultation with nonprofit, public, or private organizations, especially those that are well qualified by virtue of their experience in the field of financial literacy and education, to develop the financial literacy national public service multimedia campaign.

(3) *FOCUS OF CAMPAIGN.*—The pilot national public service multimedia campaign shall be consistent with the national strategy, and shall promote the toll-free telephone number and the website developed under this title.

(c) *MULTILINGUAL.*—The Secretary may develop the multimedia campaign in languages other than English, as the Secretary deems appropriate.

(d) *PERFORMANCE MEASURES.*—The Secretary shall develop measures to evaluate the effectiveness of the pilot national public service multimedia campaign, as measured by improved financial decision making among individuals.

(e) *REPORT.*—For each fiscal year for which there are appropriations pursuant to the authorization in subsection (e), the Secretary shall submit a report to the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate and the Committee on Financial Services and the Committee on Appropriations of the House of Representatives, describing the status and implementation of the provisions of this section and the state of financial literacy and education in the United States.

(f) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated to the Secretary, not to exceed \$3,000,000 for fiscal years 2004, 2005, and 2006, for the development, production, and distribution of a pilot national public service multimedia campaign under this section.

**SEC. 519. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to the Commission such sums as may be necessary to carry out this title, including administrative expenses of the Commission.

**TITLE VI—PROTECTING EMPLOYEE MISCONDUCT INVESTIGATIONS**

**SEC. 611. CERTAIN EMPLOYEE INVESTIGATION COMMUNICATIONS EXCLUDED FROM DEFINITION OF CONSUMER REPORT.**

(a) *IN GENERAL.*—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as amended by this Act is amended by adding at the end the following:

“(x) *EXCLUSION OF CERTAIN COMMUNICATIONS FOR EMPLOYEE INVESTIGATIONS.*—

“(i) *COMMUNICATIONS DESCRIBED IN THIS SUBSECTION.*—A communication is described in this subsection if—

“(A) but for subsection (d)(2)(D), the communication would be a consumer report;

“(B) the communication is made to an employer in connection with an investigation of—

“(i) suspected misconduct relating to employment; or

“(ii) compliance with Federal, State, or local laws and regulations, the rules of a self-regulatory organization, or any preexisting written policies of the employer;

“(C) the communication is not made for the purpose of investigating a consumer’s credit worthiness, credit standing, or credit capacity; and

“(D) the communication is not provided to any person except—

“(i) to the employer or an agent of the employer;

“(ii) to any Federal or State officer, agency, or department, or any officer, agency, or department of a unit of general local government;

“(iii) to any self-regulatory organization with regulatory authority over the activities of the employer or employee;

“(iv) as otherwise required by law; or

“(v) pursuant to section 608.

“(2) *SUBSEQUENT DISCLOSURE.*—After taking any adverse action based in whole or in part on a communication described in paragraph (1), the employer shall disclose to the consumer a summary containing the nature and substance of the communication upon which the adverse action is based, except that the sources of information acquired solely for use in preparing what would be but for subsection (d)(2)(D) an investigative consumer report need not be disclosed.

“(3) *SELF-REGULATORY ORGANIZATION DEFINED.*—For purposes of this subsection, the term ‘self-regulatory organization’ includes any self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934), any entity established under title I of the Sarbanes-Oxley Act of 2002, any board of trade designated by the Commodity Futures Trading Commission, and any futures association registered with such Commission.”.

(b) *TECHNICAL AND CONFORMING AMENDMENT.*—Section 603(d)(2)(D) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)(2)(D)) is amended by inserting “or (x)” after “subsection (a)”.

**TITLE VII—RELATION TO STATE LAWS**

**SEC. 711. RELATION TO STATE LAWS.**

Section 625 of the Fair Credit Reporting Act (15 U.S.C. 1681t), as so designated by section 214 of this Act, is amended—

(1) in subsection (a), by inserting “or for the prevention or mitigation of identity theft,” after “information on consumers,”;

(2) in subsection (b), by adding at the end the following:

“(5) with respect to the conduct required by the specific provisions of—

“(A) section 605(g);

“(B) section 605A;

“(C) section 605B;

“(D) section 609(a)(1)(A);

“(E) section 612(a);

“(F) subsections (e), (f), and (g) of section 615;

“(G) section 621(f);

“(H) section 623(a)(6); or

“(I) section 628.”; and

(3) in subsection (d)—

(A) by striking paragraph (2);

(B) by striking “(c)—” and all that follows through “do not affect” and inserting “(c) do not affect”; and

(C) by striking “1996; and” and inserting “1996.”.

**TITLE VIII—MISCELLANEOUS**

**SEC. 811. CLERICAL AMENDMENTS.**

(a) *SHORT TITLE.*—Section 601 of the Fair Credit Reporting Act (15 U.S.C. 1601 note) is amended by striking “the Fair Credit Reporting Act.” and inserting “the ‘Fair Credit Reporting Act.’”.

(b) *SECTION 604.*—Section 604(a) of the Fair Credit Reporting Act (15 U.S.C. 1681b(a)) is amended in paragraphs (1) through (5), other than subparagraphs (E) and (F) of paragraph (3), by moving each margin 2 ems to the right.

(c) *SECTION 605.*—

(1) Section 605(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(1)) is amended by striking “(1) cases” and inserting “(1) Cases”.

(2)(A) Section 5(1) of Public Law 105-347 (112 Stat. 3211) is amended by striking “Judgments which” and inserting “judgments which”.

(B) The amendment made by subparagraph (A) shall be deemed to have the same effective date as section 5(1) of Public Law 105-347 (112 Stat. 3211).

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

(1) in paragraph (2), by moving the margin 2 ems to the right; and

(2) in paragraph (3)(C), by moving the margins 2 ems to the left.

(e) *SECTION 617.*—Section 617(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681o(a)(1)) is amended by adding “and” at the end.

(f) *SECTION 621.*—Section 621(b)(1)(B) of the Fair Credit Reporting Act (15 U.S.C. 1681s(b)(1)(B)) is amended by striking “25(a)” and inserting “25A”.

(g) *TITLE 31.*—Section 5318 of title 31, United States Code, is amended by redesignating the second item designated as subsection (l) (relating to applicability of rules) as subsection (m).

(h) *CONFORMING AMENDMENT.*—Section 2411(c) of Public Law 104-208 (110 Stat. 3009-445) is repealed.

And the Senate agreed to the same.

For consideration of the House bill and the Senate amendment, and modifications committed to conference:

MICHAEL G. OXLEY,  
DOUG BEREUTER,  
SPENCER BACHUS,  
MIKE CASTLE,  
ED ROYCE,  
ROBERT W. NEY,  
SUE KELLY,  
PAUL GILLMOR,  
STEVEN C. LATOURETTE,  
JUDY BIGGERT,  
PETE SESSIONS,  
BARNEY FRANK,  
PAUL E. KANJORSKI,  
MELVIN L. WATT,  
LUIS V. GUTIERREZ,  
DARLENE HOOLEY,  
DENNIS MOORE,

*Managers on the Part of the House.*

RICHARD SHELBY,  
ROBERT F. BENNETT,  
WAYNE ALLARD,  
MICHAEL B. ENZI,  
PAUL SARBANES,  
CHRISTOPHER J. DODD,  
TIM JOHNSON,

*Managers on the Part of the Senate.*

**JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE**

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H.R. 2622) to amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The Committee of Conference met on November

21, 2003 (the Senate Chairing) and resolved their differences. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

The Fair Credit Reporting Act was enacted in 1970, and substantially amended in 1996. The amendments made at that time were necessary to make the law relevant in an information age. Included in the 1996 amendment were a number of provisions that explicitly preempt state laws. These preemptions expire on January 1, 2004.

Since 1996, the national credit markets have undergone significant change. Most of these changes were the result of technological innovations. Technology has expanded the availability of credit, and permitted instant credit decisions. Mortgage financing that once took weeks now takes hours, and home ownership rates are at historic highs. Consumer credit can be obtained at the point of sale for major items like automobiles. Technology and the prudently-regulated free flow of consumer information under the FCRA has made much of this possible. We live in a mobile society in which 40 million Americans move annually. The FCRA permits consumers to transport their credit with them wherever they go. Both Committees of jurisdiction have developed detailed records regarding the benefits that our national credit reporting system has visited upon consumers of financial products.

Despite the myriad benefits of technology to the American consumer, there has been one drawback. Namely, the free flow information has enabled the explosive growth of a new crime—identity theft. Both Committees developed comprehensive hearing records regarding the growth of this crime, and the havoc it visits upon the lives of its victims. Law enforcement professionals are cognizant of the growth of this crime, and have worked with the affected industries to combat it. While criminal prosecutions and strict fraud detection protocols can curtail identity theft, and punish the wrongdoers, not enough had been done heretofore to aid the real victims of this crime—the consumer whose identity is assumed, and can spend months or years trying to rehabilitate their credit and re-order their affairs.

The House bill and the Senate amendment contain a number of identical provisions. In other instances, the provisions in the respective bills addressed the same issue in a slightly different manner. Both the House bill and the Senate amendment addressed the provisions of the FCRA that preempted state laws, and are due to expire on January 1, 2004. Both bills addressed identity theft, medical information privacy and promote greater consumer access to their credit reports.

The House bill, H.R. 2622, and the bill that served as the core of the Senate amendment (S. 1753) are each the result of an extensive deliberative and legislative process with a three-fold purpose: to assist the victims of identity theft; modernize the FCRA and; enhance the national credit reporting system. Readers should refer to the Committee Reports for the respective bills for further elaboration. The conference agreement contains provisions to accomplish these goals. It is the conferees' belief that this legislation will assist the victims of identity theft, and ensure the operational efficiency of our national credit system by creating a number of preemptive national standards.

For consideration of the House bill and the Senate amendment, and modifications committed to conference:

MICHAEL G. OXLEY,  
DOUG BERREUTER,  
SPENCER BACHUS,  
MIKE CASTLE,  
ED ROYCE,  
ROBERT W. NEY,  
SUE KELLY,  
PAUL GILLMOR  
STEVEN C. LATOURETTE,  
JUDY BIGGERT,  
PETE SESSIONS,  
BARNEY FRANK,  
PAUL E. KANJORSKI,  
MELVIN L. WATT,  
LUIS V. GUTIERREZ,  
DARLENE HOOLEY,  
DENNIS MOORE,

*Managers on the Part of the House.*

RICHARD SHELBY,  
ROBERT F. BENNETT,  
WAYNE ALLARD,  
MICHAEL B. ENZI,  
PAUL SARBANES,  
CHRISTOPHER J. DODD,  
TIM JOHNSON,

*Managers on the Part of the Senate.*

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 2622) to amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes.

The Clerk read the title of the bill.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report and insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I am proud to bring before the House today the conference report on H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003. This is a bipartisan bill that will foster economic growth and development throughout this country. When 9/11 hit our country, Congress responded quickly with the passage of the USA PATRIOT Act and the Terrorism Risk Insurance Act. When corporate scandals threatened to undermine the integrity of the stock market, we responded with the passage of the Sarbanes-Oxley Act. And today, as the laws governing our national credit markets are set to expire, we must again respond swiftly and responsibly with the passage of this bipartisan solution to keep the American economy stable and growing

and assure that the American consumer continues to enjoy the benefits of a robust national credit granting system.

□ 1800

One of the hallmarks of the modern U.S. economy is quick and convenient access to consumer credit. Though it would seem unimaginable a generation ago, consumers can now qualify for a mortgage over the telephone, walk into a showroom and finance the purchase of a car in one sitting, and get department store credit within minutes. As the distinguished Federal Trade Commission chairman Tim Muris has stated, the "miracle of instant credit" created by our national credit reporting system has given American consumers a level of access to financial services and products that is unrivaled anywhere in the world. The protection and growth of these services, as provided for in this legislation, are critical to the success of our economy.

Since the Fair Credit Reporting Act's uniform national standards were established in 1996, we have achieved some of the lowest mortgage rates and credit rates on record, with more competition and more offerings for consumers than ever before. This has led to the record level of credit available today to all Americans, regardless of income level. Over the past 30 years, the availability of nonmortgage credit to households in the lowest income bracket has increased by nearly 70 percent, including a nearly threefold increase in the number of low-income households owning credit cards just in this last decade. The increase of available credit, coupled with the declining price of this credit, has also fueled the record homeownership levels we are experiencing today, again with the largest gains achieved by low- and moderate-income groups. These improvements in the credit and mortgage systems have saved consumers nearly \$100 billion annually, according to some estimates.

In addition to preserving our vital national credit system, this legislation is an extremely comprehensive consumer protection bill. The protections are designed to meet head-on the growing crime of identity theft which has accompanied the expanding credit market in our country. The FTC released a study in early September which revealed the damaging extent of this crime in our country. Ten million Americans were victimized by identity thieves last year alone, costing consumers and businesses over \$55 billion, not counting the 300 million hours spent by victims to try to repair damaged credit records. The financial costs are staggering, with over \$10,000 stolen in the average fraud.

The Committee on Financial Services has worked tirelessly to explore and find solutions to this destructive crime. Over 100 witnesses have come before the committee since last April to discuss the renewal of the Fair Credit Reporting Act, and many of them focused their statements on the urgent

need to increase safeguards designed to protect consumers and businesses alike from this crime. With the bipartisan support in the House, as well as valuable input and assistance from our friends in the Senate, we have a bill before us today that empowers both consumers and businesses as we attempt to eliminate this terrible crime. Congress needs to pass strong, uniform identity theft protection; and it needs to do it now.

This conference report preserves many key elements designed to fight identity theft from the bill that passed the House with close to 400 votes. These strong new identity theft provisions standards established by the bill will be national, ensuring uniform protection for consumers in all 50 States.

This legislation includes provisions that allow consumers to place fraud alerts, allowing consumers to block information from being given to a credit bureau, providing identity theft victims with a summary of their rights, giving consumers the right to see their credit scores, giving all consumers the right to a free copy of their credit report, restricting access to consumers' sensitive health information, simplifying the way consumers can limit unsolicited marketing offers, ensuring improved accuracy of credit reporting procedures, and providing consumers with one-call-for-all protection by requiring credit bureaus to share consumer calls on identity theft, including requested fraud alert blocking.

This legislation also provides valuable tools and resources to financial institutions to ensure accuracy and prevent identity theft. These provisions include requiring creditors to take certain precautions before extending credit to consumers who have placed fraud alerts in their files; prohibiting merchants from printing more than the last five digits of a payment card on an electronic receipt, and others.

Mr. Speaker, this is a rather lengthy and long statement, and I will submit this for the RECORD.

I want to thank my ranking member, the gentleman from Massachusetts, for taking on this challenging and important legislation. Also to the chairman of our Subcommittee on Financial Institutions, the gentleman from Alabama (Mr. BACHUS), who sat through hours of hearings, over 100 witnesses in eight separate hearings; to Chairman SHELBY who chaired the conference committee and also, of course, is the chairman of the Banking Committee in the Senate, as well as Ranking Member Sarbanes for working in good faith on this effort.

Mr. Speaker, this was indeed truly a bipartisan, bicameral effort. We worked very closely with the White House and the Treasury to put together this conference report. This is good public policy. It is good for the country's economy, maintaining this constant flow of credit that we have come to take for granted. This is positive legislation, and I urge all Members to give it their strong support.

This legislation also provides valuable tools and resources to financial institutions to ensure accuracy and prevent identity theft. These provisions include:

Requiring creditors to take certain precautions before extending credit to consumers who have placed "fraud alerts" in their files; prohibiting merchants from printing more than the last 5 digits of a payment card on an electronic receipt; requiring banks to develop policies and procedures to identify potential instances of identity theft; and requiring financial institutions to reconcile potentially fraudulent consumer address information.

It is our duty to protect our national credit system and the economic growth that this system promotes by continuing to provide Americans with the most affordable and accessible credit market in the world today. We must ensure that the U.S. remains the engine of growth for the global economy.

I want to thank my ranking member from Massachusetts, Mr. FRANK, for taking on this challenging and imperative legislative project and for engaging all the major stakeholders in crafting a bipartisan piece of well balanced, highly effective legislation. I would also like to thank my friends from the Senate Banking Committee, Chairman SHELBY and Ranking Member SARBANES, for working in good faith to resolve differences between the House and Senate products. And finally, a huge debt of gratitude is owed by Members of this body to the gentleman from Alabama, SPENCER BACHUS, who wrote the House version of this bill; presided over countless hearings in his capacity as Chairman of the Financial Institutions and Consumer Credit Subcommittee; and helped lead the House conferees to a successful outcome in our negotiations with the Senate. Without the gentleman from Alabama, we would not be standing on the House floor today about to pass this historic consumer protection legislation.

The final FCRA legislation states that no requirement or prohibition may be imposed under the laws of any State with respect to the conduct required under the nine specific provisions included in the new identity theft preemption provision of the law. Accordingly, States cannot act to impose any requirements or prohibitions with respect to the conduct addressed by any of these provisions or the conduct addressed by any of the federal regulations adopted under these nine provisions. All of the rules and requirements governing the conduct of any person in these areas are governed solely by federal law and any State that attempts to impose requirements or prohibitions in these areas would be preempted.

I should note that the legislation lists the provisions to be preempted. However, to the extent such provisions would enjoy preemption under another provision in the FCRA, the other provision would control.

One of the central elements of the approach taken by the bill that the House passed overwhelmingly last September was to make the new fraud prevention and mitigation provisions contained in the legislation the new uniform national standards on those subject matters. The bill was drafted in this way because identity theft is a national concern, not only because of its impact on our system of granting credit, but because it knows no boundaries. The consumer victim may be in one State, the financial institution victim in another State, and the perpetrator may be in a third State. The

credit bureaus that receive and report information relating to a fraudulent account may be in yet a fourth State.

In drafting the House bill, we were careful to stipulate—and to clarify in a colloquy on the House floor among the gentleman from Massachusetts, Mr. FRANK, the gentleman from Alabama, Mr. BACHUS, and myself—that the uniform national standards for identity theft were limited to the subject matters that the bill's provisions actually address, such as fraud alerts, blocking bad credit information, and truncating credit card account numbers at the point of sale. Thus, for example, this national uniformity would not affect State criminal statutes, or State laws governing the public display of social security numbers.

The conference committee further refined this standard, by providing that the new uniform national standards on identity theft created by this legislation apply with respect to the conduct required by those specific provisions.

I strongly urge my colleagues to vote for this Conference Report.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I am glad to yield 2½ minutes to the gentlewoman from Oregon (Ms. HOOLEY), a member of this committee who really did extraordinarily good work here and who early on became our task force head on identity theft, and this bill is really path-breaking in what it does for identity theft.

Ms. HOOLEY of Oregon. Mr. Speaker, I thank my good friend, the gentleman from Massachusetts, for yielding me this time.

During floor debate of the Fair and Accurate Credit Transaction Act back in September, I told a story of a constituent who had her purse stolen and ended up spending hours trying to clean up her credit files as a result. It got so bad, in fact, that the police officer suggested it would be easier for her to change her name than to deal with the damage caused by the result of a theft. At that time, I continued on to say that something is wrong with the law when a law enforcement official suggests changing your identity in order to protect yourself from identity theft.

Well, I am ecstatic to report to everyone that after 4 years' struggle, the law is changing. Today the House and Senate conferees met and approved the Fair and Accurate Credit Transaction Act, a bill that will do many things to protect consumers and safeguard our Nation's credit system. Above all, however, this legislation will put in place landmark protections against identity theft, the fastest-growing crime in the United States.

This legislation has been a long time coming and is the result of a lot of hard work by a number of Members of Congress. I would especially like to thank the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Ohio (Mr. OXLEY) for all of their incredible work; Senator SARBANES and Senator SHELBY for the leadership they have shown through a bipartisan conference process; and a special thanks to

the gentleman from Alabama (Mr. BACHUS) and the gentleman from Ohio (Mr. LATOURETTE) for the long hours they put in on this piece of legislation. Because of these leaders' work and the incredible staff that worked with us, we have a conference report that takes the best provisions from the Senate and the best provisions from the House to pass this piece of legislation.

I will share a few of the consumer protections it provides, and I will insert the remainder of this list in the CONGRESSIONAL RECORD.

First of all, it provides consumers with a free credit report, gives consumers the right to see their credit scores, provides consumers with broad new medical privacy rights, gives the consumers the ability to opt out of information-sharing between affiliated companies for marketing purposes, and establishes a financial literacy commission. Those are just a few.

I am proud of how the committee worked together. I think we were the poster child of how this process should be run. I am proud of the substance of this conference report that is good for consumers and good for businesses. I urge all of my colleagues on both sides of the aisle to support our Nation's consumers by voting "yes" for the conference report.

The agreement reached by conferees today will:

**General Provisions:**

Provide consumers with a free credit report every year from each of the three national credit bureaus, from a single centralized source;

Give consumers the right to see their credit scores;

Provide consumers with broad new medical privacy rights;

Give consumers the ability to opt-out of information sharing between affiliated companies for marketing purposes;

Establish a financial literacy commission and a national financial literacy campaign;

Ensure that consumers are notified if merchants are going to report negative information to the credit bureaus about them; and

Extend the seven expiring provisions of the Fair Credit Reporting Act.

**Identify Theft Provisions:**

Allow consumers to place "fraud alerts" in their credit reports to prevent identify thieves from opening accounts in their names; including special provisions to protect active duty military personnel;

Require creditors to take certain precautions before extending credit to consumers who have placed "fraud alerts" in their files;

Allow consumers to block information from being given to a credit bureau and from being reported by a credit bureau if such information results from identify theft;

Provide identify theft victims with a summary of their rights;

Provide consumers with one-call-for-all protection by requiring credit bureaus to share consumer calls on identify theft, including requested fraud alert blocking.

Prohibiting merchants from printing more than the last 5 digits of a payment card on an electronic receipt;

Require banks to develop policies and procedures to identify potential instances of identify theft;

Require financial institutions to reconcile potentially fraudulent consumer address information; and

Require lenders to disclose their contact information on consumer reports.

Mr. OXLEY. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Alabama (Mr. BACHUS), the chairman of the Subcommittee on Financial Institutions and Consumer Credit, who has done such a wonderful job on this bill.

Mr. BACHUS. Mr. Speaker, I thank the chairman for yielding me this time.

I am going to limit my time to thanking Members, because this legislation I think more than anything is a testimony of what we as Members do when we all work in the best interests of the American public.

This bill contains sweeping new protections against identity fraud. It also will enable consumers, which make up 70 percent of our economy, to have available more credit and more choices. And as important as that is, it does a third thing. It has many different tools to ensure that our credit information is accurately reported and that our private information and confidential information such as medical records are not shared.

At this time, I would like to thank the cosponsors. This bill was introduced by me; the gentlewoman from Oregon (Ms. HOOLEY), whom we have heard from; the gentlewoman from Illinois (Mrs. BIGGERT); and the gentleman from Kansas (Mr. MOORE). The gentlewoman from Oregon (Ms. HOOLEY), the gentlewoman from Illinois (Mrs. BIGGERT), and the gentleman from Kansas (Mr. MOORE) all had significant input into this legislation. The gentleman from Ohio (Mr. LATOURETTE), a lot of the fraud provisions were drafted by him or the gentlewoman from Oregon (Ms. HOOLEY). The gentleman from Pennsylvania (Mr. KANJORSKI), the gentleman from Delaware (Mr. CASTLE), the gentlewoman from New York (Mrs. MALONEY), the gentleman from Arizona (Mr. SHADEGG), the gentleman from Tennessee (Mr. FORD), the gentleman from Ohio (Mr. TIBERI), the gentleman from Texas (Mr. HINOJOSA), the gentleman from Texas (Mr. HENSARLING), the gentleman from New York (Mr. CROWLEY), the gentleman from Texas (Mr. SESSIONS), the gentleman from Arizona (Mr. ROSS), the gentleman from Utah (Mr. MATHESON), the gentleman from Alabama (Mr. DAVIS), the gentleman from Louisiana (Mr. BAKER), the gentleman from New York (Mr. KING), the gentleman from Oklahoma (Mr. LUCAS), and the gentleman from Kentucky (Mr. LUCAS), the gentleman from Ohio (Mr. NEY), the gentlewoman from New York (Mrs. KELLY), the gentleman from North Carolina (Mr. JONES), the gentleman from New York (Mr. ISRAEL), the gentlewoman from Pennsylvania (Ms. HART), the gentleman from North Carolina (Mr. MILLER), the gentlewoman from West Virginia (Mrs. CAPITO), the gentlewoman from New York (Mrs. MCCARTHY), the gentleman from South Carolina (Mr. BARRETT), the gentleman

from Florida (Mr. FEENEY), and the gentlewoman from Florida (Ms. HARRIS).

All of these Members participated in this process, and the bill, which was passed almost unanimously by the House, went over to the Senate; and I would like to credit the other body for working, I think, in a professional manner and improving what we thought was a wonderful bill. And then, in conference, I would finally like to salute the gentleman from Ohio (Chairman OXLEY), first, for giving me the opportunity of working on this legislation; and secondly, I would like to salute him and the gentleman from Massachusetts (Mr. FRANK), our conferees, Mr. SARBANES and Chairman SHELBY. All of the people I have named deserve particular praise for a wonderful piece of legislation.

Mr. Speaker, I rise in strong support of the conference report to H.R. 2622, the Fair and Accurate Credit Transactions Act ("FACT Act"). H.R. 2622 represents the culmination of my efforts, and those of my colleagues, to craft legislation to strengthen our economy and to provide consumers with meaningful identity theft protections. The FACT Act is the bi-partisan product of a thorough review of the Fair Credit Reporting Act ("FCRA"), identity theft, and related issues. Indeed, the legislation was approved overwhelmingly in the House by a vote of 392-30 and in the Senate by a vote of 95-2.

I want to express my deepest sense of gratitude to Chairman OXLEY who gave me the opportunity to introduce this landmark piece of legislation and then skillfully guided it through the legislative process. In my career as a legislator, it is only on a rare occasion when you get the chance to draft legislation in such a bipartisan and cooperative atmosphere. The Chairman deserves a lot of credit for establishing such a collegial process, and I think our legislative product is better because of his efforts.

As Chairman of the Subcommittee on Financial Institutions and Consumer Credit, I conducted 8 hearings on the FCRA and related issues over the past year, receiving testimony from nearly one hundred witnesses including consumer groups, businesses, law enforcement, and various government regulators. On June 26, 2003, I introduced H.R. 2622 with Representatives HOOLEY, BIGGERT, and MOORE. The FACT Act—a byproduct of our hearings and bipartisan cooperation—passed its version of FCRA legislation—S. 1753—by a vote of 95-2. This week, the conference report to H.R. 2622 was approved almost unanimously by the conferees from both the House and Senate. H.R. 2622 is supported by a broad coalition of interested parties, including large financial institutions, community banks, credit unions, retailers as well as the Administration.

H.R. 2622 will benefit consumers and our economy by ensuring the continuity of our national uniform credit system. Indeed, our economy depends on several national delivery systems—each represented by incredible amounts of investment and infrastructure. For example, the national interstate highway system and our telecommunications networks are all critical to our national economy. Today we can drive from state to state without worrying

about whether a road will come to an abrupt end at the state line. Our consumer credit system is similar to these examples—we do not really think about it, we just expect that it will work. Although not perfect, our consumer credit system makes life better, easier, and cheaper for American consumers.

Just as our highway and telecommunications networks have improved and become more efficient over the years, so has our credit system. Creditors have always needed to evaluate the likelihood that a borrower would repay a loan. As a result of the framework established by the FCRA, creditors, no longer need to “eyeball” an applicant and review application materials for days or weeks. Rather, our national credit system has produced a virtually seamless system whereby consumers can apply for, and receive a decision on, credit within minutes. The national uniform system has also lowered costs and increased choice and convenience for American consumers. By far the most striking result of our national credit system is the dramatically increased availability of credit—or the “democratization” of credit. However, this system could be put in jeopardy if the state law uniform standards in the FCRA were permitted to expire on January 1, 2004. H.R. 2622 would ensure the continuity of our national credit system by making these standards permanent.

The conference report also directly addresses the problem of identity theft.

Sec. 151 of the conference report requires that the FTC and the federal banking regulators provide identity theft victims with a summary of their rights. It is important for the agencies to let consumers know that identity thieves target home computers because they contain a goldmine of personal financial information about individuals. In educating the public about how to avoid becoming a victim of identity theft, the FTC and the federal banking regulators should inform consumers about the risks associated with having an ‘always on’ Internet connection not secured by a firewall, not protecting against viruses or other malicious codes, using peer-to-peer file trading software that might expose diverse contents of their hard drives without their knowledge, or failing to use safe computing practices in general.

Identity theft occurs when a criminal obtains enough information about an individual to allow the criminal to “assume” that individual’s identity for nefarious purposes. My Subcommittee heard from two identity theft victims. Their stories were truly nightmarish, and we need to work to prevent countless others from joining the ranks of identity theft victims. Not only does identity theft harm the direct victims, but it also has an impact on all consumers. Financial institutions lose millions of dollars each year as a result of identity theft. This increased cost on financial institutions is absorbed, at least in part, through increased costs of financial products and services to all consumers.

H.R. 2622 will also improve consumers’ access and understanding of their credit information by allowing consumers to request a free credit report annually from each credit bureau. In addition, consumers will have the opportunity to obtain their credit scores from credit bureaus. Transparency in the credit granting and reporting process will increase consumers’ financial literacy and improve their confidence in the financial services system in general.

I want to commend Chairman OXLEY for the tremendous leadership he has shown in steering this complex bill through the legislative process. I also want to thank the Ranking Member of the Committee, Mr. FRANK, for his support of this important piece of legislation. In addition, let me commend Ms. HOOLEY, Ms. BIGGERT, Mr. MOORE, Mr. LATOURETTE and the Members of the Financial Services Committee on each of their efforts. I also appreciate the efforts of Mr. SANDERS, the Ranking Member on my subcommittee, for his work on this issue. Lastly, I want to mention my appreciation for the input we received from the Administration, particularly from Treasury Secretary John Snow and Treasury Assistant Secretary for Financial Institutions Wayne Abernathy.

Let me also take this opportunity to thank the staff members on the House Financial Services Committee who worked on this legislation. Both Chairman OXLEY and Ranking Member FRANK are to be commended for assembling such a talented group of staff to work on H.R. 2622. On the majority side, I would like to thank Bob Foster, Hugh Halpern, Carter McDowell, Jim Clinger, Robert Gordon, Charles Symington, Karen Lynch—who no longer works for the committee but did a lot of work on this issue before leaving—and Dina Ellis, my designee on the Committee. I would also like to thank Warren Tryon of my staff for his work on this issue. On the minority staff, I would like to thank the following staff members: Jeanne Roslanowick, Jaime Lizarraga, Ken Swab, Erika Jeffers, Dean Sagar and Warren Gunnels.

In conclusion, I would like to note that I am proud of the work we have done in crafting H.R. 2622. This has been, by necessity, a long and thorough process. I believe H.R. 2622 presents a solid achievement in protecting the security of consumers’ personal information, enhancing the transparency of the credit reporting process, and ensuring continued access to a wide variety of financial products at low cost.

Mr. Speaker, our economy today is important to all of us. That goes without saying. But what a lot of people do not realize is that two-thirds of our economy is consumer spending. That is the driver in our economy today. And consumer spending today is contingent upon maintaining a national uniform credit reporting system. I urge all of my colleagues to support our economy by voting for H.R. 2622.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. THORNBERRY). The Chair would remind all Members it is inappropriate to characterize the other body, even in positive terms.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 2½ minutes to the gentleman from Vermont (Mr. SANDERS), the ranking member of the subcommittee from which this bill came.

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this bill has a number of important and positive provisions. The idea that consumers will receive free credit reports is important. The provision strengthening identity theft is also very important.

But basically, the positive provisions in this bill do not outweigh the negative. And, in my view, this bill should

be defeated. It should be defeated because it preempts States throughout this country from going forward with stronger consumer protections. And to my mind, States, in fact, are the laboratories of democracy; and it is a bad idea, especially from our conservative friends, who year after year have told us how bad it was for the Federal Government to have all this power, to now give power to the Federal Government and tell the State of Vermont, the State of California, that if you have specific needs dealing with consumer issues, you may not go forward. That is wrong. And for that reason alone, this legislation should be defeated, sent back, and strengthened in terms of consumer needs.

I would point out that virtually every consumer organization in America, the Consumer Federation of America, U.S. Public Interest Research Group, et cetera, oppose the preemption aspects of this legislation.

Second of all, Mr. Speaker, one of the great rip-offs that is taking place in America now deals with credit cards which, at a time of very, very low interest rates, are charging people up to 25 or 29 percent interest. And one way they do it, Mr. Speaker, is they send out notices and they say, come in and sign up: zero interest rate. What they forget to tell the consumer is that for any reason whatsoever, through a bait-and-switch scam, they can raise interest rates. So 5 years before, you were late on a student loan, you were late on an automobile payment, suddenly, you are going to be paying 15, 20 percent interest, and you do not know it.

This legislation rejected any effort to protect consumers in that way, not only outlawing this bait-and-switch scam, but even preventing strong disclosure. This legislation should be defeated, sent back, and improved.

□ 1815

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. KELLY), the chairwoman of the Subcommittee on Oversight and Investigations.

(Mrs. KELLY asked and was given permission to revise and extend her remarks.)

Mrs. KELLY. Mr. Speaker, it happens I do not agree with the previous speaker. I rise in strong support of the conference report before us. I would like to commend the gentleman from Ohio (Chairman OXLEY) and the gentleman from Massachusetts (Ranking Member FRANK) and their counterparts in the Senate for moving this legislation with great thoroughness, deliberation, and really in a strong spirit of bipartisanship.

At the heart of the legislation is the permanent reauthorization of the Fair Credit Reporting Act. It has provided a national uniform credit reporting system that has effectively lowered the cost of credit. And it has increased the choice and convenience for millions of Americans across the country.

The FCRA has helped to address other vital security issues such as combating identity theft and blocking terrorist financing under the U.S.A. Patriot Act, both issues that I have held hearings on in my subcommittee.

Combating identity theft and drying up terrorist financing requires a collaborative effort of law enforcement and regulatory agencies, consumers, and financial institutions, all with access to appropriate information.

We have also made some other important improvements to the FCRA in order to protect the sanctity of privacy for the American people throughout the credit granting process. I believe that one of the most important pieces of that is medical information. The medical information of consumers should be kept private. It does not need to be shared or be distributed by creditors or listed on credit reports.

Individuals should know that their personal medical information belongs to them and it is not released for any other purposes, whether it is for the credit-granting process or employee background checks. And we have done that with our legislation by coding the information.

I would like to thank the gentleman from Arkansas (Mr. ROSS) and the gentleman from North Carolina (Mr. WATT) for working with me on this amendment that will protect medical information of individuals without disrupting the access to low-cost credit and the security of information.

By allowing consumers to benefit from reporting the financial aspects of their transactions to credit bureaus while maintaining the sanctity of their medical privacy, this legislation is a real win for all Americans.

Finally, I am pleased we were able to include a new title in the legislation, which creates a Commission on Financial Literacy and Education, or the SAFE Act. As a result of that strategy, we will have a clear vision of the future financial literacy that will be the benefit of all Americans.

Mr. Speaker, I strongly support this legislation.

Mr. Speaker, I rise in strong support of the Conference Report before us.

I would like to commend Chairman OXLEY and Ranking Member FRANK—and their counterparts in the Senate—for moving this legislation with great thoroughness and deliberation and in the spirit of bipartisanship.

The legislation, “The FACT Act”, is the result of a dozen hearings, one hundred witnesses, and months of deliberations by my colleagues on both sides of the aisle, and both sides of the Capitol.

At the heart of the legislation is the permanent reauthorization of the Fair Credit Reporting Act, or FCRA. FCRA has provided a national uniform credit reporting system that has effectively lowered the cost of credit, and increased choice and convenience for millions of Americans across the country.

As a conferee on this report, I can tell you that we worked with many diverse interests before we reached a unified, solid product. And in this product, we have built on the

framework of FCRA to ensure that the legislation continues to lower the cost of credit and help fuel our economy—while also creating new opportunities for populations who have never had access. That’s why this legislation has overwhelmingly bipartisan support.

FCRA has also helped address other vital security issues, such as combating identity theft and blocking of terrorist financing under the USA PATRIOT Act—both issues which I have held numerous hearings on in my Oversight Subcommittee. Combating identity theft and drying up terrorist financing requires the collaborative effort of law enforcement and regulatory agencies, consumers and financial institutions—all with access to appropriate information.

I am extremely pleased that this conference report addresses these important issues, and improves our ability to combat identity theft and help law enforcement officials track down illicit money. The information-sharing under this legislation is essential to protecting the American people by detecting suspicious activity and weeding out wrongdoers.

The national uniform standards under FCRA have also facilitated a financial institution’s ability to utilize additional authentications and identity verifications to protect consumer security. And the increased protections incorporated in this legislation are critically important in enabling victims to correct the damage to their credit histories created by identity thieves.

This legislation will further help law enforcement combat financial fraud and track down criminals and terrorists. And it adds new protections that are important to achieving these goals.

We have also made other important improvements to FCRA in order to protect the sanctity of privacy for the American people throughout the credit-granting process.

I believe the medical information of consumers should be kept private, and it does not need to be shared or distributed by creditors or listed on credit reports. Individuals should know that their personal medical information belongs to them and is not released for other purposes, whether it is for the credit granting process or employee background checks. And we have done this in our legislation by coding this information.

I would like to thank Reps. ROSS and WATT for working with me on an amendment that will protect the medical information of individuals without disrupting access to low cost credit and the security of information.

By allowing consumers to benefit from reporting the financial aspects of their transactions to credit bureaus while maintaining the sanctity of their medical privacy, this legislation is a real win for all Americans.

Finally, I am pleased that we were able to include a new title in the legislation, which creates a Commission on Financial Literacy and Education to improve the financial literacy of millions of Americans of all ages.

At the crux of this language is the creation of the first ever national strategy for financial literacy—which will facilitate new public, private and nonprofit partnerships to help educate all Americans in financial literacy. The national strategy, and its subsequent report to Congress, will be known as “The Strategy for Assuring Financial Empowerment” or “SAFE strategy”, based on legislation that I introduced—H.R. 3520, “The SAFE Act”.

As a result, the “SAFE strategy” will provide a clear vision for the future of financial literacy. The vision will provide a systematic approach to identify effective ways to increase the general education level of current, and future, consumers of financial services and products. The Commission and the “SAFE strategy” will be goal-oriented and subject to reviews by Congress through annual testimony.

Mr. Speaker, I strongly support this legislation that is crucial to the economy and the security of the American people.

I thank you for addressing these important issues and urge my colleagues to support this conference report.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. KANJORSKI), who is the second ranking member of the full committee and the ranking member of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises and who has a major input to this bill.

(Mr. KANJORSKI asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. KANJORSKI. Mr. Speaker, just as an aside, if I may, I urge all my colleagues on this side of the aisle and on the other side of the aisle to support one of the most bipartisan pieces of legislation. I want to congratulate the chairman of the committee, the gentleman from Ohio (Mr. OXLEY), the ranking member of the committee, the gentleman from Massachusetts (Mr. FRANK), and the chairman of the subcommittee, the gentleman from Alabama (Mr. BACHUS), and the ranking member of the subcommittee on our side of the aisle for a job well done.

And the fact that we set a new course of activity here in the House as to how this function of legislation should be done from not only the subcommittee, the full committee, the House and Senate, and the conference committee, but now as they work back today, I urge all my colleagues to support the legislation.

Mr. Speaker, I would like to enter into a colloquy with the gentleman from Alabama (Mr. BACHUS) on the Federal FTC advertising campaign.

Section 213 of the bill directs the Federal Trade Commission to increase public awareness regarding the availability of consumer rights to opt out of receiving prescreened credit offer solicitations. Is that his understanding as well?

I yield to the gentleman from Alabama.

Mr. BACHUS. Mr. Speaker, it is, yes.

Mr. KANJORSKI. Mr. Speaker, does the gentleman share with me the understanding that the FTC’s public awareness campaign is to be designed to increase public awareness, not only of the right to opt out of receiving prescreened solicitations, but also of the benefits and consequences of opting out?

Mr. BACHUS. Mr. Speaker, yes, I share that understanding. Not only

should consumers know they can opt out of getting these offers, they should also know that opting out or not affects their chances of getting additional credit offers with competitive terms.

Mr. KANJORSKI. Mr. Speaker, and if the FTC's public awareness campaign increases their understanding of the opt-out, consumers will make more informed better decisions. Does the gentleman agree?

Mr. BACHUS. Mr. Speaker, yes, I agree.

Mr. KANJORSKI. Mr. Speaker, I thank the gentleman from Alabama (Mr. BACHUS).

Mr. Speaker, I rise in very strong support of the conference report for H.R. 2622, the Fair and Accurate Credit Transactions Act.

The bill before us is an excellent piece of legislation. It advances consumer protection. It combats identity theft. And it allows businesses to operate efficiently when offering credit.

Moreover, the bill before us is a model of how the legislative process should work on a bipartisan basis. We held numerous hearings on the legislation. We deliberated on these matters thoroughly. We worked with one another on a bipartisan basis. The results of our efforts produced a bill that originally passed the House overwhelmingly.

If we fail to extend the expiring provisions of the Fair Credit Reporting Act before the end of this year, conflicting state laws could place financial institutions in a difficult compliance position, and the current efficiencies in obtaining credit could significantly decrease. We would, moreover, create more difficulties for our already struggling economy.

The Fair Credit Reporting Act and its 1996 amendments, in my view, have created a nationwide consumer credit system that works increasingly well. This law has expanded access to credit, lowered the price of credit, and accelerated decisions to grant credit. One reason that the law works so well is the establishment of a uniform system of national standards for credit reporting. As my colleagues may recall, Mr. Speaker, I strongly supported creating these state preemptions in the early 1990s. I also believe that we should extend them now.

In addition to extending the expiring preemptions of state law, H.R. 2622 will make a number of important improvements to current law with respect to consumer protection. These provisions, among other things, will improve the accuracy of and correction process for credit reports, and establish strong privacy protections for consumers' sensitive medical information.

Furthermore, identity theft is a growing problem in our country. A recent report by the Federal Trade Commission found that 27.3 million Americans have been victims of identity theft in the last five years. I am therefore particularly pleased that H.R. 2622 includes several provisions designed to combat these crimes and aid consumers.

Before I close, Mr. Speaker, I want to again commend the Ranking Member of the Committee [Mr. FRANK] for his work leading to a very strong bill, as well as the gentlelady from Oregon [Ms. HOOLEY] for her important work on identity theft. As I have already noted, we also worked on a bipartisan basis and in a

pragmatic way with the Chairman of the Committee [Mr. OXLEY] and the Chairman of the Subcommittee [Mr. BACHUS] to produce a very worthwhile legislative product in the House and in the conference with the Senate on which I served.

Mr. Speaker, H.R. 2622 contains many important consumer protection provisions in a framework of uniform national standards. It is a good bill. I encourage my colleagues to support its passage.

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I would like to commend the hard work that the gentleman from Ohio (Chairman OXLEY) and the gentleman from Alabama (Mr. BACHUS), subcommittee chairman, the gentleman from Massachusetts (Ranking Member FRANK), and the committee staff have done on this extremely important piece of legislation.

Mr. Speaker, to its sponsors and its cosponsors, every bill is an important bill. But there are few bills that we will take up this session or this Congress that are as critically important to our economy as reauthorizing and making permanent the expiring protections contained in the Fair Credit Reporting Act.

The FCRA may not be a household word, but it nonetheless touches virtually every aspect of our lives and our economy.

Without this reauthorization, there can be no national credit system, without a national credit system there will be less credit, slower credit, inaccurate credit, inefficient credit, and in some cases, no credit at all. Less, slower, inefficient and no credit will lead inevitably to less spending, slower growth, lower incomes, and fewer jobs.

That would be noticed by the American consumer and it would be a disaster for the American economy. That is why FCRA is a must-pass bill for this session.

This conference report addresses the challenges and problems created by new technologies as well. Chief among these are the provisions addressing identity theft. I am particularly pleased that this conference report contains language addressing the challenges of financial literacy.

As a member of the Committee on Financial Services and the Committee on Education and the Workforce, I have come to recognize the positive impact that a marriage of financial literacy and basic economics can have on millions of future investors.

I especially want to thank Senators Enzi and Sarbanes for working with me to perfect this language included in this conference report. H.R. 2622 is a good bill that provides important new protections for consumers and stops identity theft before it happens. I urge my colleagues to support this legislation and yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1½ minutes to the gen-

tleman from Illinois (Mr. EMANUEL), who was very active particularly with regard to the medical privacy provision of this bill.

Mr. EMANUEL. Mr. Speaker, I would like to commend the Members on both sides of the aisle who worked in a bipartisan way to draft a good, strong bill with new identity theft protections and consumer protection. A special thanks to the gentleman from Ohio (Chairman OXLEY), to the gentleman from Massachusetts (Mr. FRANK), and to my colleague, the gentleman from California (Mr. OSE) for cosponsoring the amendment ensuring that this conference report has landmark provisions preventing banks and insurance companies from accessing and using the most sensitive private information of a consumer, medical information.

This medical privacy bill gives consumers a safe harbor they deserve by blacking out the use of medical information and making it off limits to banks and insurance companies. They cannot access it, period. This agreement makes that the law.

These new protections should go a long way to addressing America's concerns that their medical, mental health, or DNA information could be shared or used against them by banks and credit bureaus, when they apply for a mortgage, rent an apartment, or join a club. No one applying for a home should have to worry about a bank using their past cancer treatments against them. When this becomes law, they will not have to. This is a win for consumers and for the financial services industry.

Mr. OXLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Ms. HARRIS).

Ms. HARRIS. Mr. Speaker, I want to discuss some of the exciting opportunities in the FCRA, specifically the aspects that Florida has engaged in. And I would like to enter a colloquy with the gentleman from Alabama (Mr. BACHUS) to discuss those.

Mr. Speaker, I would yield to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, if the gentlewoman would yield, I would be glad to engage in a colloquy. I think what the gentlewoman from Florida (Ms. HARRIS) was inquiring into was that the Florida Banking Association has created a system that permits banks to combat identity theft, check fraud, and other criminal activity. And as I understand it, this system it produces reports that banks use exclusively to fight fraud not for the purpose, either in whole or part, of determining an individual's eligibility for credit insurance and employment.

And she has asked me to confirm that information that is provided for the exclusive purpose of detecting, preventing, or deterring a financial crime identity theft, or the funding of a criminal activity does not constitute a consumer report under the Fair Credit Reporting Act, even as amended by

this bill. And my response to that is that is correct. Such information was not a consumer report under the Fair Credit Reporting Act as it existed before this legislation, nor will it constitute a consumer report as amended by this bill.

Ms. HARRIS. Mr. Speaker, reclaiming my time, I think that many people were confused by that, so I really appreciate the clarification that this information is not a consumer report under the Fair Credit Act neither before it was passed nor after it has been amended. So I really appreciate that clarification.

In fact, I think one of the biggest problems has been that the fraud and identity theft has created billions of dollars of losses in the U.S. economy and continues to create serious problems for individuals. The technology allows criminals to perpetuate this fraud with increasing rapidity.

Financial institutions and law enforcement need to fight the increases in fraud and identity theft with technology. So the proposed amendment would free the antifraud networks from compliance with certain requirements of the Fair Credit Reporting Act. But the amendment preserves the consumer protection features in the Fair Credit Reporting Act because it requires a notice to consumers and an opportunity to respond.

What is exciting about the Florida bankers is they actually created something called Fraud Net in 2000 and it was implemented in 2002. This is really sort of a neighborhood watch for bankers, if you will. Because banks post alerts when they experience a fraudulent or criminal act. It does not deal with individual transactions, opening accounts, credit insurance, or employment. Today 14 States are employing the specific program, and they expect 10 additional users next year.

So I thank the gentleman from Alabama (Mr. BACHUS) for clarifying.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentlewoman from Indiana (Ms. CARSON), one of our most active and energetic members of our committee.

Ms. CARSON of Indiana. Mr. Speaker, I would like to thank the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) for the bipartisan spirit to move the bill to the floor.

Mr. Speaker, the Fair Credit Reporting Act has been crucial to extending credit services to underserved populations and in protecting consumers from egregious abuses of their financial and personal privacy. However, the violations and abuses continue to persist. I have assisted a number of constituents who have had credit problems because of inaccurate credit reporting. In many instances, people have no idea there is a problem until they try to secure a loan or credit.

What I found especially troubling is larger than expected numbers of inaccuracies credit reporting agencies have

on consumers. So H.R. 2622 provides a number of new important consumer protections that will make credit reports less frustrating for our consumers. The bill would give every person in America the ability to consider request an annual free credit report.

I certainly hope every American takes advantage of this. The bill deals a tremendous blow to identity thieves whose crimes are rising rapidly. Consumers will be able to place fraud alerts on their credit report when erroneous information is present. I applaud the leadership on this bill, a very needed bill. I encourage the Members to support it.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SESSIONS), a distinguished member of the Committee on Rules, who has an important measure in this legislation.

Mr. SESSIONS. Mr. Speaker, I wish to thank the great chairman of the committee, the gentleman from Ohio (Mr. OXLEY), and also the gentleman from Massachusetts (Mr. FRANK) for working with me on an important aspect of this Fair Credit Reporting Act.

I learned, Mr. Speaker, from one of my constituents, Bill Asher back in Dallas, Texas, during a town hall meeting about how the Federal Trade Commission had applied privacy rules to workplace misconduct which meant that in a workplace misconduct circumstance, a person who violated another person or who broke the law would actually have to be given information about any investigation that might take place against that individual under privacy rules and regulations passed by and supported by the Federal Trade Commission.

□ 1830

This Federal Trade Commission now will be reversed; their ruling will be reversed by this Fair Credit Reporting Act to make sure that misconduct in a workplace, privacy rules do not apply.

I want to thank the gentleman from Massachusetts (Mr. FRANK) for his work on this, to ensure this became law, and also our great chairman, the gentleman from Alabama (Mr. BACHUS), and our great chairman, the gentleman from Ohio (Mr. OXLEY).

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. CROWLEY), another member of our committee who played a very active role in this.

Mr. CROWLEY. Mr. Speaker, I would like to call this the comity before the storm. It is interesting that we have such comity here in the House on the floor dealing with the FACT Act, the Fair Credit Reporting Act. This has been a bipartisan piece of legislation.

It is interesting that we will take up a bill later on this evening that will not be as bipartisan, and it certainly will be a more partisan bill. I want to thank the gentleman from Ohio (Mr. OXLEY) for his extension of his arm. I wish the other committee, the Com-

mittee on Ways and Means, would act in kind; and hopefully that will happen at some point.

I want to thank the ranking member, the gentleman from Massachusetts (Mr. FRANK), for his work on this bill; the gentleman from Alabama (Mr. BACHUS), the subcommittee chairman; the ranking member, the gentleman from Vermont (Mr. SANDERS). Although he has indicated he will not support the bill, he certainly acted in a very bipartisan manner in helping to craft the legislation.

This bill represents the best of the House where Democrats, Republicans, and Independents work together to craft a bill that addresses real problems. But besides good procedure, this bill is also good policy.

It will provide permanency to our Nation's credit grantors to ensure the easy and available flow of capital to our constituents. It toughens up the law with respect to identity theft and ensures that health information is walled off and cannot be used in any credit-making decisions, ensuring the integrity of one's health privacy.

This bill is good for American consumers, and I am pleased to support it. I only wish that later on this evening I could also support a Medicare bill that was bipartisan as well.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. GILLMOR), a valuable member of the committee.

(Mr. GILLMOR asked and was given permission to revise and extend his remarks.)

Mr. GILLMOR. Mr. Speaker, I thank the gentleman for yielding me time.

I want to commend both the chairman and the subcommittee chairman, as well as the ranking members, for the great job they did on this bill.

I rise in strong support of the conference report. Passage of this legislation is essential to maintaining our current national credit reporting system. This legislation maintains the free flow of credit reporting information to lenders, financial services providers, while it also creates some strong new consumer protections.

It also includes a provision that I introduced, H.R. 2622, to improve the transparency of the credit scoring systems by mandating that if the number of credit inquiries on a consumers account negatively affect their score, it must be disclosed in their consumer report. This ensures a consumer and a prospective lender are fully informed; and this important new requirement will allow conscientious consumers to shop around for the best loans and rates.

I urge my colleagues to support the report.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York (Mrs. MALONEY), who played an important role in this bill.

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me time. I thank our ranking member and chair and my colleagues.

I rise in support of this legislation that permanently reauthorizes the Fair Credit and Reporting Act, which is extremely important to our economy and our national credit system. It also greatly enhances legal protections for identity theft victims, protects medical information, and provides groundbreaking new limits on the sharing of private consumer information among the affiliates of financial services companies.

My constituents need this legislation because New York City claims the sad distinction of having the largest number of identity theft cases of any city in the entire country. The FACT Act helps break the cycle of identity theft with new consumer protections including the right to a free annual credit report, a new consumer-initiated fraud alert system, new protections that will prevent the recycling or repollution of consumer information that is known to be the product of fraud, mandatory truncation of credit and debt card numbers to prevent theft.

In addition to identity theft, this bill contains groundbreaking limits on how financial services companies can share the sensitive consumer financial information among affiliates. These are important consumer protections given that some of today's largest financial companies have more than 1,000 affiliates. While the identity theft and privacy provisions will have the most direct impact on our constituents, the FACT Act also ensures the long-term viability of our national credit market by extending the FCRA beyond the end of the year.

Today I rise in support of legislation that permanently reauthorizes the Fair Credit Reporting Act (FCRA) which is very important to our economy and our national credit system. It also greatly enhances legal protections for identity theft victims, protects medical information, and provides groundbreaking new limits on the sharing of private consumer information among the affiliates of financial services companies.

My constituents need this legislation because New York City claims the sad distinction of having the largest number of identity theft cases of any city in the country.

In addition, this bill contains groundbreaking limits on how financial services companies can share their sensitive customer financial information among affiliates.

These are important consumer protections given that some of today's largest financial companies have more than 1,000 affiliates.

Finally, while the identity theft and privacy provisions will have the most direct impact on our constituents, the FACT Act also ensures the long-term viability of our national credit market by extending the FCRA beyond the end of this year.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. LATOURETTE), a former prosecutor, who has done such great work, particularly in the identity theft part of the legislation.

(Mr. LATOURETTE asked and was given permission to revise and extend his remarks.)

Mr. LATOURETTE. Mr. Speaker, I want to first begin by commending the gentleman from Ohio (Mr. OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK), for their hard work together with the conferees. I think the gentlewoman from Illinois (Mrs. BIGGERT) said earlier that this is the most important piece of legislation to come out of this committee this year, and I agree.

I also want to pay special tribute to the gentlewoman from Oregon (Ms. HOOLEY). When we began working in the 106th Congress on identity theft, some people had not heard of it. Today, I think every Member has a horror story about identity theft. In my district it was Maureen Mitchell. She and her husband found out that they owned not one, but two, luxury SUVs in the period of a couple of hours in Chicago, Illinois, that they had not participated in or purchased.

I think the conferees have produced a good bill. They have not only produced a good bill; they have produced a bill that does not have a one-size-fits-all remedy, and it still gives the regulators flexibility to deal with the ever-evolving strategies that identify thieves come up with.

Lastly, I want to pay tribute to the gentleman from Alabama (Mr. BACHUS), the chairman of the subcommittee, because he sat through hours and hours of hearings to make sure that we got it right; and, lastly, the ranking member, the gentleman from Vermont (Mr. SANDERS), I think he had some excellent ideas on bait and switch. I hope we revisit that in the next Congress.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. HINOJOSA), another active member of our committee.

Mr. HINOJOSA. Mr. Speaker, I rise in strong support of the conference report to accompany the Fair and Accurate Transactions Act of 2003. And I congratulate the gentleman from Ohio (Mr. OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK), the subcommittee chairman, the gentleman from Alabama (Mr. BACHUS), and the ranking member, the gentleman from Vermont (Mr. SANDERS), and all the committee staff for the wonderful work they did in completing this conference report.

This conference report will strengthen the provisions of the Fair Credit Reporting Act. I am proud to have been an original co-sponsor of this legislation, to have supported it in committee, and to have voted in favor of it on the House floor.

Let me take this opportunity to thank the conferees for including in the financial literacy provision of the legislation language that will allow the financial literacy commission the bill creates to take any action to develop and promote financial literacy and educational materials in languages

other than English. This will apply to the hot line, Web site, and educational materials the commission produces or recommends.

It is imperative that financial literacy materials be created and disseminated in languages other than English to recognize the diversity of our great Nation. I especially want to thank the ranking member, the gentleman from Massachusetts (Mr. FRANK), for his assistance with this language and Jaime Lizarraga of his staff.

Rest assured that the Congressional Hispanic Caucus and the Hispanic community appreciate your efforts and the language you inserted into the conference report.

Mr. Speaker, I rise in strong support of the conference report to accompany The Fair and Accurate Transactions Act of 2003. I congratulate Chairman OXLEY and Ranking Member FRANK, Subcommittee Chairman BACHUS and Ranking Member SANDERS and all the House and Senate conferees on completing this conference report.

This conference report will strengthen the provisions of the Fair Credit Reporting Act. I am proud to have been an original cosponsor of this legislation, to have supported it in Committee and to have voted in favor of it on the House floor.

I want to read at this time a portion of a letter Federal Reserve Board Chairman Alan Greenspan sent to me dated February 28, 2003. Chairman Greenspan was responding to a question I submitted to him in writing asking what would happen to the U.S. economy if the exceptions to the Fair Credit Reporting Act were allowed to expire after January 1, 2004. In his letter, Chairman Greenspan warned that: "Limits on the flow of information among financial market participants, or increased costs resulting from restrictions that differ based on geography, may lead to an increase in the price or a reduction in the availability of credit, as well as a reduction in the optimal sharing of risk and reward."

I am very pleased that this conference report heeded Chairman Greenspan's warning, and I believe that its passage will help our struggling economy to improve.

Let me take this opportunity to thank the conferees for including in the financial literacy provision of the legislation language that will allow the Financial Literacy Commission the bill creates to "take any action to develop and promote financial literacy and education materials in languages other than English." This will apply to the hotline, website, and educational materials the Commission produces or recommends. It is imperative that financial literacy materials be created and disseminated in languages other than English to recognize the diversity of our great nation.

I especially want to thank Ranking Member FRANK for his assistance with this language and Jaime Lizarraga of his staff. Rest assured that the Congressional Hispanic Caucus and the Hispanic community appreciate your efforts and the language you inserted into the conference report.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Ohio (Mr. OXLEY) has 1 minute remaining. The gentleman from Massachusetts (Mr. FRANK) has 6 minutes remaining.

Mr. OXLEY. Mr. Speaker, does the gentleman have any further speakers?

Mr. FRANK of Massachusetts. Mr. Speaker, I have several.

Mr. OXLEY. Mr. Speaker, I reserve the balance of my time.

I have the right to close, is that correct, Mr. Speaker?

The SPEAKER pro tempore. The gentleman is correct.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1¼ minutes to the gentleman from Massachusetts (Mr. MARKEY), who has been so active on the privacy issue.

Mr. MARKEY. Mr. Speaker, I thank my friend, and I congratulate him for all the good things that are in this bill, all the credit report and the negative statement issues that are dealt with.

But there is one concern which I have which is consumers are, by this bill, going to see the California privacy law preempted, as they are going to see as well other States who want to make stronger privacy protection for their constituents something that is part of the law.

My concern is that increasingly what we see with companies like TransUnion and Equifax is that they are sending the records off shore. For example, TransUnion, one of the three major credit reporting agencies' spokesman said last month, 100 percent of our mail regarding customer disputes is going to India at some point. We expect to sign that contract by the end of the year.

My hope is that as the years go by we will be able to return to this issue because the globalization of the information marketplace is going to make clear that Americans are going to want more protection as their information is going to be put in the hands of foreigners with no laws on the books or the ability to police them.

I rise to opposition to this legislation.

I understand that some good things have been done in this bill, such as the provisions granting consumers free access to copies of their credit report, notice of negative statements being added to their credit reports, or adverse credit decisions being made based on their credit report. I support these provisions, and I also support stronger protections against identity theft.

The problem is that consumers are being asked to pay a price for these provisions—their privacy. As I read this bill, we are permanently pre-empting any stronger state privacy laws, such as the California law, in favor of a federal standard that provides consumers with only a very narrow “opt-out” right to block affiliate sharing of the consumer's information for marketing purposes. I do not believe that an “Opt Out” is appropriate. Companies should have to obtain the affirmative consent of the consumer—an “Opt In” before they share information about their transactions or experiences with the consumer with other affiliates or with unaffiliated third parties.

Moreover, I am concerned that by limiting the ability of a consumer to exercise their Opt-Out solely to marketing, this bill allows affiliates to share information about the consumers for other purposes without any consumer right to say “No.” I am also concerned that even

after a consumer has “opted out,” their decision to do so gets sunsetted after 5 years and they have to “opt out” again. If the consumer has said no, that should mean no illness and until the consumer says yes.

I also want to raise a concern about some statements I have seen in the press from the credit reporting agencies suggesting that if these companies are forced to provide consumers with free credit reports, they will accelerate their current efforts to transfer their databases and back office operations off-shore.

TransUnion and Equifax, two out of the three major credit reporting agencies already are in the process of offshoring the processing of detailed credit files on 220 million U.S. consumers.

Earlier this month, a TransUnion spokesman said that “A hundred percent of our mail regarding customer disputes is going to go to India at some point. We expect to sign that contract by the end of the year.”

Equifax has had a vendor in Jamaica for four years, where Jamaican workers handle data entry at the beginning of the reinvestigation process for disputed credit reports.

Experian, the third of the three major credit reporting agencies, is considering whether to offshore some of its operations: “We definitely are evaluating every option on the table, and offshoring is one of them. I don't want to be quoted as saying we'll never do it.”

Privacy experts are concerned about offshoring of the Social Security numbers, addresses and other personal information contained in credit reports:

“Consumers should be worried. The infrastructure to protect information just isn't there in a lot of these places.” (Beth Givens, director, Privacy Rights Clearing House)

“The problem is not that they're in India, the problem is that American laws are not going to be enforced in India.” (Chris Hoofnagle, Electronic Privacy Information Center)

“If you're an international crime ring, and you want Social Security numbers for identity theft, you're going to look at the weakest link, and that's quite possibly these overseas companies.” (Beth Givens)

In October, a Pakistani woman threatened to post UCSF patient files on the Internet, unless she was paid for the medical transcription services she had performed. In the email she sent to UCSF, the woman wrote: “Your patient records are out in the open to be exposed, so you better track that person and make him pay my dues or otherwise I will expose all the voice files and patient records on the Internet.”

That is the future that we are looking at with the credit reporting agencies. Consumers may be able to call up to get a free copy of their credit report, but the person on the other end of the line may be in Karachi or New Delhi, where U.S. privacy standards do not apply.

Indeed, this bill may provide Americans with the most expensive “free” credit report they'll ever get. They'll pay with their privacy.

That is why I think that we need to put the consumer back in control of their own information. We need an “opt-in” not a limited “opt-out”, and we need to ensure that American's privacy does not get offshored at the same time that their jobs are getting offshored.

I urge the defeat of this legislation.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to begin by saying that if we on the Democratic side were in the majority, this would be a different bill. We are not, so we have the bill that we have here.

Given that, given that there are some differences, I must tell you that this is a better bill than I had hoped we would see. And I am very appreciative of my colleagues on the other side. They did not give in on any issues of principle that are important to them. We have on both sides of the aisle a strong commitment to making sure that the free-market system in this country can work.

These credit allocations have become a very important part of that free-market system. And this bill, I believe, preserves that system, the credit allocation system for individuals as well as need be.

We also, though, have, as we often do with the free market, a situation where the market does well what it is supposed to do, but it does not do everything. There are areas where we need to step in and help the market. What is important is for us to do that in ways that do not impinge on the market function.

I believe that working together we have come closer in doing that in this bill than I had thought. I would like if there had been fewer preemptions in the field, for instance, of identity theft; but as a result of a meeting which we had this morning, I think we agreed to preserve the integrity of the identity theft provisions that we have in there, to make sure that they can function without interference and without distraction, but did not unduly preempt if the States want to be additive in other areas. So there is, in fact, room for States to do something as long as the scheme that has been set forward in this bill is not interfered with, detracted from, and in particular, companies are not subjected to conflicting or confusing multiple requirements.

We have done other things. People, as a result of this, will be able to get a lot more information. Until recently, credit and credit scoring have been kind of mystical things to a lot of people. Consumers, home buyers, automobile buyers, others have found their lives affected financially by factors of which they were only dimly aware. As a result of several provisions in this bill, the system will be allowed to work, but consumers will have a lot more information about it. And they will get that information in many cases early enough to act on it.

Frankly, one of the things that some of our friends in the business community were skeptical of I think will wind up helping them. A requirement that people be notified if something they have either done or failed to do will cause them to have a negative comment on the credit report, I think that will have an incentivizing effect. I think the first time someone is late unnecessarily with a payment for a mortgage and is notified that this will

be on your credit report, you are likely to see much less lateness. We also took steps to improve the accuracy of the data.

The system on the whole works very well, but no system works perfectly. I think this credit system was a little bit flawed in that it did not adequately give people a chance to correct errors. We do a much better job of this. I would have liked there to have been a sunset on the preemptions.

I think this bill benefits from the fact that it was here today. Congress did this 7 years ago. There was a sunset. And as a result, we are here today doing what everybody agrees is improving the bill. I would have liked, and my colleague from Pennsylvania (Mr. KANJORSKI) offered an amendment to give us a chance to do that again. We lost on the floor, and that is the way the votes went. But I do hope and I believe that we may very well from experience learn that more has to be done or things have to be done differently.

□ 1845

When this bill was passed in 1996, identity theft was not a big issue. The fact that it was sunsetted gave us a chance to deal with identity theft. I think in a very effective way. This will not be the last time that the crooked people in this world will think of a way to swindle the great majority of the honest ones.

So I just want to make it clear that while we will not have this automatically coming up, I hope we are all committed, and I believe we are, that as new problems come up we will be able to deal with them.

Given the fact that the majority is the majority, I believe that we did a good job, not a perfect one, in adding consumer protections and safety factors to this general system of allowing the credit allocation to individuals to work, and for that reason, I would urge Members to vote for the bill.

Mr. OXLEY. Mr. Speaker, I yield myself the remaining time.

First of all, I want to thank the staff. I always tend to forget to do that, and we have been through a lot on this bill. This is a complicated piece of legislation that got more complicated as we took on this whole issue of identity theft, and throughout this process, the staff on both sides of the aisle have been just superb, working late nights and early mornings to get us where we are today, and I want to personally thank them for their efforts. They know who they are, and I know who they are and we most appreciate it, and also to the Members, I think this is, Mr. Speaker, perhaps a textbook example of how the legislative process ought to work in terms of hearings, in terms of everybody having an opportunity to have their say, involving Members on both sides of the aisle, many of them newer Members, freshmen Members, to really get their feet wet on an important piece of legislation that we bring to the floor today and this conference report that will close it out.

This is truly a historic day, and I think in the real traditional way that we have started in the Committee on Financial Services of turning out good legislation in a bipartisan manner, and for that, I am very thankful to all concerned.

Mr. BEREUTER. Mr. Speaker, as a member of the Financial Services Committee and a conferee, this member rises today to express his strong support for the conference report of H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003 (FACT Act). This important legislation permanently extends those provisions in the Fair Credit Reporting Act (FCRA) which relate to the preemption of State laws—a very necessary step in this instance. The current provisions in the FCRA are set to expire on December 31, 2003. Thus when this conference report is enacted into law, it will continue the nationwide credit system while providing important consumer protections.

This member would like to thank the distinguished gentleman from Alabama, Mr. BACHUS, the chairman of the House Financial Services Subcommittee on Financial Institutions and Consumer Credit on which this member serves, for introducing the legislation on which this conference report is largely based. Furthermore, this member would like to thank both the distinguished gentleman from Ohio, Mr. OXLEY, the chairman of the House Financial Services Committee, and the distinguished gentleman from Massachusetts, Mr. FRANK, the ranking member of this committee, for their outstanding effort in bringing this excellent conference report to the House floor. As was suggested at the conclusion of the conference, this may be an instance where most of the conferees from both the House and Senate believe the conference report is better than either original Chamber's product.

The FCRA is the Federal law which governs the furnishing of reports on the credit worthiness of consumers. This member supports this conference report which would permanently extend the FCRA for many reasons. However, he would like to focus on the following three reasons.

First, this conference report provides for a free credit report annually for consumers. Typically, credit reporting agencies charge consumers up to \$9 for the disclosure of the information in their credit files. Under current law, a consumer may receive a free consumer report from a reporting agency only under certain circumstances, such as when a consumer receives a notice of an adverse action by a reporting agency. The FACT Act would provide a free credit report annually for consumers for any reason. This member believes that this provision will promote consumer awareness of a person's credit history as well as provide an opportunity for the consumer to correct any inaccurate information on one's credit report.

Second, this conference report provides important provisions to curb identity theft. To illustrate the need for these provisions, the Federal Trade Commission (FTC) released a survey at the beginning of September of this year which showed that a staggering 27.3 million Americans had been victims of identity theft in the last 5 years, including 9.9 million people in the last year alone. This conference report, among other things, allows consumers to place "fraud alerts" in their credit reports to prevent identity thieves from opening accounts in their names.

Lastly, this conference report continues the Federal preemption of State laws as it relates to the corporate affiliate sharing of financial information. During the consideration of the 1996 amendments to the FCRA, this member authored a provision, which was signed into law, that required a consumer opt-out when nontransactional information is shared among corporate affiliates. Examples of nontransaction information include data from a consumer credit report and information on an application such as a consumer's income or assets. This provision on consumer notice is very important as it was the first consumer "opt out" on the sharing of financial information that this member is aware of that was signed into Federal Law.

Mr. Speaker, in conclusion, for the reasons stated above and many others, this member encourages his colleagues to support the conference report of H.R. 2622.

Mr. CANTOR. Mr. Speaker, I rise today on behalf of the Fair and Accurate Credit Transactions Act, H.R. 2622. This sound piece of legislation will aid in the prevention of identity theft. Additionally, it will guarantee that consumers have access to affordable credit.

I do have one concern, and I would like to clarify congressional intent in regard to this legislation. It is vitally important for consumers that the information reported about them to credit bureaus is accurate. When errors occur, they must be corrected. The overwhelming majority of disputes are properly handled through existing procedures as defined in section 611 of the Fair Credit Reporting Act. Nevertheless, a very small percentage of unusual disputes are not completely resolved through the reinvestigation process. Section 312 of the conference report for the bill provides a means by which some of these cases could be submitted directly to the furnisher for possible resolution.

I recognize that there are potential risks in the adoption of this section. For example, I am very concerned that any mechanism designed to address these few cases is not burdensome. If it becomes burdensome, furnishers may become discouraged from reporting complete and accurate information in the first instance. Additionally, this could lead to misuse by credit repair clinics to overwhelm furnishers in an attempt to cause them to change accurate information.

The conference report for H.R. 2622 has charged the relevant agencies with issuing rules only after they have determined the benefits of a direct resolution process. Congress has provided the agencies with four criteria to review in connection with any rulemaking pertaining to the direct reinvestigation of consumer disputes with furnishers. This criteria must be satisfied before any rules are to be issued.

I believe it is a positive piece of legislation that will give consumers the tools to fight identity theft and continue to access affordable credit.

Mr. Speaker, I urge passage of this legislation.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and agree to the conference report on the bill, H.R. 2622.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of

those present have voted in the affirmative.

Mr. SANDERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 1741. An act to provide a site for the National Women's History Museum in the District of Columbia.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2115) "An Act to amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, and for other purposes."

VITIATION OF MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

The SPEAKER pro tempore. Under clause 8 of rule XX, the filing of the conference report on H.R. 1 has vitiated the motion to instruct conferees offered by the gentleman from Washington (Mr. INSLEE) which was debated yesterday and on which further proceedings were postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, and the Chair's prior announcement, the Chair will now put each question on which further proceedings were postponed earlier today in the following order:

Previous question on H. Res. 459, by the yeas and nays;

H. Res. 459, if ordered;

Previous question on H. Res. 458, by the yeas and nays;

H. Res. 458, if ordered;

H. Con. Res. 206, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

The SPEAKER pro tempore. The pending business is the vote on ordering the previous question on H. Res. 459, on which the yeas and nays are ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The vote was taken by electronic device, and there were—yeas 225, nays 202, not voting 7, as follows:

[Roll No. 659]  
YEAS—225

Aderholt	Gillmor	Otter
Akin	Gingrey	Oxley
Bachus	Goode	Paul
Baker	Goodlatte	Pearce
Ballenger	Goss	Pence
Barrett (SC)	Granger	Peterson (PA)
Bartlett (MD)	Graves	Petri
Barton (TX)	Green (WI)	Pickering
Bass	Greenwood	Pitts
Beauprez	Gutknecht	Platts
Bereuter	Harris	Pombo
Biggett	Hart	Porter
Bilirakis	Hastings (WA)	Portman
Bishop (UT)	Hayes	Pryce (OH)
Blackburn	Hayworth	Putnam
Blunt	Hefley	Quinn
Boehert	Hensarling	Radanovich
Boehner	Herger	Ramstad
Bonilla	Hobson	Regula
Bonner	Hoekstra	Rehberg
Bono	Housettler	Renzi
Boozman	Houghton	Reynolds
Bradley (NH)	Hulshof	Rogers (AL)
Brady (TX)	Hunter	Rogers (KY)
Brown (SC)	Hyde	Rogers (MI)
Brown-Waite,	Isakson	Rohrabacher
Ginny	Issa	Ros-Lehtinen
Burgess	Istook	Royce
Burns	Janklow	Ryan (WI)
Burr	Jenkins	Ryun (KS)
Burton (IN)	Johnson (CT)	Saxton
Buyer	Johnson (IL)	Schrock
Calvert	Johnson, Sam	Sensenbrenner
Camp	Jones (NC)	Sessions
Cannon	Keller	Shadegg
Cantor	Kelly	Shaw
Capito	Kennedy (MN)	Shays
Carter	King (IA)	Sherwood
Castle	King (NY)	Shimkus
Chabot	Kingston	Shuster
Chocola	Kirk	Simmons
Coble	Kline	Simpson
Cole	Knollenberg	Smith (MI)
Collins	Kolbe	Smith (NJ)
Cox	LaHood	Smith (TX)
Crane	Latham	Souder
Crenshaw	LaTourette	Stearns
Cubin	Leach	Sullivan
Culberson	Lewis (CA)	Sweeney
Cunningham	Lewis (KY)	Tancredo
Davis, Jo Ann	Linder	Tauzin
Davis, Tom	LoBiondo	Taylor (NC)
Deal (GA)	Lucas (OK)	Terry
DeLay	Manzullo	Thomas
Diaz-Balart, L.	McCotter	Thornberry
Diaz-Balart, M.	McCrery	Tiahrt
Doolittle	McHugh	Tiberi
Dreier	McInnis	Toomey
Duncan	McKeon	Turner (OH)
Dunn	Mica	Upton
Ehlers	Miller (FL)	Vitter
Emerson	Miller (MI)	Walden (OR)
English	Miller, Gary	Walsh
Everett	Moran (KS)	Wamp
Feeney	Murphy	Weldon (FL)
Ferguson	Musgrave	Weldon (PA)
Flake	Myrick	Weller
Foley	Nethercutt	Whitfield
Forbes	Neugebauer	Wicker
Franks (AZ)	Ney	Wilson (NM)
Frelinghuysen	Northup	Wilson (SC)
Galleghy	Norwood	Wolf
Garrett (NJ)	Nunes	Young (AK)
Gerlach	Nussle	Young (FL)
Gibbons	Osborne	
Gilchrist	Ose	

NAYS—202

Abercrombie	Ballance	Blumenauer
Ackerman	Becerra	Boswell
Alexander	Bell	Boucher
Allen	Berkley	Boyd
Andrews	Berman	Brady (PA)
Baca	Berry	Brown (OH)
Baird	Bishop (GA)	Brown, Corrine
Baldwin	Bishop (NY)	Capps

Capuano	Jackson-Lee	Pastor
Cardin	(TX)	Payne
Cardoza	Jefferson	Pelosi
Carson (IN)	John	Peterson (MN)
Carson (OK)	Johnson, E. B.	Pomeroy
Case	Jones (OH)	Price (NC)
Clay	Kanjorski	Rahall
Clyburn	Kaptur	Rangel
Conyers	Kennedy (RI)	Reyes
Cooper	Kildee	Rodriguez
Costello	Kilpatrick	Ross
Cramer	Kind	Rothman
Crowley	Kleczka	Roybal-Allard
Cummings	Kucinich	Rush
Davis (AL)	Lampson	Ryan (OH)
Davis (CA)	Langevin	Sabo
Davis (FL)	Lantos	Sanchez, Linda
Davis (IL)	Larsen (WA)	T.
Davis (TN)	Larson (CT)	Sanchez, Loretta
DeFazio	Lee	Sanders
DeGette	Levin	Sandlin
Delahunt	Lewis (GA)	Schakowsky
DeLauro	Lipinski	Schiff
Doyle	Lofgren	Scott (GA)
Dicks	Lowe	Scott (VA)
Dingell	Lucas (KY)	Serrano
Doggett	Lynch	Sherman
Dooley (CA)	Majette	Skelton
Doyle	Maloney	Slaughter
Edwards	Markey	Smith (WA)
Emanuel	Matheson	Snyder
Engel	Matsui	Solis
Eshoo	McCarthy (MO)	Spratt
Etheridge	McCarthy (NY)	Stark
Evans	McCollum	Stenholm
Farr	McDermott	Strickland
Fattah	McGovern	Stupak
Filner	McIntyre	Tanner
Ford	McNulty	Tauscher
Frank (MA)	Meehan	Taylor (MS)
Frost	Meek (FL)	Thompson (CA)
Gonzalez	Meeks (NY)	Thompson (MS)
Gordon	Menendez	Tierney
Green (TX)	Michaud	Towns
Grijalva	Millender-	Turner (TX)
Gutierrez	McDonald	Udall (CO)
Hall	Miller (NC)	Udall (NM)
Harman	Miller, George	Van Hollen
Hastings (FL)	Mollohan	Velazquez
Hill	Moore	Visclosky
Hinche	Moran (VA)	Waters
Hinojosa	Nadler	Watson
Hoeffel	Napolitano	Watt
Holden	Neal (MA)	Waxman
Holt	Oberstar	Weiner
Honda	Obey	Wexler
Hooley (OR)	Olver	Woolsey
Hoyer	Ortiz	Wu
Inslee	Owens	Wynn
Israel	Pallone	
Jackson (IL)	Pascrell	

NOT VOTING—7

DeMint	Gephardt	Ruppersberger
Fletcher	Marshall	
Fossella	Murtha	

□ 1909

Mrs. MALONEY and Messrs. WYNN, MORAN of Virginia, SCOTT of Georgia, PALLONE, ALLEN, and COSTELLO changed their vote from "yea" to "nay."

So the previous question was ordered. The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 228, nays 200, not voting 6, as follows: