Just last month, in the Fiscal Year 2020 funding bill, we supported a public health response to this epidemic with over $4 billion to help with Federal substance abuse treatment and prevention efforts. Also last month, the House passed H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act, which included an additional $10 billion in funding to support public health efforts at the Department of Health and Human Services to combat the opioid epidemic.

Earlier this month, the Energy and Commerce Committee had a chance to hear directly from States on how our federal support through these legislative actions has helped save lives. Although we've witnessed an improvement in the number of year-to-year overdose deaths, the availability of synthetic opioids like fentanyl is hindering the progress we've made.

Fentanyl is a deadly synthetic drug that is 50 times more powerful than heroin, and 100 times more powerful than morphine. Although it is used in medical settings, we have seen a proliferation of illicitly produced fentanyl, fentanyl analogues, and its precursor chemicals originating from China. Because fentanyl is relatively easy to make and so potent, it is tragically leading to large increases in overdose deaths.

We have all heard the terrible numbers that tell this story. In 2017, there were over 47,000 opioid overdose deaths—and 28,000 of those deaths involved synthetic opioids such as fentanyl. My home State of New Jersey, for example, has seen a tenfold increase in deaths involving fentanyl in the last several years.

A more complicating factor is that we are now seeing fentanyl increasingly mixed into other drugs like cocaine, methamphetamine, and even counterfeit prescription drugs like oxycodone. This means that many unsuspecting people are dying at the hands of fentanyl when they didn't even realize they were taking it.

Mr. Speaker, the nature of our Nation's fentanyl problem is more complex than drug epidemics of the past. In addition to traditional routes, users can purchase fentanyl analogues and fentanyl precursor chemicals online. These purchases, which typically include the most pure and potent fentanyl, are often packaged and shipped through the United States postal system or consignment carriers in small quantities, making detection a significant challenge. All these factors combined make for complex problem, and requires a multifaceted solution. Part of that solution is finding a way to support both public health and public safety actions aimed at stemming the tide of overdose deaths.

In February 2018, the Drug Enforcement Agency (DEA) used its authority in the Controlled Substances Act to temporarily place for two years all illicit fentanyl-like substances in Schedule I. With this authority expiring next month, we must do more to understand the true impact of this temporary scheduling order, including its impact on public safety, public health, research, and federal criminal prosecutions.

That is why today we are considering S. 3201, the ''Temporary Reauthorization and Study of Emergency Scheduling of Fentanyl Analogues Act.'' The Senate bill would extend DEA's temporary order for 15 months while also tasking the Government Accountability Office (GAO) with an evaluation of the temporary order.

Placing a whole class of fentanyl-like substances into Schedule I does not come without implications for criminal justice and research. The National Institute on Drug Abuse within the National Institutes of Health, notes that ''obtaining or modifying a Schedule I registration involved significant administrative challenges, and researchers report that obtaining a new registration can take more than a year.'' It is critical that our response balance the need for legitimate research access that holds potential for improved treatments for pain and addiction, while also putting in place a more long-term solution to the dangerous trafficking of fentanyl analogues.

This temporary emergency scheduling order also has international implications. A year after the United States moved to schedule all fentanyl-related substances, China announced it would act and do the same. This class-wide control in China has slowed the rate of new fentanyl analogue encounters in the illicit market. An expiration would also put the DEA back in the position of playing whack a mole, and taking action to schedule fentanyl substances one by one while illicit traffickers continue to evade scheduling and find new ways to flood our markets with deadly synthetic substances.

I agree with many of my colleagues that we cannot arrest our way out of this epidemic. The complexity of the fentanyl crisis, and creation of other synthetic drugs, demands a thoughtful, balanced approach that protects the public health and public safety of all Americans. This temporary extension, coupled with GAO's study, will give the committees of jurisdiction time to work on a longer-term solution. It will also give us the opportunity to solicit feedback to help us to better understand the full range of implications that come with class-wide scheduling of these substances.

Ms. BLUNT ROCHESTER. Mr. Speaker, every 22 hours, a Delaware family loses a loved one to an overdose. Unfortunately, that figure may increase due to the proliferation of synthetic opioids like fentanyl. Fentanyl has made this national public health emergency increasingly deadly and increasingly difficult to address. My home state of Delaware continues to see an unacceptably high loss of life due to the increasing prevalence of synthetic opioids like fentanyl and despite the work Congress has done to address this crisis. With the passage of the bipartisan SUPPORT Act, we took significant steps forward to truly address the opioid epidemic. But it is clear that we must do more.

We need a comprehensive response to combat the opioid epidemic and the proliferation of fentanyl. I call on my colleagues to provide the funding needed to effectively treat substance use disorder, funding I proudly champion as a supporter of the Respond NOW Act, which would provide $5 billion dollars a year to treatment services. And I hope to work with my colleagues in the near future to advocate for the kind of policies we need to effectively respond to fentanyl and finally bring the relief our communities deserve.

We cannot arrest our way out of this crisis and this bill gives me serious concern. Sadly, our criminal justice system is not able to solve this problem. Too often the proposed solution has been to take away judicial discretion in favor of mandatory minimums, disproportionately affecting the poor and people of color. Worse, this drive to incarcerate coupled with the lack of effective treatment for substance use disorder behind the walls of our correctional institutions threatens to make a national crisis into a national disaster. While controlling the flow of illicit fentanyl can help mitigate this crisis, it can only do so temporarily. And that is why I support S. 3201 today because while it is far from perfect, we need to try and curb the increase of addiction and death by fentanyl because too often, these tragic deaths disproportionately impact people of color. This bill will only extend the DEA's scheduling order for 15 months and require an important study to give us the information we need to truly solve this calamity. It will give us time to create the long-term solution the country needs.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New Hampshire (Ms. KUSTER) that the House suspend the rules and pass the bill, S. 3201.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. WALDEN. 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, further proceedings on this motion will be postponed.

STUDENT BORROWER CREDIT IMPROVEMENT ACT

GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous materials on H.R. 3621.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 811 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 3621.

The Chair appoints the gentleman from the Northern Mariana Islands (Mr. SABLAN) to preside over the Committee of the Whole.

□ 1314

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3621) to amend the Fair Credit Reporting Act to remove adverse information for certain defaulted or delinquent private education loan borrowers who demonstrate a history of loan repayment, and for other purposes, with Mr. SABLAN in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall be confined to the bill and amendments specified in

the first section of House Resolution 811 and shall not exceed 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

The gentlewoman from California (Ms. WATERS) and the gentleman from North Carolina (Mr. MCHENRY) each will control 30 minutes.

The Chair recognizes the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in support of H.R. 3621, the Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency Act, legislation sponsored by Representative AYANNA PRESSLEY of Massachusetts. This package of bills builds upon reforms that members of the Financial Services Committee have been developing for several Congresses.

Mr. Chairman, credit reporting is unlike any other business. Consumers are not customers of credit reporting agencies; they are the product. Credit reporting agencies package up consumers' data to sell to lenders, employers, and other businesses.

Unfortunately, our system of consumer credit reporting is badly broken, and consumers have little recourse. It is typical for credit reports to be filled with unacceptable errors that are difficult for consumers to correct. A Federal Trade Commission study found that one in five consumers have verified errors in their credit reports, and 1 in 20 consumers have errors so serious that they would be denied credit or need to pay more for it. This means about 42 million consumers have errors in their credit reports and 10 million have reports that can be life-altering.

Consumers are frustrated with the current system. In 2018, the Consumer Financial Protection Bureau received 126,300 consumer complaints on credit reporting, which was more than one-third of all complaints submitted. The Consumer Financial Protection Bureau received more complaints about credit reporting than any other issue.

This legislative package makes critical reforms to help consumers by addressing problems with the credit reporting system.

The legislation includes H.R. 3642, the Improving Credit Reporting for All Consumers Act, a bill sponsored by Representative ALMA ADAMS, which would address burdens consumers experience when trying to remove errors from their consumer reports, including by providing a new right to appeal the results of initial reviews about the accuracy or completeness of disputed items on the report.

The package also includes H.R. 3622, the Restoring Unfairly Impaired Credit and Protecting Consumers Act, a bill sponsored by Representative RASHIDA TLAIB. This part of the bill would limit how long adverse credit information stays on consumer reports, and it would protect consumer victims by removing adverse information relating to predatory, discriminatory, or otherwise unlawful loans made by a financial institution. It would also prohibit reporting debt relating to medically necessary procedures and delay reporting by 1 year for other medical debt.

In addition, the package includes H.R. 3614, the Restricting Use of Credit Checks for Employment Decisions Act, a bill sponsored by Representative AL LAWSON. This part of the bill would prohibit employers from using credit reports for employment decisions, except when a credit report is otherwise required to conduct a background check by Federal, State, or local law or for a national security clearance.

Then there is H.R. 3621, the Student Borrower Credit Improvement Act, a bill sponsored by Representative PRESSLEY, which is also included in the legislation. This part of the bill would help student borrowers who may have been delinquent on paying their private student loans to repair their credit after they demonstrate a history of timely loan repayments for these loans, similar to how the credit reports of borrowers with Federal student loans can be rehabilitated.

Another key measure included in this package is H.R. 3629, the Clarity in Credit Score Formation Act, sponsored by Representative STEPHEN LYNCH. This legislation would direct the CFPB to provide oversight and set standards for validating the accuracy and predictive value of credit score models, and it would promote innovation by requiring a study on how the use of nontraditional data might impact the availability and affordability of credit for consumers with limited or no traditional credit histories.

Finally, the package includes H.R. 3618, the Free Credit Scores for Consumers Act, sponsored by Representative JOYCE BEATTY, which would direct the nationwide CRAs to give consumers free copies of their credit scores that are used by creditors in making credit decisions, as determined by the CFPB, whenever consumers obtain their free annual consumer reports.

I am pleased that this bill also includes a provision that I have worked on with a range of other Members that excludes from credit reports any adverse information about a Federal employee and others who are affected by a government shutdown.

Mr. Chairman, I urge all Members to support these commonsense reforms to improve the Nation's consumer reporting system and benefit hardworking American consumers.

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

Mr. MCHENRY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the bill before us. This is a Democrat bill under the guise of consumer protection that will destroy the accuracy and completeness of consumer credit files. This will lead to a weaker financial system, undermining a great deal of safety and soundness that we have built up over decades. This will, in essence, socialize credit scoring and, therefore, credit allocation.

Mr. Chairman, this is an election year. I see that, and I see that not just in the rhetoric here in the House but in the legislation that is before us today.

This bill will weaken underwriting standards. It will make extending credit a riskier and more expensive activity, ultimately impacting both the cost and accessibility of credit for all Americans.

Let me be clear. For more than 1 year now, I have made the same statement on the House floor when the House Financial Services Committee has a bill here on the floor. Committee Republicans stand ready to work with the Democrats on issues that are important to the American people, and this bill is a prime example of this. We support policies that create jobs, grow our economy, and make our Nation more secure.

Today is no different. Republicans want to work with Democrats to help all consumers, especially consumers who may be struggling to access the necessary credit to apply for a home loan or replace a broken washing machine or perhaps even start a small business.

We want to reach a bipartisan compromise to reform the Fair Credit Reporting Act, or FCRA. We want to find a compromise that meaningfully helps consumers and, at the same time, stands a chance of being signed into law.

This bill is not that. I fear my colleagues have thrown out bipartisanship in favor of satisfying political allies in an election year.

This bill socializes credit modeling giving, the CFPB, an unaccountable bureau within the government, the ability to develop, maintain, and regulate credit modeling and factors used in analysis.

You will have politicians making the decisions on how credit is scored, Mr. Chairman. That is a dangerous thing and something in the United States we should not stand for.

This bill prevents employers from knowing the creditworthiness of employees. This creates a situation in which employees who are in significant debt could be targets of bribes or extortion or perhaps take money that is owed to other people.

This bill creates a boon for the trial lawyers, creating new reinvestigation and appeals processes to be exploited by the trial bar.

This bill diminishes the value of a credit score as a determining factor in extending credit—I don't think that is a secondary fact; I think that is the primary goal of this bill—by removing past credit scores after 2 years from a report and prohibiting those scores within the 2-year period from being used as a factor.

This bill also arbitrarily changes the time period negative information, such as a missed payment, remain on a consumer's credit report.

This bill makes it more difficult for private lenders to compete in the student loan industry by allowing delinquent borrowers or a borrower who has defaulted on a loan to rehabilitate their credit outside of the contractual terms.

This bill imposes unfunded mandates on the private sector to really an unprecedented degree.

These provisions make clear what Democrats want to accomplish in this bill. They want to socialize credit and the models underlying credit allocation. This bill takes credit reporting out of the hands of the private sector and gives it to the government.

Let me be clear. I am no fan of the large credit reporting agencies, also known as CRAs. In fact, during our one hearing on this topic last February, nearly 1 year ago at this point—I use the term loosely—that we discussed this bill, because it was just a discussion draft and much different from what we have before us. But in that hearing, we didn't discuss the implications of this bill or the FCRA. I made it clear at that hearing that I share the chairwoman's concerns with the credit reporting agencies, their lack of competition, and their oligopoly. In fact, there were aspects of the original discussion draft of this bill that are not part of what we have today that I thought had merit and should be explored in greater detail.

For example, I have concerns that CRAs' operations are not as consumer-friendly as they could be or should be. Moreover, not once after that hearing did the committee consult with additional subject matter experts on the inefficiencies, ineffectiveness, or improvements needed to the Fair Credit Reporting Act. Not once after that February hearing did we discuss how to make CRAs work better for the consumer. Not once did we have real bipartisan discussions about what we could achieve and get signed into law.

This is something that both Republicans and Democrats actually agree on, the need to reform this process. I agree that we should be disclosing public record data sources. I agree we should exclude paid medically necessary medical debt from consumer credit reports. I agree we should prohibit certain adverse information resulting from financial abuse or predatory lending from being included in consumer credit reports.

In fact, the substitute amendment I filed with the Rules Committee that was not made in order this day includes the bipartisan reform I described and more.

Committee Republicans support reforms such as prohibiting the use of Social Security numbers to verify consumers. Now, this is a primary source and a primary ingredient for identity fraud. We should take action there, and I think we can.

Committee Republicans also support facilitating online credit freezes and the removal of credit files for minors and children. We also support studying the use of nontraditional data in credit scoring as well as codifying the Consumer Financial Protection Bureau's, or the CFPB's, credit reporting registry.

I think there are things that we can do. Bipartisanship is within our grasp. All my colleagues have to do is reach out and grab it.

As I said, Republicans stand ready to work with Democrats to help consumers. But this bill is about socializing credit and credit allocation, and this bill is not the answer to the consumers' challenge. In fact, the Democrats' bill will only hurt the very consumers we are trying to help.

Mr. Chairman, I urge my colleagues to oppose this socialization of credit reporting and vote ''no'' on this bill. I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, this really should be a bipartisan bill, but my friends on the opposite side of the aisle have not been willing to really work in a bipartisan way. His bill was rejected in the Rules Committee because it was not germane. If he agrees with us on all of the items he identified, he should be supporting this bill.

Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts (Ms. PRESSLEY), who is a sponsor of this important legislation.

□ 1330

Ms. PRESSLEY. Mr. Chair, in this country, our credit reports are our reputations, determining where you can live, where you can work, and how much it will cost you to finance everything from a car to a college degree. But our credit reporting system is fundamentally flawed, rife with inequities and disparities that stifle the upward mobility of millions of hardworking Americans.

I am proud to rise in support of my Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency, or Comprehensive CREDIT, Act, a critical package of reforms that will improve our fundamentally flawed credit reporting system.

How and what information is shared with credit reporting agencies is especially important as Americans take on ever-increasing debt simply for trying to afford basic needs: housing, healthcare, and higher education.

Trailing only mortgages, student loan debt is now the second highest form of consumer debt, impacting nearly one-fifth of U.S. households and totaling over $1.6 trillion. That is trillion with a T. In my home State of Massachusetts, alone, over 855,000 borrowers owe a total of $33.3 billion in student loan debt.

That is why I am especially proud the Comprehensive CREDIT Act includes reforms originally introduced in my Student Borrower Credit Improvement Act, reforms that would establish a credit rehabilitation process for private student loan borrowers facing hardship, making students eligible to have all associated derogatory remarks removed from their credit reports, which can otherwise stay on for 7 years.

Even if we wipe out all student debt tomorrow, the devastating impact on consumers' credit would remain for years to come. For that very reason, we must give folks a real chance at recovery and repair.

It is estimated that one in five Americans has a potential error on their credit report; but, for too long, credit reporting agencies have kept consumers in the dark and made it difficult to correct errors that do come to light. The Comprehensive CREDIT Act will ensure that consumers can quickly and easily rectify those errors.

At a time when wages are stagnant but the cost of housing, childcare, and education continue to rise, we should be working to provide our constituents pathways to financial stability and success. It is why this bill would restrict the use of credit scores for most hiring decisions, limit the amount of time that adverse information can remain on a person's credit profile, and ban the reporting of any debt as a result of medically necessary procedures.

I urge my colleagues to support the Comprehensive CREDIT Act and ensure a more equitable and transparent credit reporting system for all.

Mr. MCHENRY. Mr. Chair, I yield 2½ minutes to the gentleman from Missouri (Mr. LUETKEMEYER), who is the ranking member of the Consumer Protection and Financial Institutions Subcommittee.

Mr. LUETKEMEYER. Mr. Chair, the bill we are considering today is made of six extremely partisan pieces of legislation. This package will not receive substantial bipartisan support and is dead on arrival in the Senate.

Unfortunately, instead of working in a bipartisan manner to improve credit reporting for consumers, the majority has chosen to advance legislation that simply attacks an industry, to the consumers' detriment.

I think the ranking member made a number of points a while ago with regard to the willingness of the minority to advance a lot of different solutions to some of the concerns that we all have, yet they were not heard.

Each piece of legislation in this package has one of two goals—the first goal is to expand the authority of the CFPB over credit modeling; the second is to eliminate as much information from the credit report as possible—both of which will increase the cost of credit and make it even more difficult for low- and moderate-income families to receive a loan.

If the financial institution is unable to analyze a risk, it has to increase the cost to be able to cover the additional risk. It is just that simple.

In this Congress, we have had witness after witness come before our committee and praise and support the use of alternative credit modeling. Using alternative data can increase access to

credit, particularly for low-income consumers and the underbanked.

Instead of supporting efforts to modernize and increase credit access, the majority seems inclined to stifle innovation by requiring the CFPB, an unaccountable government agency, to determine what factors can be used in credit scoring. Putting the government in charge of establishing credit scores for consumers is a dangerous notion that strikes at the heart of economic freedom in this country.

By eliminating the information that appears on the credit report, my colleagues on the other side of the aisle are weakening one of the most objective and accurate ways to determine creditworthiness of borrowers.

If lenders can no longer rely on a credit report to reflect the actual risk of a borrower, the lender will be forced to increase their rates to ensure they are pricing the additional risk they are taking. This increased cost of credit will directly affect the individuals who are on the margins, notably low- and moderate-income borrowers.

While I think the majority may have good intentions with this legislation, government control of credit modeling and decreased access to credit for low-income families sounds like a disastrous recipe for our economy. That is why I am opposing the legislation, Mr. Chair, and I urge my colleagues to do so as well.

Ms. WATERS. Mr. Chair, I yield 3 minutes to the gentlewoman from Ohio (Mrs. BEATTY), who is the chairwoman of the Subcommittee on Diversity and Inclusion and a sponsor of legislation that is a part of this bill, H.R. 3621.

Mrs. BEATTY. Mr. Chair, I want to start by thanking Chairwoman WATERS and the House Democratic Caucus for bringing this package of bills to the House Floor, the Comprehensive CREDIT Act, which includes my bill, the Free Credit Scores for Consumers Act. This bill would require the three national consumer reporting agencies to include a free credit score with a consumer's free annual credit report.

Under the current law, Mr. Chair, every consumer is entitled to a free annual credit report from the three national credit reporting agencies but not a credit score.

It is important for consumers to have free access to the three-digit number that affects so much of their financial lives; yet too many Americans do not actually even know what their credit score is, how it is calculated, or where to find it. This bill would help remedy that problem.

Critics may say that consumers can already receive a free credit score online, but what they don't tell them is that these products use your credit data to sell to third parties so they can, in turn, market financial products back to you.

This bill allows consumers a one-stop shop to get their credit scores directly from the credit reporting agencies who hold the information that makes up those scores, no strings attached. Moreover, my bill would require more financial literacy information about credit scores and credit reports to be sent to consumers along with these reports.

I urge my colleagues on the other side to stand up for this bill, to stand up for their constituents, and to allow consumers to take greater control of their own financial data.

And do you know why they can do this? Because their constituents are our constituents, and they have asked for this. So we are asking them to vote ''yes'' on this piece of legislation.

Mr. MCHENRY. Mr. Chair, I yield 3½ minutes to the gentleman from Kentucky (Mr. BARR), the Republican ranking member of the Oversight and Investigations Subcommittee.

Mr. BARR. Mr. Chair, I rise today in strong opposition to H.R. 3621, a bill that has been misnamed as the Comprehensive CREDIT Act of 2020. A more appropriate title of the bill would be the ''Incomplete and Inaccurate Credit Act,'' because the bill's core purpose is to remove critically important predictive data from credit reports.

Even worse, the bill would give unprecedented authority to the Consumer Financial Protection Bureau to control, micromanage, and politicize the development of credit scoring models.

This bill and its authors trust in the abilities of unelected Washington bureaucrats to price risk for millions of Americans, which will result in higher cost and fewer choices for consumers and will harm low- and middle-income borrowers who are trying to build a credit profile.

The accurate pricing of risk is an essential element of a functioning economy. Pricing a loan, underwriting an insurance policy, or tailoring a line of credit for a borrower all require a reliance on risk-based metrics. Credit scores allow for a holistic view of a consumer's history with financial products and allow an institution to understand that consumer's ability to honor his or her obligations.

This bill would upend our current system of pricing risk by turning over the private sector's creditworthiness models to the government and placing a wildly unrealistic confidence in central planning rather than free enterprise.

My Democrat colleagues continue to believe that a centralized bureaucratic agency is the best and only option to fully protect consumers. The irony is that this bill would result in much less accurate credit scoring and would harm the very people my colleagues purport to help.

If you think that private credit scoring is flawed and disadvantages the borrowing public, just wait until the government is in charge. We continue to see the CFPB's incompetence on full display, and credit scoring will not be any different.

We need a credit reporting system that relies on accurate, risk-based, predictive metrics. Our goal should be to allow people with good credit to have access to financial products at a reasonable price and to provide means for people with lower scores to rebuild their credit on a path to a more prosperous future.

Putting credit reporting metrics in the hands of unelected bureaucrats and boxing out the private sector will make financial products more expensive and less available for all citizens and have detrimental downstream effects on our credit-based economy. Worse, it risks politicizing credit scores instead of assigning scores based on an accurate and fulsome credit history.

We should not replace the accountability of market forces and free enterprise with the unaccountability of government bureaucracy. This bill will politicize credit reporting by empowering an inherently political agency.

The question is not whether the CFPB will fail our constituents; it is how badly it will fail them.

Mr. Chair, I urge my colleagues to oppose this bill.

Ms. WATERS. Mr. Chair, I yield 3 minutes to the gentlewoman from North Carolina (Ms. ADAMS), who is a sponsor of one of the bills in this comprehensive legislative package, H.R. 3621.

Ms. ADAMS. Mr. Chair, I rise today to join my colleagues in support of H.R. 3621, the Comprehensive CREDIT Act.

I commend Chairwoman WATERS, Congresswoman PRESSLEY, and my colleagues for their leadership and dedication to ensuring that the credit reporting system works for everyone.

Our Nation's credit reporting system has an impact on hundreds of millions of Americans. Credit scores and credit reports are increasingly relied on for key decisionmaking by creditors, employers, insurers, and even law enforcement. However, it has been more than 15 years since Congress has enacted comprehensive reform of the credit reporting system.

In particular, I would like to focus on the consumers who have experienced financial distress due to inaccurate information on their credit reports.

When there is an error on a consumer report, the burden falls on the consumer. It can take months and even, in some cases, years to remove an error on a consumer's report, all the while the consumer's credit continues to suffer, potentially preventing them from receiving a much-needed loan or financing.

□ 1345

My bill, the Improving Credit Reporting for All Consumers Act, which is part of this larger package, would help consumers by making it easier for incorrect information to be removed swiftly and painlessly.

It would make much-needed improvements to the dispute process for consumers by providing a new right to appeal the results of initial disputes.

It would also require furnishers to retain better records of negative information and that consumers be provided copies of any documents used during the dispute process. All furnishers who regularly report negative information would also be required to notify customers about this practice and alert customers when they first send derogatory information.

The second portion of my bill prohibits credit reporting agencies from providing consumers with misleading and unfair information about the various credit monitoring services they offer.

Credit reporting agencies would also be prohibited from misleading consumers by describing certain products and services as free that are, in truth, provided at no charge only for a limited trial period before automatically converting into a paid subscription service.

The naysayers will say that my bill is well-meaning but significantly flawed because the dispute process would make things more complicated and difficult, but they would be wrong. The status quo is difficult and cumbersome, and too many consumers' lives, credit, and opportunities for healthy financial records hang in the balance.

Credit scores have a significant bearing on your ability to secure access to loans and other opportunities for upward economic mobility. This is an issue far too important, life-altering, and impactful. We must do all that we can to ensure that consumers are fully knowledgeable about their options and that they have the necessary protections available to them.

Mr. Chairman, I urge my colleagues to support this bold package.

Mr. MCHENRY. Mr. Chairman, I yield 2½ minutes to the gentleman from Texas (Mr. WILLIAMS), my colleague from Weatherford.

Mr. WILLIAMS. Mr. Chairman, I rise today in opposition to H.R. 3621.

As a business owner and lender, I know firsthand the value that complete and accurate credit reports have in making sound business decisions.

For any business that relies on financing, risk-based pricing is essential in order to offer each customer the lowest rate possible. Every time a deal is broken, the cost gets passed along to the next customer.

Your handshake is worth something. When you are trying to get a loan, people need to know that your signature is worth something as well.

In Texas, a deal is a deal, and you must always live up to your end of the bargain. For those customers who have been financially responsible and always paid their debts on time, they are rewarded with lower rates. For those borrowers who have not paid their debts on time, financial institutions are forced to price in this inherent risk.

Whether a person is buying a car, a private jet, or a cow, the lender needs to be paid back in order to be able to continue offering lines of credit to responsible people in their community.

Mr. Chair, I am concerned that this bill would take us down a path where lenders are receiving incomplete credit reports that have been scrubbed of all negative information. In other words, hiding information results in greater risk for the lender. This would make borrowing money more expensive for all customers since financial institutions will have a worse picture about who will be able to repay their debts and who will not.

Again, I remind you we say and always should remember: A deal is a deal.

Mr. Chair, I urge my colleagues to vote ''no'' on this bill.

Ms. WATERS. Mr. Chair, our next speaker is a sponsor of one of the bills in H.R. 3621. She will have an opportunity to correct the ranking member, who indicated the bill would remove negative credit after 2 years. It does not. She will clear that up and make sure that he understands the facts of our bill.

Mr. Chair, I yield 3 minutes to the gentlewoman from Michigan (Ms. TLAIB).

Ms. TLAIB. Mr. Chair, I thank Chairwoman WATERS and her intelligent, hardworking staff for their leadership on this bill.

I also thank my sister-in-service, Congresswoman AYANNA PRESSLEY, for spearheading this package of bills, the Comprehensive CREDIT Act of 2020. A new decade, a new way, as our chairwoman would say.

I am also proud that our package of bills before us today includes H.R. 3622, the Restoring Unfairly Impaired Credit and Protecting Consumers Act. We are all aware of how expensive medical bills are and how easily one sickness or accident can bring families to financial ruin. According to the Urban Institute, regardless of age, income, insurance status, or ethnicity, one in four individuals are at risk of losing their health, homes, credit standing, and financial security annually because of the harms of medical debt.

The bill prohibits the reporting of medically necessary debt often incurred for seeking lifesaving treatment and protects the credit profile of those struggling with medical debt by stopping the credit reporting agency from reporting this debt for 1 year, twice the current practice.

This bill also protects the survivors of financial abuse. A study by the Federal Trade Commission shows that 21 percent of consumers had verified errors in their credit report; 13 percent had errors that affected their credit scores; and 5 percent had errors serious enough to cause them to be denied or pay more for credit.

Our bill would make sure that fellow Americans suffering from circumstances beyond their control are not punished or left out of future opportunities to responsibly build and rebuild credit because of risk factors beyond their control.

By passing this bill, we will make it easier for our neighbors struggling to recover from predatory loans and fraudulent activity by requiring that credit reporting agencies remove negative information from credit reports relating to loans that are unfair, deceptive, abusive, and otherwise illegal.

Lastly, and probably the most transformative provision, this bill shortens the length of time that bad marks stay on your credit report from 7 years to 4 years.

This package will open up doors for economic opportunities for millions of people across our country. No one should be stopped from becoming a homeowner or bettering their life because of bad debt.

Mr. Chair, that is why I urge my colleagues to support this bill.

Mr. MCHENRY. Mr. Chairman, I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. LYNCH), who is chairman of the Task Force on Financial Technology, and a sponsor of H.R. 3629, one of the bills that is making up this package.

Mr. LYNCH. Mr. Chairman, I thank the gentlewoman from California for her longtime leadership on this issue. I also thank my colleague, Ms. PRESSLEY from Massachusetts, for her work as well.

I am extremely grateful that the text of my bill, H.R. 3629, the Clarity in Credit Score Formation Act, which would require the Consumer Financial Protection Bureau to periodically evaluate the models and underlying algorithms used to measure consumer creditworthiness, has been made part of this measure.

I also appreciate the opportunity to speak in favor of my colleague's work, which is embodied in H.R. 3621, the Comprehensive CREDIT Act, which is before us today.

Mr. Chair, as we have heard throughout debate, credit reports and credit scores are an important part of American consumers' financial lives. Yet, despite that importance, we continue to see serious problems with the way creditworthiness is measured and with the credit models that the credit agencies use.

We know that consumers have consistently faced errors in their credit reports and that, oftentimes, those errors are serious enough to impact important opportunities in obtaining housing and other major financial decisions. These errors can lead directly to consumers being denied credit or paying substantially more for the credit that they do receive.

Despite complaints from my Republican colleagues, by expanding the pool of information used to make credit decisions, applicants and lenders actually won't have to rely solely on often-flawed data in credit reports, and consumers can get the credit they deserve for regularly paying their rent on time and their bills on time and more, without raising the cost to the system of doing so.

While these new uses of data can allow expanded access to credit, sometimes that same data can be misconstrued and result in unfair discrimination. We have seen this most clearly in the credit scores of our sons and daughters in uniform and military personnel in the Armed Forces.

It is customary that service to our Nation requires military families to move around fairly frequently as deployments and unit assignments change. Taken by itself and out of context, frequently moving your residence year to year can give the false impression to a credit agency that an applicant is not in a stable situation and can adversely impact their ability to access credit.

Other uses of data can be closely related to factors such as race or gender, or become a proxy for a protected class.

We have already seen examples of this. The Department of Housing and Urban Development has sued Facebook over its use of data-targeting, which violates the Fair Housing Act by adversely stereotyping families who live in public housing projects. Even Housing Secretary Carson has openly stated: ''Facebook is discriminating against people based upon who they are and where they live.''

The CHAIR. The time of the gentleman has expired.

Ms. WATERS. Mr. Chairman, I yield an additional 1 minute to the gentleman from Massachusetts.

Mr. LYNCH. These charges followed on the heels of charges that Facebook entered into a financial settlement after accusations that landlords, lenders, and employers improperly used that platform to unfairly discriminate against families seeking housing opportunities.

That is why we need clarity in credit score formation. That is why we need this bill.

Importantly, with the expansion of mobile banking, it requires a study on the impact of using nontraditional data on consumer reports and the use of alternative data in credit scoring models.

Much to Chairwoman WATERS' and Ms. PRESSLEY's credit, this is a very good bill that will help us harness the power of mobile technology and alternative data to improve outcomes for consumers.

Mr. Chair, in closing, I thank my colleagues, Mr. LAWSON of Florida, Mrs. BEATTY of Ohio, Ms. PRESSLEY of Massachusetts, Ms. TLAIB of Michigan, and Ms. ADAMS of North Carolina for their great contribution, along with Chairwoman WATERS, in making this successful legislation.

Mr. Chair, I urge a ''yes'' vote.

Mr. MCHENRY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I submit for the RECORD page 114 of the bill, and I would highlight these sections, line 4, ''Maintenance of Credit Scores.''

''Subsection A: In General. All consumer credit reporting agencies shall maintain the consumer's file credit scores relating to the consumer for a period of 2 years from the date on which such information is generated.

''Subsection B: Disclosure Only to Consumers. A past credit score maintained in a consumer's file pursuant to subparagraph A may only be provided to the consumer to which the credit score relates and may not be included in a consumer report or used as a factor in generating a credit score or educational credit score.

''Subsection C: Removal of the Past Credit Scores. A past credit score maintained in a consumer's file pursuant to subparagraph A shall be removed from the consumer's file after the end of the 2-year period described under subparagraph A.''

This is the section of the bill that says that your consumer credit report can only be 2 years old—your score. Now, the data can be longer, but your score can only use 2 years of past data.

That is deeply problematic because, as we know, these things are more long-run occurrences. Creditworthiness doesn't happen overnight, nor do somebody's riskier habits happen overnight.

So for a 2-year period, we have not seen any testimony why 2 years is sufficient. The current industry standard is much longer than that, but each different user of this credit information can determine for themselves what that appropriate time is, and that is not mandated by current law.

□ 1400

So I find this troublesome, and problematic, and riskier than what we currently have in the law; and that is one of the components of this bill that I oppose. There are numerous other examples, but I know we will have more debate and I will be able to bring up those exact details as those on the other side tout the so-called benefits.

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

Ms. WATERS. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. LAWSON), who is the sponsor of H.R. 3614, one of the bills in this comprehensive package.

Mr. LAWSON of Florida. Mr. Chairman, I rise to support H.R. 3621, a bill that provides strong consumer protection for our Nation's borrowers.

Often, we talk about access to capital and how many communities across this country are either underbanked or shut out of the credit market altogether. This bill goes further than any other piece of legislation we have seen in protecting our Nation's student loan borrowers, potential hires from biased credit reporting, and guaranteeing that consumers have the necessary information to make informed financial decisions.

I am particularly thankful that this legislation includes my bill, H.R. 3614, that will limit the use of credit reports and credit scores to make hiring decisions.

As with access to capital, there are many barriers in accessing employment opportunities, particularly for communities of color and other marginalized groups based on several factors. One of these factors includes an individual's credit history.

Many people have fallen on hard times, had their identities stolen, or have become ill, which have negatively impacted their credit reports. But I ask, should that also impact their ability to become employed?

Should an arbitrary number based on obscure algorithms that make up a credit score shut someone out of being employed? The answer is no.

That is why this bill prohibits certain employers from using credit history to determine someone's eligibility to be employed. This bill is a much-needed solution in removing employment barriers.

As we move forward, I will continue to work with stakeholders to protect job applicants while also guaranteeing that organizations and companies can vet potential applicants adequately.

Mr. Chairman, I thank Congresswoman PRESSLEY, Chairwoman WATERS, and the committee staff who have worked tirelessly into the night to help draft this bill. I thank them for their advocacy on behalf of the Nation's consumers.

It is about time we help people gain greater access to the job market.

Mr. MCHENRY. Mr. Chairman, I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), who is the chairwoman of the Committee on Oversight and Reform.

Mrs. CAROLYN B. MALONEY of New York. Mr. Chair, I thank the chairwoman for yielding and for being such a leader on this issue and so many others.

I rise in strong support of H.R. 3621, and I want to thank my colleague, Ms. PRESSLEY, for her hard work on this bill.

Our credit reporting system is deeply flawed, and it affects millions of consumers every day. When there is an error on a consumer's credit report, it can harm their credit for years. Maybe their credit report says that they didn't pay a bill when they did, or maybe they confused them with another person.

These kinds of basic errors should be easy to fix, but unfortunately, they often take years to sort out. And in the meantime, consumers are being wrongfully denied credit or paying higher rates than they should.

This bill will solve these problems by reforming the dispute process in order to give consumers more rights and more opportunities to challenge bad information on their credit reports.

It also helps consumers who have burdensome student loans by removing negative credit information as soon as they can demonstrate that they have a history of timely repayment. This is incredibly important.

Finally, I want to thank Chairwoman WATERS for her tireless efforts on this

issue. She has focused on credit reporting for years, and I am very proud she was able to shepherd so many bills to the floor.

I urge a ''yes'' vote on this bill.

Ms. WATERS. Mr. Chairman, I would like to inquire, through the Chair, if my colleague has any remaining speakers on his side.

I have no further speakers and I am prepared to close.

Mr. MCHENRY. Mr. Chair, I yield myself such time as I may consume.

I include in the RECORD three documents in opposition to this bill. The first is a letter to Chairwoman WATERS and to me from the Consumer Data Industry Association expressing their opposition to this bill.

CONSUMER DATA INDUSTRY ASSOCIATION,
Washington, DC, January 23, 2020.

Hon. MAXINE WATERS, Chairwoman,
Hon. PATRICK MCHENRY, Ranking Member,
Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR CHAIRWOMAN WATERS AND RANKING MEMBER MCHENRY: On behalf of the Consumer Data Industry Association (CDIA), I want to share our opposition to H.R. 3621, the ''Comprehensive CREDIT Act of 2020.'' This approximately 200-page bill would impose new costs to consumers and the economy and negatively impact credit underwriting standards. We request that House Members vote no when the bill is considered.

As the trade association representing companies who provide consumer reporting services, we and our members strive to ensure that consumer credit reports are accurate, the information within them is protected and consumers are empowered to correct inaccurate information in a timely and straightforward fashion. Our member companies work constantly to improve the consumer reporting system by making technology and process improvements to enhance accuracy and improve the consumer experience.

OVERVIEW

The negative outcomes of H.R. 3621 would strike consumers, community banks, credit unions, automobile dealers, mortgage lenders, other non-bank lenders, data furnishers, employees and employers, insurers, property owners and consumer reporting agencies (CRAs). This legislation makes extensive and complicated changes to the consumer reporting industry and the rights and obligations established under the Fair Credit Reporting Act (FCRA), and will affect the entire credit allocation and risk management ecosystem; the bill is not solely targeted at CRAs.

In previous instances when Congress considered major FCRA changes, extensive hearings were held in the House and Senate, featuring consumers, regulators, the consumer reporting industry, data contributors and end users of credit reports, such as banks and retailers. In the past, this has resulted in legislation that was supported by most stakeholders and bi-partisan Congressional majorities. The legislation in this Congress was taken up by Committee after only a single hearing last February, which was not focused on specific legislative issues. We believe proceeding without additional scrutiny is a mistake, given the bill's complexity and its impact.

Consumer reports are a critical driver of economic growth and opportunity. Our economy relies on the ability of CRAs to interact with lenders, employers, insurers and others to enable consumers to access low-cost credit, employment opportunities and housing. The Federal Reserve noted, for example, that ''[a]vailable evidence indicates that [credit report] data and the credit-scoring models derived from them have substantially improved the overall quality of credit decisions and have reduced the costs of such decision-making. Almost certainly, consumers would receive less credit and the price of the credit they received would be higher, if not for the information provided by credit reporting companies.'' Current law provides consumers with a robust set of protections and rights. Ongoing debates regarding consumer privacy have shown that many, including consumer advocates, identify the FCRA as an example of effective consumer protection legislation and a model for other segments of the economy.

In 2010, Congress passed the Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), which established the Consumer Financial Protection Bureau (CFPB). That law gave CFPB authority over much of the consumer reporting system, and since then, oversight by the Bureau has resulted in significant improvements within the consumer reporting system; CRAs, furnishers and users of credit reports have adopted multiple changes increasing consumer report accuracy and improving the consumer dispute process.

If H.R. 3621 were to become law, consumers who pay their bills on time and manage their debts responsibly will pay more for credit than they do today. Consumers who have faced challenges with their credit will be worse off as well, as banks will lose the ability to accurately judge their credit history because key information will no longer appear on reports. The economy will suffer, as credit decisions will be based on fewer facts, and lenders will be forced to increase prices or reduce the amount of consumer credit available.

The legislation to be considered was passed by the Committee on Financial Services as six bills, now embodied in H.R. 3621. We communicated our concerns in a letter on July 6, 2019. Those concerns continue to be valid; the following highlights some of the concerns we raised then.

Mr. MCHENRY. The second document is a letter to Members of the House of Representatives expressing opposition to each of the bills that was included in this overarching bill, including opposition to: H.R. 3621, H.R. 3614, H.R. 3618, H.R. 3622, H.R. 3642, from the United States Chamber of Commerce.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
January 27, 2020.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce strongly opposes H.R. 3621, the ''Comprehensive Credit Act of 2020,'' which is composed of a number of bills regarding credit reporting that were reported out of the House Financial Services Committee in 2019.

The Chamber has previously expressed opposition to each of the bills below which are now included as part of this comprehensive package:

H.R. 3621, the ''Student Borrower Credit Improvement Act,'' would arbitrarily remove repayment information regarding student loans issued by private lenders. Reducing the quality of information in credit reports would in the aggregate reduce their utility, making it more difficult for consumers to access credit or other services.

H.R. 3614, the ''Restricting Use of Credit Checks for Employment Decisions Act,'' would restrict an employer from initiating a credit check of an employee despite the fact that the Fair Credit Reporting Act requires an employee to first provide consent. This legislation would make it more difficult for employers to review the backgrounds of prospective employees, which would make it more difficult to hire for sensitive positions or would otherwise delay the hiring process.

H.R. 3618, the ''Free Credit Scores for Consumers Act,'' would require credit bureaus to pay for and disclose for free a credit scoring model that is owned by a third party. Credit bureaus already provide ample information to consumers at no charge to assist them with understanding their credit standing. The legislation would make it more difficult for credit bureaus to provide for the accurate flow of useful information between consumers, furnishers, and entities that need to make informed decisions.

H.R. 3622, the ''Restoring Unfairly Impaired Credit and Protecting Consumers Act,'' would reduce the quality of credit reports by arbitrarily reducing the term of adverse information and instituting redundant remediation mechanisms. Disrupting the utility of information in credit reports would make it more difficult for credit providers, and nonfinancial entities such as telecommunications companies and utilities to efficiently provide their services to consumers.

H.R. 3642, the ''Improving Credit Reporting for All Consumers Act,'' would create dispute resolution requirements that are redundant to services voluntarily provided by credit bureaus and existing requirements under both the Fair Credit Reporting Act and a recent agreement among 38 State Attorneys General. Additionally, the legislation would frustrate the ability of credit bureaus to provide information to consumers by imposing new restrictions on the marketing of products intended to improve credit standing.

H.R. 3629, the ''Clarity in Credit Score Formation Act of 2019,'' would make the CFPB, not lenders, the de facto underwriter of consumer loans and is redundant to existing supervisory and regulatory authority. The CFPB currently supervises larger participants in consumer reporting under its authority in the Dodd-Frank Act and has broad regulatory authority via enforcement of the Fair Credit Reporting Act. Interference in the proprietary models developed by credit bureaus and used by lenders would increase lenders' risk and decrease their ability to provide objective information.

The Chamber urges you to oppose the Comprehensive Credit Act.

Sincerely,

NEIL L. BRADLEY.

Mr. MCHENRY. And finally, I include in the RECORD Statement of Administration Policy that says that the President would veto this bill.

STATEMENT OF ADMINISTRATION POLICY

H.R. 3621—COMPREHENSIVE CREDIT ACT OF 2020—REP. PRESSLEY, D–MA, AND REP. OCASIO-CORTEZ, D–NY

The Administration opposes passage of H.R. 3621, the Comprehensive CREDIT Act of 2020. The Administration supports measures to increase access to affordable consumer credit, but H.R. 3621 would do the opposite by reducing the efficiency of consumer lending markets and raising the cost of consumer credit.

H.R. 3621 would preclude credit reporting agencies from incorporating a range of relevant data into consumer reports, which would reduce their predictive value and raise borrowing costs for responsible borrowers. This legislation would also prevent the Federal Government from reporting information regarding debts arising out of criminal monetary penalties. Additionally, H.R. 3621

would empower the Bureau of Consumer Financial Protection to control the development of credit-scoring models, which would hinder market competition that drives innovation and improves modeling. Finally, this legislation would interfere with the ability of employers, including executive branch agencies, to make reasonable background investigation determinations with respect to candidates for sensitive positions.

If H.R. 3621 were presented to the President, his senior advisors would recommend that he veto it.

Mr. MCHENRY. Mr. Chairman, I might offer to the chair of the committee at some point to frame the Statement of Administration Policy on vetoes of some of her bills this Congress. That may be a badge of honor. I say that in a lighthearted manner, not in an aggressive way, for sure.

Mr. Chairman, in closing, this is a partisan bill under the guise of consumer protection that will destroy the accuracy and completeness of consumer credit files.

Moreover, this bill continues the Democrats' trend of failing to address the underlying causes of the student loan crisis; the underlying causes of medical debt; the underlying causes of homelessness.

Instead, this bill will jeopardize credit for low and middle-income Americans disproportionately; Americans who fight to pay their bills each month; make good on their obligations; and have taken the time to improve their financial situations over time and become eligible for credit.

What my colleagues fail to understand is this: This bill will weaken underwriting standards. That strikes at safety and soundness. It will make extending credit riskier and more expensive for consumers, ultimately impacting both the costs and accessibility of credit for all Americans.

This bill alters the very foundation for extending credit in our financial system which is the ability to assess risk.

This bill will drive us to a riskier financial situation and financial system. It is a bad bill.

This bill that we are considering today will fundamentally alter the way credit is extended in this country, and not for the better.

So let's be clear on what this bill does. It socializes credit modeling and reporting.

This bill gives the CFPB the ability to develop, maintain, and regulate credit modeling and factors used in analysis.

This bill prevents employers from knowing the creditworthiness of employees.

This bill is a giveaway to trial attorneys, creating four new re-investigation and appeals processes to be exploited by the trial bar.

This bill will make it more difficult for private lenders to compete in the student loan industry dominated by the Federal Government by allowing delinquent borrowers or borrowers who have defaulted on a loan to make changes to their credit outside of the contractual obligations and contractual terms they have agreed to.

As I said earlier, bipartisan compromise was within reach. All my colleagues had to do was reach out and grab it. Instead, they chose to push through another partisan bill that is going nowhere in the Senate and will be vetoed—if it were to even make it through the United States Senate—vetoed by the President.

And this has been a tremendous waste of time for the American people, a tremendous waste of time, when we have very important issues to wrestle with as a Congress and as a country.

So I urge my colleagues to vote ''no'' on socializing credit reporting.

Mr. Chairman, I yield back the balance of my time.

Ms. WATERS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chair, I include in the RECORD a letter from the Americans for Financial Reform and the 85 undersigned consumer, civil rights, labor, and community organizations who wrote to express their support for H.R. 3621, and a letter from the National Association of Realtors.

AMERICANS FOR FINANCIAL REFORM,
January 27, 2020.

DEAR REPRESENTATIVE: The 85 undersigned consumer, civil rights, labor, and community organizations write to express our support for HR 3621, the Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency Act of 2020 (Comprehensive CREDIT Act of 2020).

Credit reports and credit scores play a critical role in the economic lives of Americans. They are the gatekeeper for affordable credit, insurance, rental housing, and sometimes unfortunately even a job. Yet they suffer from unacceptable rates of inaccuracy. This bill would enact a sea change that would make the American credit reporting system more accurate and fairer to consumers.

The Federal Trade Commission's definitive study showed that 21% of consumers had verified errors in their credit reports, 13% had errors that affected their credit scores, and 5% had errors serious enough to cause them to be denied or pay more for credit. Trying to fix these errors can be a Kafkaesque nightmare in which the Big Three nationwide consumer report agencies (CRAs)—Equifax, Experian and TransUnion—consistently favor the side of the creditor or debt collector (''the furnisher'') over the consumer.

The American credit reporting systems suffers from a number of other flaws and defects. Consumers are unfairly penalized by negative credit reporting when they have been the victim of abusive practices, such as predatory mortgages or student loans resulting from for-profit school fraud, or due to circumstances out of their control, such as temporary job loss, illness, or financial abuse by a family member. Healthcare bills contribute greatly to credit reporting harms, with over 50% of debt collection items resulting from medical debt.

Consumers also lack the right to a free annual credit score. Furthermore, many consumers who attempt to obtain a free annual credit report or to obtain their scores are misled into purchasing high-priced credit monitoring or other subscription services. These services are also marketed to prevent identify theft, yet they are far less effective in doing so than a security freeze. This legislation comprehensively addresses all of these abuses, and more. This bill would:

Fix the broken system for credit reporting disputes by (1) giving consumers a new right to appeal the results of initial disputes; (2) requiring CRAs and furnishers of information to dedicate sufficient resources and provide well-trained personnel to handle disputes; (3) requiring CRAs to conduct an independent analysis of disputes, separate from that of the furnisher; and (4) requiring furnishers to retain records for the same time period that negative information remains on reports.

Improve credit reporting accuracy by directing the Consumer Financial Protection Bureau (CFPB) to establish accuracy regulations, including requiring CRAs to better monitor furnishers for high error rates and to use stricter criteria to match information from a lender to a consumer's file, preventing the worst type of credit reporting error, the ''mixed file.''

Restrict the use of credit information for employment by limiting it to two narrow instances—when required by local, state or federal law or for national security clearances. This will severely limit a practice that discriminates against the long-term unemployed, has a disparate impact on communities of color, and has very little evidence demonstrating its effectiveness in predicting job performance.

Help victims of abusive lending and overly punitive negative reporting practices by (1) reducing the current overlong retention periods that adverse credit information remains on reports to four years (seven years for bankruptcies); (2) allowing borrowers victimized by the unfair, deceptive or abusive practices of mortgage lenders or servicers to have adverse mortgage-related information removed; and (3) requiring the removal of negative information about private education loans that were obtained to attend for-profit colleges found to have engaged in unfair or deceptive practices.

Protect consumers from the unfair impact of medical debt by prohibiting CRAs from including medical collections on reports until 365 days from the date of first delinquency and prohibiting the reporting of any debt for medically necessary procedures. This will ensure that consumers have time to resolve their complex, confusing medical bills. The bill also mandates that all paid or settled debt, including medical collections, be removed within 45 days from reports.

Help consumers understand their creditworthiness by giving consumers the right to a free credit score at the same time that they obtain their free annual consumer report. The bill also creates several new instances in which consumers are entitled to receive both free reports and scores, including requiring auto, private education and mortgage lenders to provide prospective loan borrowers the same free reports and scores that the lenders used in their decision-making before consumers sign those loan agreements.

Address misleading marketing of credit monitoring subscriptions and increase access for security freezes to prevent identity theft by (1) prohibiting the misleading practice of automatically converting free trial periods into paid, monthly subscription services by requiring CRAs to provide explicit opt-ins at the end of the promotions and (2) providing free credit freezes for security breach victims and vulnerable consumers, and capping the cost for all other consumers.

Give a second chance to struggling private education loan borrowers by allowing them to rehabilitate impaired credit records through requiring removal of adverse information about delinquent or defaulted loans if they are able to make nine out of ten on-time, monthly payments.

Correct provisions in last year's deregulatory law, S2155, that unwisely preempted states from further improvements to the credit freeze laws and provided servicemembers with a credit monitoring right without a remedy.

These credit reporting reforms are urgently needed in order to ensure that consumers are treated fairly and that the credit reporting system that underlies so many daily transactions works better for the public.

We look forward to working with you to swiftly pass this bill to better protect consumers.

Thank you for your attention.

Sincerely,

Americans for Financial Reform; A2Z Real Estate Consultants; African American Health Alliance; Alaska Public Interest Research Group; Allied Progress; Arkansas Community Organizations; BREAD Organization; CAFE Montgomery MD; Center for Digital Democracy; Cleveland Jobs with Justice; Community Action Human Resources Agency (CAHRA); Congregation of Our Lady of the Good Shepherd, US Provinces; Connecticut Fair Housing Center; Consumer Action; Consumer Federation of America; Consumer Federation of California; Consumer Reports.

CWA Local 1081; Delaware Community Reinvestment Action Council, Inc.; Demos; Denver Area Labor Federation; East Bay Community Law Center; FAITH IN TEXAS; Famicos Foundation; FLARA; Florida Alliance for Consumer Protection; Greater Longview United Way; Groundcover News; Habitat for Humanity of Camp Co, TX; Hawaiian Community Assets; Housing Action Illinois; Housing and Family Services of Greater New York, Inc.

Mary House, Inc.; Maryland Consumer Rights Coalition; Miami Valley Fair Housing Center, Inc.; Mobilization for Justice Inc.; Montana Organizing Project; Multi-Cultural Real Estate Alliance For Urban Change; National Advocacy Center of the Sisters of the Good Shepherd; National Association of Consumer Advocates; National Association of Social Workers; National Association of Social Workers West Virginia Chapter; National Center for Law and Economic Justice; National Consumer Law Center (on behalf of its low-income clients); National Consumers League; National Fair Housing Alliance; National Housing Law Project; National Housing Resource Center.

National Rural Social Work Caucus; New Economics for Women; New Jersey Citizen Action; New Jersey Tenants Organization; New York Legal Assistance Group; North Carolina Council of Churches; Partners In Community Building, Inc.; PathWays PA; Pennsylvania Council of Churches; People Demanding Action; Progressive Leadership Alliance of Nevada; Project IRENE; Prosperity Now; Public Citizen; Public Justice Center; Public Law Center; Public Utility Law Project of New York.

Rocky Mountain Peace and Justice Center; SC Appleseed Legal Justice Center; Sisters of Mercy South Central Community; Society of St. Vincent de Paul; St. Paul UMC; Tennessee Citizen Action; The Center for Survivor Agency and Justice; The Disaster Law Project; The Greenlining Institute; The Leadership Conference on Civil and Human Rights; THE ONE LESS FOUNDATION; Tzedek DC; U.S. PIRG; Urban Asset Builders, Inc.; Virginia Citizens Consumer Council; Virginia Poverty Law Center; West Virginia Center on Budget and Policy; Wildfire; Woodstock Institute; WV Citizen Action Group.

JANUARY 27, 2020.

Hon. MAXINE WATERS,

Chairwoman, House Committee on Financial Services, Washington, DC.

DEAR CHAIRWOMAN WATERS AND RANKING MEMBER MCHENRY: On behalf of the 1.4 million members of the National Association of REALTORS® (NAR), NAR is pleased to support H.R. 3621, the ''Comprehensive Credit Act of 2020.''

Nearly 70 percent of home sales are financed and a borrower's credit report and credit score form a critical gateway to obtaining a mortgage. Unfortunately, inaccurate credit reports and unfair credit reporting methods raise the cost and/or limit access to mortgage credit for many prospective borrowers. To this end, NAR applauds H.R. 3621, the ''Comprehensive Credit Act of 2020,'' which include the following bills.

H.R. 3618, the ''Free Credit Scores for Consumers Act of 2019''

H.R. 3621, the ''Student Borrower Credit Improvement Act''

H.R. 3622, the ''Restoring Unfairly Impaired Credit and Protecting Consumers Act''

H.R. 3642, the ''Improving Credit Reporting for All Consumers Act''

H.R. 3629, the ''Clarity in Credit Score Formation Act of 2019''

REALTORS® believe that balanced financial regulation and appropriate consumer protection will result in a more vibrant housing market and overall economy. Furthermore, creditor and consumer confidence is critical in the home financing process. REALTORS® thank you for your diligent work to improve the accuracy, consistency, and availability of quality credit scoring and appraisal information.

Sincerely,

VINCE MALTA,

2020 President, National Association of REALTORS®.

Ms. WATERS. Mr. Chair, first, I would like to thank all of the participants in this comprehensive package. I would like to thank Ms. PRESSLEY, as the sponsor of this comprehensive piece of legislation, Mr. LAWSON, Ms. ADAMS, Mrs. BEATTY, Mr. LYNCH, and Ms. TLAIB, for all of the work that they put in to ensure that we were covering the years of complaints that we have gotten about our credit bureaus and the mishandling of our consumers and a lack of protection for consumers who have suffered at the hands of our credit bureaus who did not take into consideration these very serious complaints.

So, Mr. Chairman, the Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency, this act, makes much-needed and overdue reforms to improve the credit reporting system. The issues addressed by this bill are important for the economic well-being of millions of Americans and our economy.

As we have discussed, the bill is supported by, again, Americans for Financial Reform, the National Association of Consumer Advocates, and the National Association of Realtors. So, with all of this support, and with consumers who have been waiting for years for their Representatives to do something about the fact that their data is all in the hands of these credit bureaus who are determining whether or not they can acquire credit; whether or not they are going to be able to get a loan; whether or not they are going to be able to have a decent quality of life because they have done everything that they could do to have good credit; and that when they have said to the credit bureaus, there is an error, they have got me mixed up with someone else, and they cannot get this straightened out for them, and they suffer.

So the time has come, and I am so very pleased that my committee is answering all of the requests from our constituents and your constituents and all of the constituents of Representatives in this body, to do something. The time is now, and we are doing that. This comprehensive piece of legislation will absolutely deal with these concerns that have been identified for so long.

I urge all Members who care about their constituency, who have been hearing these issues for so many years, I urge them to vote ''yes'' on this bill.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR (Mr. PAYNE). All time for general debate has expired.

In lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services, printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 116–47, modified by the amendment printed in part A of House Report 116–383, shall be considered as adopted. The bill, as amended, shall be considered as an original bill for purpose of further amendment under the 5-minute rule, and shall be considered as read.

The text of the bill, as amended, is as follows:

H.R. 3621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency Act of 2020'' or the ''Comprehensive CREDIT Act of 2020''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

SEC. 3. FINDINGS.

Congress finds the following:

(1) GENERAL FINDINGS ON CREDIT REPORTING.—

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

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

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

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

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

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

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

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

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

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

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

(L) As of early December 2019, the Consumer Bureau has handled approximately 391,560 credit reporting complaints about the top three CRAs, making credit reporting consistently in the top third most-complained-about subject matter on which the Consumer Bureau accepts consumer complaints. Incorrect information in reports and frustrations about burdensome and time-consuming process to disputing items is are consistently top reported concerns from consumers.

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

(N) In the fall 2019 ''Supervisory Highlights'', the Consumer Bureau noted that one or more of the largest CRAs continue to struggle to adequately oversee furnishers to ensure that they were adhering to the CRA's vetting policies and to establish proper procedures to verify public record information.

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

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

(Q) As evidence that the current system lacks sufficient market incentives for CRAs to develop more robust procedures to increase the accuracy and completeness of information on credit reports, litigation discovery documented by the National Consumer Law Center (''NCLC''), as part of a February 2019 report titled ''Automated Injustice Redux: Ten Years after a Key Report, Consumers Are Still Frustrated Trying to Fix Credit Reporting Errors'', showed that at least two of the three largest CRAs use quota systems to force employees to process disputes

hastily and without the opportunity for conducting meaningful investigations. At least one nationwide CRA only allowed dispute resolution staff five minutes to handle a consumer's call. Furthermore, these CRAs were found to have awarded bonuses for meeting quotas and punished those who didn't meet production numbers with probation.

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

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

(2) INCORRECT INFORMATION ON CONSUMER REPORTS.—

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

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

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

(D) Consumer Bureau examiners have identified repeated deficiencies with the nationwide CRAs' information collection. In the fall 2019 ''Supervisory Highlights'', the Consumer Bureau noted continued weaknesses with CRAs' methods and processes for assuring maximum possible accuracy in their reports. Examiners also found, with certain exceptions, no quality control policies and procedures in place to test consumer reports for accuracy.

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

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

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

(H) Consumers' increasing frustration about the difficulties of trying to fix credit reporting errors, evidenced through the volume of consumer complaints related to errors submitted to the Consumer Bureau, are also echoed in another Federal Government study issued in January 2015. In the ''Report to Congress under Section 319 for the Fair and Accurate Credit Transactions Act of 2003'', the study found that nearly 70 percent (84 people) of participants from a previous survey that had filed disputes with CRAs continued to believe that at least some of the disputed information remained inaccurate at the time of the follow-up survey. Despite these views, 50 percent (42 people) of the survey participants decided to just give up trying to fix the errors, with only 45 percent (38 people) of them planning to continue to try to resolve their disputes.

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

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

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

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

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

(3) INJUNCTIVE RELIEF.—

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

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

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

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

(4) CREDIT SCORES.—

(A) While nationwide CRAs are required by law to supply consumers with a free copy of their credit report annually, they can charge consumers to obtain a credit score disclosure.

(B) Many consumers do not realize that they have more than just ''one'' credit score. Because the submission of credit information to CRAs is voluntary and not all furnishers submit information to every CRA, the information contained in a report also varies among CRAs. As a result, the credit score generated by each CRA is also likely to vary, resulting in potentially different credit decisions based on an evaluation of different credit reports obtained from different CRAs.

(C) A February 2015 Consumer Bureau report titled ''Consumer Voices on Credit Reports and Scores'' found that consumers had questions about what actions to take to improve their scores once they had seen them, suggesting that additional disclosures and educational content would be helpful to consumers. The Consumer Bureau found that consumers were confused by conflicting advice on how to improve their scores.

(D) That report also noted that consumers found the process for obtaining consumer reports and credit scores confusing. Consumers also were uncertain about whether, and under what circumstances, they could obtain a consumer report for free.

(5) PRIVATE EDUCATION LOANS.—

(A) The Consumer Bureau's October 2014 report titled ''Annual Report of the CFPB Student Loan Ombudsman'' noted many private education loan borrowers, who sought to negotiate a modified repayment plan when they were experiencing a period of financial distress, were unable to get assistance from their loan holders, which often resulting in them defaulting on their loans. This pattern resembles the difficulty that a significant number of mortgage loan borrowers experienced when they sought to take responsible steps to work with their mortgage loan servicer to avoid foreclosure during the Great Recession.

(B) Although private student loan holders may allow a borrower to postpone payments while enrolled in school full-time, many limit this option to a certain time period, usually 48 to 66 months. This limited time period may not be sufficient for those who need additional time to obtain their degree or who want to continue their education by pursing a graduate or professional degree. The Consumer Bureau found that borrowers who were unable to make payments often defaulted or had their accounts sent to collections before they were even able to graduate.

(6) DECEPTIVE PRACTICES AT CERTAIN PROPRIETARY EDUCATION INSTITUTIONS AND CAREER EDUCATION PROGRAMS.—

(A) NCLC cited the proliferation of law enforcement actions against many for-profit schools in its June 2014 report, titled ''Ensuring Educational Integrity: 10 Steps to Improve State Oversight of For-profit Schools'', to demonstrate the pervasive problem in this sector of targeting low-income students with deceptive high-pressure sales techniques involving inflated job placement rates and misleading data on graduate wages, and false representations about the transferability of credits and the employability of graduates in occupations that require licensure. Student loan borrowers at these schools may be left with nothing but worthless credentials and large debt. Those who default on their student loans face years with damaged credit that will adversely impact their ability to rent or buy homes, purchase cars, and find employment.

(B) The closure and bankruptcy of Corinthian Colleges, which was found to have deceived students by steering them into high-interest student loans based on misleading graduation rates and employment data, is a good example of the problem. Even after its closure, many Corinthian students remained saddled with student loan debt, worthless degrees, and few prospects for employment.

(C) Attending a two-year, for-profit college costs, on average, four times as much as attending a community college. Students at for-profit colleges represent only about 11 percent of the total higher education population but a startling 44 percent of all Federal student loan defaults, according to the United States Department of Education (''DOE'').

(D) According to NCLC, a disproportionate number of for-profit students are low-income and people of color. These schools target veterans, working parents, first-generation students, and non-English speaking students, who may be more likely than their public or private nonprofit school counterparts to drop out, incur enormous student debt, and default on this debt. In the 2011–2012 school year, 28 percent of African Americans and 15 percent of Latinos attending four-year institutions were enrolled in a for-profit school, compared to 10 percent of Whites.

(E) As highlighted in a press release titled ''Obama Administration Announces Final Rules to Protect Students from Poor-Performing Career College Programs'', that was issued by the DOE on October 30, 2014, ''[t]oo often, students at career colleges—including thousands of veterans—are charged excessive costs, but don't get the education they paid for. Instead, students in such programs are provided with poor quality training, often for low-wage jobs or in occupations where there are simply no job opportunities. They find themselves with large amounts of debt and, too often, end up in default. In many cases, students are drawn into these programs with confusing or misleading information.''.

(7) MEDICAL DEBT.—

(A) Research by the Consumer Bureau has found that the inclusion of medical collections on consumer reports has unfairly reduced consumers' credit scores.

(B) The Consumer Bureau's review of 5 million anonymized credit files from September 2011 to September 2013, for example, found that credit scores may underestimate a person's creditworthiness by up to 10 points for those who owe medical debt, and may underestimate a person's creditworthiness by up to 22 points after the medical debt has been paid. For consumers with lower credit scores, especially those on the brink of what is considered subprime, a 10 to 22 point decrease in their credit scores can have a significant impact on their lives, including by affecting whether they are able to qualify for credit and, if so, the terms and conditions under which it is extended to them.

(C) The Consumer Bureau found that half of all collections trade lines that appear on consumer reports are related to medical bills claimed to be owed to hospitals and other medical providers. These trade lines affect the reports of nearly 1/5 of all consumers in the credit reporting system.

(D) The Consumer Bureau has found that there are no objective or enforceable standards that determine when a debt can or should be reported as a collection trade line. Because debt buyers and collectors determine whether, when, and for how long to report a collection account, there is only a limited relationship between the time period reported, the severity of a delinquency, and when or whether a collection trade line appears on a consumer's credit report.

(E) Medical bills can be complex and confusing for many consumers, which results in consumers' uncertainty about what they owe, to whom, when, or for what, that may cause some people, who ordinarily pay their bills on time, to delay or withhold payments on their medical debts. This uncertainty can also result in medical collections appearing on consumer reports. In a December 2014 report titled ''Consumer Credit Reports: A Study of Medical and Non-Medical Collections'', the Consumer Bureau found that a large portion of consumers with medical collections show no other evidence of financial distress and are consumers who ordinarily pay their other financial obligations on time. Unlike with most credit products or services, such as credit cards, installment loans, utilities, or wireless or cable services that have contractual account disclosures describing the terms and conditions of use, most consumers are not told what their out-of-pocket medical costs will be in advance. Consumers needing urgent or emergency care rarely know, or are provided, the cost of a medical treatment or procedure before the service is rendered.

(F) The Consumer Bureau concluded that the presence of medical collections is less predictive of future defaults or serious delinquencies than the presence of a nonmedical collection in a study titled ''Data Point: Medical Debt and Credit Scores'', issued in May 2014.

(G) FICO's latest credit scoring model, ''FICO 9'', changes the treatment of paid collections to disregard any collection matters that the consumer has paid in full. FICO 9, however, is not yet widely used by lenders.

(H) VantageScore's latest credit scoring model, ''VantageScore 4.0'', will be available in the fall of 2017. This model will penalize medical collections less than non-medical ones.

(I) The three nationwide CRAs entered into a settlement agreement with the New York State attorney general in 2015 to address deficiencies in their dispute resolution process and enhance the accuracy of items on reports. These policy changes will be implemented in a three-phrased rollout, culminating by June 2018. Subsequently, these CRAs entered into a cooperative agreement with 31 State Attorneys General, which was the basis of the creation of the National Consumer Assistance Plan (''NCAP'') to change some of their business practices.

(J) While the CRAs appear to be voluntarily adopting policy changes on a nationwide basis, they are not obligated to do so for consumers who reside in States that are not party to any of the consent orders.

(K) As a result of the settlement agreements, the three nationwide CRAs will set a 180-day waiting period before including medical collections on a report and will remove a medical collection from a report once it is paid by an insurance company. While this change will benefit many, once a medical collection appears on a report, it will only be deleted or suppressed if it is found to have been the insurance company's obligation to pay and the insurer pays it. Given the research showing there is little predictive value in medical debt information, medical collections that are paid or settled should quickly be removed from a report, regardless of who pays or settles this debt.

(8) FINANCIAL ABUSE BY KNOWN PERSONS.—

(A) Financial abuse and exploitation are frequently associated with domestic violence. This type of abuse may result in fraudulent charges to a credit card or having fraudulent accounts created by the abuser in the survivor's name that could affect ratings by CRAs. Financial abuse may also result in the survivor's inability to make timely payments on their valid obligations due to loss or changes in income that can occur when their abuser steals from or coerces the survivor to relinquish their paychecks or savings that could affect ratings by CRAs.

(B) By racking up substantial debts in the survivor's name, abusers are able to exercise financial control over their survivors to make it economically difficult for the survivor, whose credit is often destroyed, to escape the situation.

(C) Domestic abuse survivors with poor credit are likely to face significant obstacles in establishing financial independence from their abusers. This can be due, in part, because consumer reports may be used when a person attempts to obtain a checking account, housing, insurance, utilities, employment, and even a security clearance as required for certain jobs.

(D) Providing documentation of identity (''ID'') theft in order to dispute information on one's consumer report can be particularly challenging for those who know their financial abuser.

(E) While it is easier for consumers who obtain a police report to remove fraudulent information from their consumer report and prevent it from reappearing in the future, according to the Empire Justice Center, safety and other non-credit concerns may impact the capacity of a survivor of financial abuse committed by a known person to turn to law enforcement to get a police report.

(F) According to the Legal Aid Society in New York, domestic abuse survivors, seeking to remove adverse information stemming from financial abuse by contacting their furnishers directly, are likely to face skepticism about claims of ID theft perpetrated by a partner because of an assumption that they are aware of, and may have been complicit in, the activity which the survivor alleges stems from financial abuse.

(9) DECEPTIVE AND MISLEADING MARKETING PRACTICES.—

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

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

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

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

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

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

(10) CLARITY IN CREDIT SCORING.—

(A) The February 2015 report of the Bureau of Consumer Financial Protection titled ''Consumer Voices on Credit Reports and Scores'' found that some consumers are reluctant to comparison shop for loans and other types of consumer credit products out of fear that they will lower their credit scores by doing so.

(B) The Consumer Bureau found that one of the most common barriers for people in reviewing their own credit reports and shopping for the best credit terms was a lack of understanding of the differences between ''soft'' and ''hard'' inquiries and whether requesting a copy of their own report would adversely impact their credit standing.

(C) The Bureau of Consumer Financial Protection revealed that consumers with accurate perceptions of their creditworthiness may be better equipped to shop for favorable credit terms.

(11) CREDIT CHECKS AND EMPLOYMENT DECISIONS.—

(A) The use of consumer reports as a factor in making hiring decisions has been found to be prevalent in a diverse array of occupations, and is not limited to certain high-level management or executive positions.

(B) According to the California Labor Federation, only 25 percent of employers researched the credit history of job applicants in 1998. However, this practice had increased to 43 percent by 2006 and to 60 percent by 2011.

(C) A study titled ''Do Job Applicant Credit Histories Predict Job Performance Appraisal Ratings or Termination Decisions?'', published in 2012, found that, while credit history might conceptually measure a person's level of responsibility, ability to meet deadlines, dependability, or integrity, it does not, in practice, actually predict an employee's performance or likelihood to quit. Credit reports contain many inaccuracies and credit history can be contaminated by events that are sometimes outside a person's control, such as a sudden medical expense after an accident or the loss of a job during an economic downturn. The study found that there is no benefit from using credit history to predict job performance or turnover.

(D) Despite the absence of data showing a correlation between job performance and creditworthiness, employers continue to use credit checks as a proxy for assessing character and integrity. According to a 2012 Society for Human Resource Management survey, organizations indicated that they used credit checks on job candidates primarily to reduce or prevent theft and embezzlement and to minimize legal liability for negligent hiring.

(E) The use of credit checks for employment purposes creates a true ''catch-22'' for unemployed people with impaired credit. For example, the financial hardship caused by losing a job may cause some unemployed individuals to make late or partial payments on their bills, but their poor credit standing caused by this negative information on their consumer report can also impede their chances of obtaining a new job to end their financial distress.

(F) A September 2014 report by the New York City Council's Committee on Civil Rights noted that, for those who have been unemployed for an extended period of time and whose credit has suffered as they fell behind on bills, the use of credit reports in the hiring process can exacerbate and perpetuate an already precarious situation.

(G) In a March 2013 Demos report titled ''Discredited: How Employment Credit Checks Keep Out Qualified Workers Out of a Job'', one in four survey participants who were unemployed said that a potential employer had requested to check their credit report as part of a job application. Among job applicants with blemished credit histories in the survey, one in seven had been told that they were not being hired because of their credit history.

(H) While job applicants must give prior approval for a prospective employer to pull their credit reports under the FCRA, this authorization, as a practical matter, does not constitute an effective consumer protection because an employer may reject any job applicant who refuses a credit check.

(I) Some negative information on a report may stem from uncontrollable circumstances, or significant life events in a consumer's life, such as a medical crisis or a divorce. Demos found that poor credit is associated with household unemployment, lack of health coverage, and medical debt, which are factors that reflect economic conditions in the country and personal misfortune that have little relationship with how well a job applicant would perform at work.

(J) In October 2011, FICO noted that from 2008 to 2009 approximately 50 million people experienced a 20-point drop in their credit scores and about 21 million saw their scores decline by more than 50 points. While the Great Recession reduced many consumers' credit scores due to foreclosures and other financial hardships, the financial crisis had a particularly harsh impact on African Americans and Latinos, as racial and ethnic minorities and communities of color were frequently targeted by predatory mortgage lenders who steered borrowers into high-cost subprime loans, even when these borrowers would have qualified for less costly prime credit.

(K) A May 2006 Brookings Institution report titled ''Credit Scores, Reports, and Getting Ahead in America'' found that counties with a relatively higher proportion of racial and ethnic minorities in the United States tended to have lower credit scores compared with counties that had a lower concentration of communities of color.

(L) Studies have consistently found that African American and Latino households tend, on average, to have lower credit scores than White households. The growing use of credit checks, therefore, may disproportionately screen otherwise qualified racial and ethnic minorities out of jobs, leading to discriminatory hiring practices, and further exacerbating the trend where unemployment for African American and Latino communities is elevated well above the rate of Whites.

(M) A 2012 Demos survey found that 65 percent of White respondents reported having good or excellent credit scores while over half of African American households reported only having fair or bad credit.

(12) DECEPTIVE AND MISLEADING MARKETING PRACTICES.—

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

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

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

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

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

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

(13) PROTECTIONS FOR CONSUMERS' CREDIT INFORMATION.—

(A) Despite heightened awareness, incidents of ID theft continue to rise. In February 2015, the Federal Government reported that ID theft was the top consumer complaint that it received for the 15th consecutive year. As these incidents increase, consumers experience significant financial loss and emotional distress from the inability to safeguard effectively and inexpensively their credit information from bad actors.

(B) According to a Carnegie Mellon study, children are 50 times more likely than adults to have their identities stolen. Child identities are valuable to thieves because most children do not have existing files, and their parents may not notice fraudulent activity until their child applies for a student loan, a job, or a credit card. As a result, the fraudulent activity of the bad actors may go undetected for years.

(C) Despite the increasing incidents of children's ID theft, parents who want to proactively prevent their children from having their identity stolen, may not be able to do so. Only one of the three nationwide CRAs currently allows parents from any State to set up a freeze for a minor child. At the other two nationwide CRAs, parents can only obtain a freeze after a child has become an ID theft victim because, it is only at this point, that these CRAs have an existing

credit file for the child. While many States have enacted laws to address this problem, there is no existing Federal law.

(D) According to Javelin Strategy & Research's 2015 Identity Fraud study, $16 billion was stolen by fraudsters from 12.7 million American consumers in 2014. Similarly, the United States Department of Justice found an estimated 7 percent of all residents age 16 or older (about 17.6 million persons) in this country were victims of one or more incidents of ID theft in 2014, and the number of elderly victims age 65 or older (about 86 percent) increased from 2.1 million in 2012 to 2.6 million in 2014.

(E) Consumers frequently express concern about the security of their financial information. According to a 2015 MasterCard survey, a majority of consumers (77 percent) have anxiety about the possibility that their financial information and Social Security numbers may be stolen or compromised, with about 55 percent of consumers indicating that they would rather have naked pictures of themselves leaked online than have their financial information stolen.

(F) That survey also revealed that consumers' fears about the online security of their financial information even outweighed consumers' worries about other physical security dangers such as having their houses robbed (59 percent) or being pickpocketed (46 percent).

(G) According to Consumer Reports, roughly 50 million American consumers spent about $3.5 billion in 2010 to purchase products aimed at protecting their identity, with the annual cost of these services ranging from $120 to $300. As risks to consumers' personal and financial information continue to grow, consumers need additional protections to ensure that they have fair and reasonable access to the full suite of ID theft and fraud prevention measures that may be right for them.

SEC. 4. EFFECTIVE DATE.

Except as otherwise specified, the amendments made by this Act shall take effect 2 years after the date of the enactment of this Act.

SEC. 5. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $26,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2029.

TITLE I—IMPROVEMENTS TO THE DISPUTE PROCESS

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

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

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

''(1) REINVESTIGATIONS REQUIRED.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) TECHNICAL AMENDMENT.—Section 611(e)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681i(e)(1)) is amended by striking ''The Commission'' and inserting ''The Bureau''.

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

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

(2) in section 611—

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

(B) in subsection (f)(3)—

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

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

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

(e) GLOBAL TECHNICAL CORRECTIONS TO REFERENCES TO NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is further amended—

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

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

SEC. 102. CONSUMER AWARENESS OF DISPUTE RIGHTS.

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

''(h) INCREASED CONSUMER AWARENESS OF DISPUTE RIGHTS.—

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

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

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

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

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

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

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

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

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

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

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

SEC. 103. MAINTENANCE OF RECORDS BY FURNISHERS.

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

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

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

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

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

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

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

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

(2) in paragraph (1)—

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

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

(3) in paragraph (8)—

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

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

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

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

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

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

''(ii) CONTENT.—Such notice shall—

''(I) be clear and conspicuous;

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

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

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

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

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

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

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

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

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

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

''(ii) CONTENT.—Such notice shall—

''(I) be clear and conspicuous;

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

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

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

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

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

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

''(E) MODEL NOTICES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) ADDITIONAL DUTIES.—Section 623(a)(8) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(8)), as amended by subsection (d), is further amended by adding at the end the following new subparagraphs:

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

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

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

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

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

''(v) shall ensure that the investigation is an independent analysis that is separate from any reinvestigation by a consumer reporting agency

or a reseller conducted with respect to the disputed information; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

''(2) NOTICE OF APPEAL.—

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

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

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

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

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

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

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

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

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

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

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

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

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

''(C) MINIMUM STANDARDS FOR APPEALS EMPLOYEES.—

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

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

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

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

''(IV) shall be located within the United States;

''(V) may not have been involved in the reinvestigation conducted or terminated pursuant to subsection (a); and

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

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

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

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

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

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

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

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

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

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

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

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

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

''(v) information describing that the consumer may submit a statement, without charge, disputing the accuracy or completeness of information in the consumer's file that was the subject

of an appeal under this subsection by submitting a statement directly to each consumer reporting agency that received the information;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

''(i) conducting an independent analysis, separate from any reinvestigation by a reseller or consumer reporting agency, of the disputed information;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) in subsection (c)—

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

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

(C) in paragraph (1)—

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

(ii) in subparagraph (B)—

(I) in clause (ii), by striking ''a consumer report without charge under section 612'' and inserting ''consumer reports and credit scores or educational credit scores (as applicable) without charge under section 612'';

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

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

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

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

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

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

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

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

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

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

SEC. 106. REVISED CONSUMER REPORTS.

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

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

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

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

''(f) INDICATION OF DISPUTE.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 110. INJUNCTIVE RELIEF FOR VICTIMS.

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

(1) in section 616—

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

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

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

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

(2) in section 617—

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

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

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

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

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

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

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

TITLE II—FREE CREDIT SCORES FOR CONSUMERS

SEC. 201. DEFINITIONS.

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

''(bb) CREDIT SCORE AND EDUCATIONAL CREDIT SCORE DEFINITIONS.—

''(1) CREDIT SCORE.—The term 'credit score' 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 or extends credit to predict the likelihood of certain credit behaviors, including default, as determined by the Bureau.

''(2) EDUCATIONAL CREDIT SCORE.—The term 'educational credit score' means a numerical value or categorization derived from a statistical tool or modeling system based upon information from a consumer report that assists consumers in understanding how a lender or creditor may view the consumer's creditworthiness in deciding whether to make a loan or extend credit to that consumer.

''(3) KEY FACTORS.—The term 'key factors' means any relevant elements or reasons affecting the credit score for the particular individual, listed in the order of importance based on the effect of each element or reason on the credit score or educational credit score.

''(4) CREDIT SCORING MODEL.—The term 'credit scoring model' means a scoring algorithm, formula, model, program, or mechanism used to generate a credit score or an educational credit score.''.

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

(1) in section 605(d)(2), by striking ''(as defined in section 609(f)(2)(B))''; and

(2) in section 615—

(A) by striking ''as defined in section 609(f)(2)(A)'' each place that term appears; and

(B) in subsection (a)(2)(B), by striking ''set forth in subparagraphs (B) through (E) of section 609(f)(1)'' and inserting ''with respect to a credit score described in section 609(f)(2), if available''.

SEC. 202. CONSUMER INFORMATION ON CALCULATION OF SCORES.

Section 609(f) of the Fair Credit Reporting Act (15 U.S.C. 1681g(f)) is amended to read as follows:

''(f) DISCLOSURE OF CREDIT SCORE AND EDUCATIONAL CREDIT SCORE BY CONSUMER REPORTING AGENCIES.—

''(1) IN GENERAL.—Upon the request of a consumer for a credit score or educational credit score, a consumer reporting agency shall supply to the consumer a statement—

''(A) containing—

''(i) a current credit score at the time of the request generated using a commonly used credit scoring model to generate credit scores, subject to regulations of the Bureau;

''(ii) an educational credit score at the time of the request, if it is not practicable to generate such a credit score, as determined by the Bureau; or

''(iii) an explanation that the consumer's file does not have sufficient information from which to generate such a credit score or educational credit score; and

''(B) with respect to each previous credit score in the file of the consumer—

''(i) the date on which the credit score was generated;

''(ii) the name of any entity that the credit score was provided to; and

''(iii) the credit score itself.

''(2) REQUIREMENTS.—A statement provided under clause (i) or (ii) of paragraph (1)(A) shall include—

''(A) a minimum of 4 key factors, if available, that adversely affected the credit score or educational credit score, except that if one of the key factors consists of the number of enquiries made with respect to a consumer report, that factor shall be provided to the consumer in addition to the factors required by this subparagraph;

''(B) to the extent possible, specific actions a consumer could take with respect to each key factor listed in subparagraph (A) to improve the consumer's credit score or educational credit score;

''(C) a minimum of 4 key factors, if available, that positively affected the credit score or educational credit score;

''(D) the range of possible credit scores or educational credit scores under the credit scoring model used;

''(E) the distribution of credit scores or educational credit scores among consumers who are scored under the same credit scoring model by the consumer reporting agency, and using the same scale as that of the score that is provided to a creditor or consumers—

''(i) in the form of a bar graph containing a minimum of 6 bars that illustrates the percentage of consumers with credit scores or educational credit scores within the range of scores represented by each bar; or

''(ii) by another clear and readily understandable graphical depiction, statement, or illustration comparing the consumer's credit score or educational credit score to the scores of other consumers, as determined by the Bureau;

''(F) the date on which the credit score or educational credit score was created; and

''(G) the name of the person that developed the credit scoring model on which the credit score or educational credit score was based.

''(3) APPLICABILITY TO CERTAIN USES.—This subsection shall not be construed so as to compel a consumer reporting agency to—

''(A) develop or disclose a credit score if the agency does not distribute credit scores used by a person who makes or arranges a loan or extends credit to predict the likelihood of certain credit behaviors; or

''(B) develop or disclose an educational credit score if the agency does not develop educational credit scores that assist in understanding the general credit behavior of a consumer and predicting the future credit behavior of the consumer.

''(4) MAINTENANCE OF CREDIT SCORES.—

''(A) IN GENERAL.—All consumer reporting agencies shall maintain in the consumer's file credit scores relating to the consumer for a period of 2 years from the date on which such information is generated.

''(B) DISCLOSURE ONLY TO CONSUMERS.—A past credit score maintained in a consumer's file pursuant to subparagraph (A) may only be provided to the consumer to which the credit score relates and may not be included in a consumer report or used as a factor in generating a credit score or educational credit score.

''(C) REMOVAL OF PAST CREDIT SCORES.—A past credit score maintained in a consumer's file pursuant to subparagraph (A) shall be removed from the consumer's file after the end of the 2-year period described under subparagraph (A).''.

SEC. 203. DISCLOSURES RELATING TO CREDIT SCORES AND EDUCATIONAL CREDIT SCORES.

Section 609(f) of the Fair Credit Reporting Act (15 U.S.C. 1681g(f)), as amended by section 202, is further amended by adding at the end the following new paragraphs:

''(5) WEBSITE DISCLAIMER.—A consumer reporting agency that generates or provides credit scores or educational credit scores shall clearly and conspicuously display on the home page of the agency's Internet website, and as part of any application, solicitation, or marketing material or media providing information related to a credit score or educational credit score, the following notice, in boldface type of 18-point font or larger and in a text box with boldface outer borders:

''CREDIT SCORE DISCLAIMER. ''

There is no ''one'' credit score. There are many scoring formulas derived from a wide variety of models available to a consumer and used by lenders and creditors. Different lenders and creditors use different scoring formulas to determine whether to extend credit or make a loan to you, and the terms of the credit or loan. An educational credit score is not a credit score that a person who makes a loan or extends credit to you is likely to use. Educational credit scores are merely intended to be used as an educational tool to help consumers understand how the information contained in a consumer report may affect the terms and conditions of a loan or extension of credit that may be available to a consumer. Lenders and creditors may also rely on information not contained in your consumer report and not reflected in the calculation of your credit score.'.

''(6) ADDITIONAL REQUIREMENTS FOR EDUCATIONAL CREDIT SCORES.—

''(A) DISCLAIMER.—If an educational credit score is provided pursuant to paragraph (1), a consumer reporting agency shall clearly and conspicuously include in a prominent location on the statement, in boldface type of 18-point font or larger, and in a text box with boldface outer borders, the following notice:

''EDUCATIONAL CREDIT SCORE DISCLAIMER. ''

The educational credit score provided to you is not a credit score that a lender or creditor is likely to use to make a loan or extend credit to you. There are many different credit scores derived from a wide variety of models used by lenders and creditors. An educational credit score is merely an educational tool. It is intended to provide consumers with a basic understanding of how the information contained in a consumer report may affect the terms and conditions of credit that are available. The credit scores you receive directly from different lenders and creditors may not be the same as an educational credit score. There are a number of reasons for this:

''(1) Each company may use a different formula for calculating credit scores and the differences in the formulas may lead to differences in your scores.

''(2) Companies may produce scores that give results on different scales.

''(3) Not all lenders or creditors report to every consumer reporting agency, and therefore the information contained in your consumer report that the consumer reporting agencies use to calculate your educational credit score may differ among agencies.'.

''(B) PROHIBITION ON MISLEADING REPRESENTATIONS.—A consumer reporting agency may not refer to an educational credit score as a credit score in any application, solicitation, marketing, or other informational materials or media.

''(7) MODIFICATION OF DISCLAIMERS.—The Bureau may modify the content, format, and manner of the disclaimers required under paragraphs (5) and (6), if warranted, after conducting consumer testing or research.''.

SEC. 204. FREE CREDIT SCORE DISCLOSURES AND CONSUMER REPORTS.

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

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting after ''section 609'' the following: ''(including the disclosure of a credit score or educational credit score under subsection (f) of such section)''; and

(ii) in subparagraph (C)—

(I) by striking ''Commission'' and inserting ''Bureau''; and

(II) by inserting '', credit scores, and educational credit scores (as applicable)'' after ''consumer reports'' each place that term appears;

(B) in paragraph (2)—

(i) by striking ''15 days'' and inserting ''3 business days''; and

(ii) by inserting '', credit score, or educational credit score'' after ''consumer report'';

(C) in paragraph (3), by inserting '', credit score, or educational credit score'' after ''consumer report''; and

(D) in paragraph (4), by inserting '', credit scores, or educational credit scores'' after ''consumer reports'';

(2) in subsection (b), by inserting ''(including the disclosure of a credit score or educational credit score, as applicable, under subsection (f) of such section)'' after the first instance of ''section 609'';

(3) in subsection (c)—

(A) by inserting ''(including the disclosure of a credit score or educational credit score under subsection (f) of such section)'' after ''pursuant to section 609'';

(B) in paragraph (2), by striking ''; or'' and inserting a semicolon;

(C) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following new paragraphs:

''(4) has disputed information, or submitted an appeal of an investigation or reinvestigation of such information, under section 611 or 623, regardless of whether the consumer has already received a credit report, credit score, or educational credit score under section 611 or 623; or

''(5) has had information that was previously deleted under section 611(a)(5) reinserted into the consumer's file, regardless of whether the consumer has already received a credit report, credit score, or educational credit score under such section.'';

(4) in subsection (d), by inserting ''(including the disclosure of a credit score or educational credit score under subsection (f) of such section)'' after ''section 609'';

(5) in subsection (f)(1)—

(A) by striking ''reasonable charge'' and all that follows through ''section 609'' and inserting ''reasonable charge on a consumer for providing a consumer report to a consumer'';

(B) by striking subparagraph (B);

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively (and conforming the margins accordingly); and

(D) in subparagraph (B) (as so redesignated), by striking ''disclosure; and'' and inserting ''disclosure.''; and

(6) by adding at the end the following new subsections:

''(h) CENTRALIZED SOURCE FOR OBTAINING FREE COPY OF CONSUMER REPORT AND SCORES.—

''(1) NATIONWIDE CONSUMER REPORTING AGENCIES.—

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

display on the home page of the agency's website—

''(i) a hyperlink labeled 'Get Your Free Annual Credit Reports along with either your Credit Scores or Educational Credit Scores provided for under Federal Law' or substantially similar text, as determined by the Bureau; and

''(ii) a disclosure titled 'Consumer's Right to Free Credit Scores, Educational Credit Scores, and Reports under Federal Law' or substantially similar text, as determined by the Bureau that includes the following statement:

'''All consumers are entitled to obtain a free copy of their consumer report and credit score or educational credit score annually from each of the nationwide consumer reporting agencies. Under Federal law, a consumer is entitled to obtain additional free copies of their consumer reports, along with a copy of either the consumer's credit score or educational credit score (under certain circumstances), including:

'''(1) When a consumer is unemployed and intends to apply for employment within 60 days.

'''(2) When a consumer is a recipient of public welfare assistance.

'''(3) When a consumer has a reasonable belief that their report contains inaccuracies as a result of fraud.

'''(4) When a consumer asserts in good faith a suspicion that the consumer has been or is about to become a victim of identity theft, fraud, or a related crime, or harmed by the unauthorized disclosure of the consumer's financial or personally identifiable information.

'''(5) When a consumer files a dispute or an appeal of the results of a dispute with a consumer reporting agency or a person who furnished information to the consumer reporting agency regarding the accuracy or completeness of the information contained on their report.

'''(6) After a furnisher of information discovers it has furnished inaccurate or incomplete information to a consumer reporting agency, and the furnisher notifies the agency of the error.

'''(7) After an adverse action is taken against a consumer or a consumer receives a risk-based pricing notice.

'''(8) When a mortgage lender, private educational lender, indirect auto lender, or motor vehicle lender obtains and uses a consumer's reports or scores for underwriting purposes.'.

''(B) HYPERLINK REQUIREMENTS.—The hyperlink described in subparagraph (A)(i) shall be prominently located on the top of the home page and should link directly to the website of the centralized source established pursuant to section 211(d) of the Fair and Accurate Credit Transactions Act of 2003 (15 U.S.C. 1681j note).

''(C) MODIFICATIONS.—The Bureau may modify the disclosure described in subparagraph (A)(ii) as necessary to include other circumstances under which a consumer has the right to receive a free consumer report, credit score, or educational credit score.

''(2) NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCIES.—

''(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, each nationwide specialty consumer reporting agency shall prominently display on the Internet home webpage of the agency a disclosure titled 'Consumer's Right to Free Consumer Reports and Credit Score or Educational Credit Score (as applicable) under Federal Law'. Such disclosure shall include the following statement:

'''Upon request, all consumers are entitled to obtain a free copy of their consumer report and credit score or educational credit score (as applicable) during any 12-month period from each of the nationwide specialty consumer reporting agencies. Federal law also provides further circumstances under which a consumer is entitled to obtain additional free copies of their consumer report and credit score or educational credit score (as applicable) including:

'''(1) When a consumer is unemployed and intends to apply for employment within 60 days.

'''(2) When a consumer is a recipient of public welfare assistance.

'''(3) When a consumer has a reasonable belief that their report contains inaccuracies as a result of fraud.

'''(4) When a consumer files a dispute or an appeal of the results of a dispute with a consumer reporting agency or a person who furnished information to the consumer reporting agency regarding the accuracy or completeness of the information contained on their report.

'''(5) After a furnisher of information discovers it has furnished inaccurate or incomplete information to a consumer reporting agency, and the furnisher notifies the agency of the error.

'''(6) After an adverse action is taken against a consumer or a consumer receives a risk-based pricing notice.

'''(7) When a mortgage lender, private educational lender, indirect auto lender, or motor vehicle lender obtains and uses a consumer's reports or scores for underwriting purposes.'.

''(B) MODIFICATIONS.—The Bureau may modify the disclosure described in subparagraph (A) as necessary to include other circumstances under which a consumer has the right to receive a free consumer report and credit score or educational credit score (as applicable).

''(C) TOLL-FREE TELEPHONE ACCESS.—The information described in this paragraph shall also be made available via a toll-free telephone number. Such number shall be prominently displayed on the home page of the website of each nationwide specialty consumer reporting agency. Each of the circumstances under which a consumer may obtain a free consumer report and credit score or educational credit score (as applicable) shall be presented in an easily understandable format and consumers shall be directed to an individual who is a customer service representative not later than 2 minutes after the initial phone connection is made by the consumer. Information provided through such telephone number shall comply with the requirements of section 633.

''(D) ONLINE CONSUMER REPORTS; EXEMPTION.—Upon receipt of a request by a consumer for a consumer report, each nationwide specialty consumer reporting agency shall provide access to such report electronically on the Internet website described in section 611(h).

''(i) AUTOMATIC PROVISION OF FREE CONSUMER REPORTS AND CREDIT SCORES OR EDUCATIONAL CREDIT SCORES.—A consumer reporting agency shall provide to a consumer a free copy of the file and credit score or educational credit score of the consumer who—

''(1) obtains a 1-year fraud alert, 7-year fraud alert, active duty alert, or security freeze as described in section 605A; or

''(2) has disputed information, or submitted an appeal of an investigation or reinvestigation of such information, under section 611 or 623.''.

(b) TECHNICAL AMENDMENT.—Section 615(h)(7) of such Act (15 U.S.C. 1681m(h)(7)) is amended by striking ''section'' each place such term appears and inserting ''subsection''.

SEC. 205. PROVISION OF CONSUMER REPORTS AND CREDIT SCORES BY PRIVATE EDUCATIONAL LENDERS.

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

''(h) DISCLOSURE OF CONSUMER REPORTS AND CREDIT SCORES BY PRIVATE EDUCATIONAL LENDERS.—

''(1) IN GENERAL.—If a private educational lender obtains a copy of any consumer reports or credit scores and uses such reports or scores in connection with an application of a consumer for a private education loan, the private educational lender shall provide to the consumer, not later than 3 business days after obtaining such reports or scores and before the date on which the consumer enters into a loan agreement with the private educational lender, a copy of any such reports or scores, along with the statement described under subsection (f)(2).

''(2) COSTS.—None of the costs to the private educational lender associated with procuring consumer reports or credit scores under this subsection may be charged, directly or indirectly, to the consumer.

''(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to eliminate any requirement for creditors and lenders to provide credit score disclosures, including the statement described under subsection (f)(2), to consumers as part of an adverse action or risk-based pricing notice.''.

SEC. 206. PROVISION OF CONSUMER REPORTS AND CREDIT SCORES BY MOTOR VEHICLE LENDERS OR INDIRECT AUTO LENDERS.

Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by section 205, is further amended by adding at the end the following new subsection:

''(i) DISCLOSURE OF CONSUMER REPORTS AND CREDIT SCORES USED BY MOTOR VEHICLE LENDERS OR INDIRECT AUTO LENDERS.—

''(1) IN GENERAL.—If a motor vehicle lender or indirect auto lender obtains a copy of any consumer reports or credit scores and uses such reports or scores in connection with an application of a consumer for a motor vehicle loan or lease, the motor vehicle lender or indirect auto lender shall provide to the consumer a document, separate from the consumer's lease or purchase agreement and before the consumer enters into a lease or purchase agreement, disclosing any consumer reports and credit scores, including the statement described in subsection (f)(2), used by the lender to determine whether to extend credit to the consumer.

''(2) COSTS.—None of the costs to the motor vehicle lender or indirect auto lender associated with procuring consumer reports or credit scores under this subsection may be charged, directly or indirectly, to the consumer.

''(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to eliminate any requirement for creditors and lenders to provide credit score disclosures, including the statement described under subsection (f)(2), to consumers as part of an adverse action or risk-based pricing notice.

''(4) DEFINITIONS.—

''(A) INDIRECT AUTO LENDER.—The term 'indirect auto lender' has the meaning given the term by the Bureau, and shall include a person extending a loan made with respect to a car, boat, motorcycle, recreational vehicle, or other similar vehicle used primarily for personal or household purposes.

''(B) MOTOR VEHICLE LENDER.—The term 'motor vehicle lender' has the meaning given the term by the Board of Governors of the Federal Reserve System, and shall include a person extending a loan made with respect to a car, boat, motorcycle, recreational vehicle, or other similar vehicle used primarily for personal or household purposes.''.

SEC. 207. PROVISION OF CONSUMER REPORTS AND CREDIT SCORES BY RESIDENTIAL MORTGAGE LENDERS.

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

(1) by redesignating paragraph (2) as paragraph (5);

(2) in paragraph (1)—

(A) by striking ''a consumer credit score'' and inserting ''any consumer reports or credit scores'';

(B) by striking '', as defined in subsection (f),'';

(C) by striking ''the following to the consumer as soon as reasonably practicable:'' and inserting '', not later than 3 business days after using such reports or scores, a document disclosing any consumer reports and credit scores used by the lender to determine whether to extend credit to the consumer along with the statement described in subsection (f)(2).'';

(D) by striking subparagraphs (A), (B), (C), (E), and (F);

(E) by redesignating subparagraph (D) as paragraph (3) (and adjusting the margins accordingly); and

(F) by redesignating subparagraph (G) as paragraph (4) (and adjusting the margins accordingly);

(3) by inserting before paragraph (3) (as so designated) the following new paragraph:

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to eliminate any requirement for lenders to provide credit score disclosures, including the statement described under subsection (f)(2), to consumers as part of an adverse action or risk-based pricing notice.'';

(4) in paragraph (3) (as so designated), in the quoted material—

(A) by inserting '', free of charge,'' after ''disclose to you''; and

(B) by striking ''affecting your credit scores'' and inserting ''affecting your credit score or scores'';

(5) in paragraph (5) (as so redesignated) by inserting ''or scores'' after ''credit score'' each place such term appears; and

(6) by adding at the end the following new paragraphs:

''(6) ACTIONS NOT REQUIRED.—This subsection shall not require any person to disclose any credit score or related information obtained by the person after a loan has closed.

''(7) NO PROCUREMENT COSTS.—None of the costs to the creditor or lender associated with procuring any consumer reports or scores under this subsection may be charged, directly or indirectly, to the consumer.''.

TITLE III—STUDENT BORROWER CREDIT IMPROVEMENT ACT

SEC. 301. REMOVAL OF ADVERSE INFORMATION FOR CERTAIN PRIVATE EDUCATION LOAN BORROWERS.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 405, is further amended by inserting after section 605D the following new section:

''§ 605E. Credit rehabilitation for distressed private education loan borrowers.

''(a) IN GENERAL.—A consumer reporting agency may not furnish any consumer report containing any adverse item of information relating to a delinquent or defaulted private education loan of a borrower if the borrower has rehabilitated the borrower's credit with respect to such loan by making 9 on-time monthly payments (in accordance with the terms and conditions of the borrower's original loan agreement or any other repayment agreement that antedates the original agreement) during a period of 10 consecutive months on such loan after the date on which the delinquency or default occurred.

''(b) INTERRUPTION OF 10–MONTH PERIOD FOR CERTAIN CONSUMERS.—

''(1) PERMISSIBLE INTERRUPTION OF THE 10-MONTH PERIOD.—A borrower may stop making consecutive monthly payments and be granted a grace period after which the 10-month period described in subsection (a) shall resume. Such grace period shall be provided under the following circumstances:

''(A) With respect to a borrower who is a member of the Armed Forces entitled to incentive pay for the performance of hazardous duty under section 301 of title 37, United States Code, hazardous duty pay under section 351 of such title, or other assignment or special duty pay under section 352 of such title, the grace period shall begin on the date on which the borrower begins such assignment or duty and end on the date that is 6 months after the completion of such assignment or duty.

''(B) With respect to a borrower who resides in an area affected by a major disaster or emergency declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the grace period shall begin on the date on which the major disaster or emergency was declared and end on the date that is 3 months after such date.

''(2) OTHER CIRCUMSTANCES.—

''(A) IN GENERAL.—The Bureau may allow a borrower demonstrating hardship to stop making consecutive monthly payments and be granted a grace period after which the 10-month period described in subsection (a) shall resume.

''(B) BORROWER DEMONSTRATING HARDSHIP DEFINED.—In this paragraph, the term 'borrower demonstrating hardship' means a borrower or a class of borrowers who, as determined by the Bureau, is facing or has experienced unusual extenuating life circumstances or events that result in severe financial or personal barriers such that the borrower or class of borrowers does not have the capacity to comply with the requirements of subsection (a).

''(c) PROCEDURES.—The Bureau shall establish procedures to implement the credit rehabilitation described in this section, including—

''(1) the manner, content, and form for requesting credit rehabilitation;

''(2) the method for validating that the borrower is satisfying the requirements of subsection (a);

''(3) the manner, content, and form for notifying the private educational loan holder of—

''(A) the borrower's participation in credit rehabilitation under subsection (a);

''(B) the requirements described in subsection (d); and

''(C) the restrictions described in subsection (f);

''(4) the manner, content, and form for notifying a consumer reporting agency of—

''(A) the borrower's participation in credit rehabilitation under subsection (a); and

''(B) the requirements described in subsection (d);

''(5) the method for verifying whether a borrower qualifies for the grace period described in subsection (b);

''(6) the manner, content, and form of notifying a consumer reporting agency and private educational loan holder that a borrower was granted a grace period.

''(d) STANDARDIZED REPORTING CODES.—A consumer reporting agency shall develop standardized reporting codes for use by any private educational loan holder to identify and report a borrower's status of making and completing 9 on-time monthly payments during a period of 10 consecutive months on a delinquent or defaulted private education loan, including codes specifying the grace period described in subsection (b) and any agreement to modify monthly payments. Such codes shall not appear on any report provided to a third party, and shall be removed from the consumer's credit report upon the consumer's completion of the rehabilitation period under this section.

''(e) ELIMINATION OF BARRIERS TO CREDIT REHABILITATION.—A consumer report in which a private educational loan holder furnishes the standardized reporting codes described in subsection (d) to a consumer reporting agency, or in which a consumer reporting agency includes such codes, shall be deemed to comply with the requirements for accuracy and completeness under sections 607(b), 623(a)(1), and 632.

''(f) PROHIBITION ON CIVIL ACTIONS FOR CONSUMERS PURSUING REHABILITATION.—A private educational loan holder may not commence or proceed with any civil action against a borrower with respect to a delinquent or defaulted loan during the period of rehabilitation if the private educational loan holder has been notified, in accordance with the procedures established by the Bureau pursuant to subsection (c)—

''(1) of such borrower's intent to participate in rehabilitation;

''(2) that such borrower has satisfied the requirements under subsection (a); or

''(3) that such borrower was granted a grace period.

''(g) IMPACT ON STATUTE OF LIMITATIONS FOR PRIOR DEBT.—Payments by a borrower on a private education loan that are made during and after a period of rehabilitation under this section shall have no effect on the statute of limitations with respect to payments that were due on such private education loan before the beginning of the period of rehabilitation.

''(h) PAYMENT PLANS.—If a private educational loan holder enters into a payment plan with a borrower on a private education loan during a period of rehabilitation, such payment plan shall be reasonable and affordable, as determined by the Bureau.

''(i) RULES OF CONSTRUCTION.—

''(1) APPLICATION TO SUBSEQUENT DEFAULT OR DELINQUENCY.—A borrower who satisfies the requirements under subsection (a) shall be eligible for additional credit rehabilitation described in subsection (a) with respect to any subsequent default or delinquency of the borrower on the rehabilitated private education loan.

''(2) INTERRUPTION OF CONSECUTIVE PAYMENT PERIOD REQUIREMENT.—The grace period described in subsection (b)(1)(A) shall not apply if any regulation promulgated under section 987 of title 10, United States Code (commonly known as the Military Lending Act), or the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) allows for a grace period or other interruption of the 10-month period described in subsection (a) and such grace period or other interruption is longer than the period described in subsection (b)(1)(A) or otherwise provides greater protection or benefit to the borrower who is a member of the Armed Forces.''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Fair Credit Reporting Act, as amended by section 405, is further amended by inserting after the item relating to section 605D the following new item:

''605E. Credit rehabilitation for distressed private education loan borrowers who demonstrate a history of loan repayment.''.

(c) CONFORMING AMENDMENT.—Section 623(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)(1)) is amended by striking subparagraph (E).

SEC. 302. PRIVATE EDUCATION LOAN DEFINITIONS.

Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as amended by section 201(a), is further amended by adding at the end the following new subsection:

''(cc) PRIVATE EDUCATION LOAN DEFINITIONS.—The terms 'private education loan' and 'private educational lender' have the meanings given such terms, respectively, in section 140(a) of the Truth in Lending Act.''.

TITLE IV—CREDIT RESTORATION FOR VICTIMS OF PREDATORY ACTIVITIES AND UNFAIR CONSUMER REPORTING PRACTICES

SEC. 401. ADVERSE CREDIT INFORMATION.

(a) IN GENERAL.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by sections 107, 109, and 201, is further amended—

(1) in subsection (a)—

(A) by striking ''Except as authorized under subsection (b), no'' and inserting ''No'';

(B) in paragraph (1), by striking ''10 years'' and inserting ''7 years'';

(C) in paragraph (2), by striking ''Civil suits, civil judgments, and records'' and inserting ''Records'';

(D) in paragraph (3), by striking ''seven years'' and inserting ''4 years'';

(E) in paragraph (4), by striking ''seven years'' and inserting ''4 years'';

(F) in paragraph (5)—

(i) by striking '', other than records of convictions of crimes''; and

(ii) by striking ''seven years'' and inserting ''4 years''; and

(G) by adding at the end the following new paragraphs:

''(9) Civil suits and civil judgments (except as provided in paragraph (8)) that, from date of entry, antedate the report by more than 4 years

or until the governing statute of limitations has expired, whichever is the longer period.

''(10) A civil suit or civil judgment—

''(A) brought by a private education loan holder that, from the date of successful completion of credit restoration or rehabilitation in accordance with the requirements of section 605D or 605E, antedates the report by 45 calendar days; or

''(B) brought by a lender with respect to a covered residential mortgage loan (as defined in section 605C(b)) that antedates the report by 45 calendar days.

''(11) Records of convictions of crimes which antedate the report by more than 7 years.

''(12) Any other adverse item of information relating to the collection of debt that did not arise from a contract or an agreement to pay by a consumer, including fines, tickets, and other assessments, as determined by the Bureau, excluding tax liability.'';

(2) by striking subsection (b) and redesignating subsections (c) through (h) as subsections (b) through (g), respectively; and

(3) in subsection (b) (as so redesignated), by striking ''7-year period referred to in paragraphs (4) and (6)'' and inserting ''4-year period referred to in paragraphs (4) and (5)''.

(b) CONFORMING AMENDMENTS.—The Fair Credit Reporting Act (15 U.S.C. 1681) is amended—

(1) in section 616(e) (as redesignated by section 110(a)(1)(B)), by striking ''section 605(g)'' each place that term appears and inserting ''section 605(f)''; and

(2) in section 625(b)(5)(A), by striking ''section 605(g)'' and inserting ''section 605(f)''.

SEC. 402. EXPEDITED REMOVAL OF FULLY PAID OR SETTLED DEBT FROM CONSUMER REPORTS.

Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 401, is further amended by adding at the end the following new paragraph:

''(13) Any other adverse item of information related to a fully paid or settled debt that had been characterized as delinquent, charged off, or in collection which, from the date of payment or settlement, antedates the report by more than 45 calendar days.''.

SEC. 403. MEDICAL DEBT COLLECTIONS.

(a) REMOVAL OF FULLY PAID OR SETTLED MEDICAL DEBT FROM CONSUMER REPORTS.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 402, is further amended by adding at the end the following new paragraph:

''(14) Any other adverse item of information related to a fully paid or settled debt arising from the receipt of medical services, products, or devices that had been characterized as delinquent, charged off, or in collection which, from the date of payment or settlement, antedates the report by more than 45 calendar days.''.

(b) ESTABLISHING AN EXTENDED TIME PERIOD BEFORE CERTAIN MEDICAL DEBT INFORMATION MAY BE REPORTED.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by subsection (a), is further amended by adding at the end the following new paragraph:

''(15) Any information related to a debt arising from the receipt of medical services, products, or devices, if the date on which such debt was placed for collection, charged to profit or loss, or subjected to any similar action antedates the report by less than 365 calendar days.''.

(c) PROHIBITION ON REPORTING MEDICALLY NECESSARY PROCEDURES.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by subsection (b), is further amended by adding at the end the following new paragraph:

''(16) Any information related to a debt arising from a medically necessary procedure.''.

(d) MEDICALLY NECESSARY PROCEDURE DEFINED.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as amended by section 901, is further amended by adding at the end the following:

(ee) MEDICALLY NECESSARY PROCEDURE.—The term 'medically necessary procedure' means—

''(1) health care services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine; and

''(2) health care to prevent illness or detect illness at an early stage, when treatment is likely to work best (including preventive services such as pap tests, flu shots, and screening mammograms).''.

(e) TECHNICAL AMENDMENT.—Section 604(g)(1)(C) of the Fair Credit Reporting Act (15 U.S.C. 1681b(g)(1)(C)) is further amended by striking ''devises'' and inserting ''devices''.

SEC. 404. CREDIT RESTORATION FOR VICTIMS OF PREDATORY MORTGAGE LENDING AND SERVICING.

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

''§ 605C. Credit restoration for victims of predatory mortgage lending

''(a) IN GENERAL.—A consumer reporting agency may not furnish any consumer report containing any adverse item of information relating to a covered residential mortgage loan (including the origination and servicing of such a loan, any loss mitigation activities related to such a loan, and any foreclosure, deed in lieu of foreclosure, or short sale related to such a loan), if the action or inaction to which the item of information relates—

''(1) resulted from an unfair, deceptive, or abusive act or practice, or a fraudulent, discriminatory, or illegal activity of a financial institution, as determined by the Bureau or a court of competent jurisdiction; or

''(2) is related to an unfair, deceptive, or abusive act, practice, or a fraudulent, discriminatory, or illegal activity of a financial institution that is the subject of a settlement agreement initiated on behalf of a consumer or consumers and that is between the financial institution and an agency or department of a local, State, or Federal Government, regardless of whether such settlement includes an admission of wrongdoing.

''(b) COVERED RESIDENTIAL MORTGAGE LOAN DEFINED.—In this section, the term 'covered residential mortgage loan' means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(w) of the Truth in Lending Act), including a loan in which the proceeds will be used for—

''(1) a manufactured home (as defined in section 603 of the Housing and Community Development Act of 1974);

''(2) any installment sales contract, land contract, or contract for deed on a residential property; or

''(3) a reverse mortgage transaction (as defined in section 103 of the Truth in Lending Act).''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Fair Credit Reporting Act is amended by inserting after the item relating to section 605B the following new item:

''605C. Credit restoration for victims of predatory mortgage lending.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 18-month period beginning on the date of the enactment of this Act.

SEC. 405. CREDIT RESTORATION FOR CERTAIN PRIVATE EDUCATION LOANS BORROWERS.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 404, is further amended by inserting after section 605C the following new section:

''§ 605D. Credit restoration for certain private education loans borrowers

''(a) PROCESS FOR CERTIFICATION AS A QUALIFYING PRIVATE EDUCATION LOAN BORROWER.—

''(1) IN GENERAL.—A consumer may submit a request to the Bureau, along with a defraudment claim, to be certified as a qualifying private education loan borrower with respect to a private education loan.

''(2) CERTIFICATION.—The Bureau shall certify a consumer described in paragraph (1) as a qualifying private education loan borrower with respect to a private education loan if the Bureau or a court of competent jurisdiction determines that the consumer has a valid defraudment claim with respect to such loan.

''(b) REMOVAL OF ADVERSE INFORMATION.—Upon receipt of a notice described in subsection (d)(5), a consumer reporting agency shall remove any adverse information relating to any private education loan with respect to which a consumer is a qualifying private education loan borrower from any consumer report within 45 calendar days of receipt of such notification.

''(c) DISCLOSURE.—The Bureau shall disclose the results of a certification determination in writing to the consumer that provides a clear and concise explanation of the basis for the determination of whether such consumer is a qualifying private education loan borrower with respect to a private education loan and, as applicable, an explanation of the consumer's right to have adverse information relating to such loan removed from their consumer report by a consumer reporting agency.

''(d) PROCEDURES.—The Bureau shall—

''(1) establish procedures for a consumer to submit a request described in subsection (a);

''(2) establish procedures to efficiently review, accept, and process such a request;

''(3) develop ongoing outreach initiatives and education programs to inform consumers of the circumstances under which such consumer may be eligible to be certified as a qualifying private education loan borrower with respect to a private education loan;

''(4) establish procedures, including the manner, form, and content of the notice informing a private educational loan holder of the prohibition on reporting any adverse information relating to a private education loan with respect to which a consumer is a qualifying private education loan borrower; and

''(5) establish procedures, including the manner, form, and content of the notice informing a consumer reporting agency of the obligation to remove any adverse information as described in subsection (c).

''(e) STANDARDIZED REPORTING CODES.—A consumer reporting agency shall develop standardized reporting codes for use by private education loan holders to identify and report a qualifying private education loan borrower's status of a request to remove any adverse information relating to any private education loan with respect to which such consumer is a qualifying private education loan borrower. A consumer report in which a person furnishes such codes shall be deemed to comply with the requirements for accuracy and completeness required under sections 607(b), 623(a)(1), and 632. Such codes shall not appear on any report provided to a third party, and shall be removed from the consumer's credit report upon the successful restoration of the consumer's credit under this section.

''(f) DEFRAUDMENT CLAIM DEFINED.—For purposes of this section, the term 'defraudment claim' means a claim made with respect to a consumer who is a borrower of a private education loan with respect to a proprietary educational institution or career education program in which the consumer alleges that—

''(1) the proprietary educational institution or career education program—

''(A) engaged in an unfair, deceptive, or abusive act or practice, or a fraudulent, discriminatory, or illegal activity—

''(i) as defined by State law of the State in which the proprietary educational institution or career education program is headquartered or maintains or maintained significant operations; or

''(ii) under Federal law;

''(B) is the subject of an enforcement order, a settlement agreement, a memorandum of understanding, a suspension of tuition assistance, or any other action relating to an unfair, deceptive, or abusive act or practice that is between the proprietary educational institution or career education program and an agency or department of a local, State, or Federal Government; or

''(C) misrepresented facts to students or accrediting agencies or associations about graduation or gainful employment rates in recognized occupations or failed to provide the coursework necessary for students to successfully obtain a professional certification or degree from the proprietary educational institution or career education program; or

''(2) the consumer has submitted a valid defense to repayment claim with respect to such loan, as determined by the Secretary of Education.''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Fair Credit Reporting Act, as amended by section 404, is further amended by inserting after the item relating to section 605C the following new item:

''605D. Credit restoration for certain private education loans borrowers.''.

SEC. 406. FINANCIAL ABUSE PREVENTION.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 301, is further amended by inserting after section 605E the following new section:

''§ 605F. Financial abuse prevention

''For a consumer who is the victim of intentionally abusive or harmful financial behavior, as determined by a court of competent jurisdiction including a family court, juvenile court, or other court with personal jurisdiction, that was conducted by a spouse, family or household member, caregiver, or person with whom such consumer had a dating relationship in a manner which resulted in the inclusion of an adverse item of information on the consumer report of the consumer, and the consumer did not participate in or consent to such behavior, the consumer may apply to a court of competent jurisdiction, including a family court, juvenile court, or other court with personal jurisdiction, for an order to require the removal of such adverse information from the consumer's file maintained by any consumer reporting agency.''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Fair Credit Reporting Act, as amended by section 301, is further amended by inserting after the item relating to section 605E the following new item:

''605F. Financial abuse prevention.''.

SEC. 407. PROHIBITION OF CERTAIN FACTORS RELATED TO FEDERAL CREDIT RESTORATION OR REHABILITATION.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 502, is further amended—

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

''§ 632. Prohibition of certain factors related to Federal credit restoration or rehabilitation

''(a) RESTRICTION ON CREDIT SCORING MODELS.—A credit scoring model may not—

''(1) take into consideration, in a manner adverse to a consumer's credit score or educational credit score, any information in a consumer report concerning the consumer's participation in credit restoration or rehabilitation under section 605C, 605D, or 605E; or

''(2) treat negatively, in a manner adverse to a consumer's credit score or educational credit score, the absence of payment history data for an existing account, whether the account is open or closed, where the absence of such information is the result of a consumer's participation in credit restoration or rehabilitation under section 605C, 605D, or 605E.

''(b) RESTRICTION ON PERSONS OBTAINING CONSUMER REPORTS.—A person who obtains a consumer report may not—

''(1) take into consideration, in a manner adverse to a consumer, any information in a consumer report concerning the consumer's participation in credit restoration or rehabilitation under section 605C, 605D, or 605E; or

''(2) treat negatively the absence of payment history data for an existing account, whether the account is open or closed, where the absence of such information is the result of a consumer's participation in credit restoration or rehabilitation under section 605C, 605D, or 605E.

''(c) ACCURACY AND COMPLETENESS.—If a person who furnishes information to a consumer reporting agency requests the removal of information from a consumer report or a consumer reporting agency removes information from a consumer report in compliance with the requirements under section 605C, 605D, or 605E, or such information was removed pursuant at section 605(a)(11), such report shall be deemed to satisfy the requirements for accuracy and completeness with respect to such information.

''(d) PROHIBITION RELATED TO ADVERSE ACTIONS AND RISK-BASED PRICING DECISIONS.—No person shall use information related to a consumer's participation in credit restoration or rehabilitation under section 605C, 605D, or 605E in connection with any determination of—

''(1) the consumer's eligibility or continued eligibility for an extension of credit;

''(2) the terms and conditions offered to a consumer regarding an extension of credit; or

''(3) an adverse action made for employment purposes.''; and

(2) in the table of contents for such Act, by inserting after the item relating to section 631 the following new item:

''632. Prohibition of certain factors related to Federal credit restoration or rehabilitation.''.

TITLE V—CLARITY IN CREDIT SCORE FORMATION

SEC. 501. CONSUMER BUREAU STUDY AND REPORT TO CONGRESS ON THE IMPACT OF NON-TRADITIONAL DATA.

(a) STUDY.—The Bureau of Consumer Financial Protection shall carry out a study to assess the impact (including the availability and affordability of credit and other noncredit decisions, the potential positive and negative impacts on consumer credit scores, and any unintended consequences) of using traditional modeling techniques or alternative modeling techniques to analyze non-traditional data from a consumer report and of including non-traditional data on consumer reports on the following:

(1) Consumers with no or minimal traditional credit history.

(2) Traditionally underserved communities and populations.

(3) Consumers residing in rural areas.

(4) Consumers residing in urban areas.

(5) Racial and ethnic minorities and women.

(6) Consumers across various income strata, particularly consumers earning less than 120 percent of the area median income (as defined by the Secretary of Housing and Urban Development).

(7) Immigrants, refugees, and non-permanent residents.

(8) Minority financial institutions (as defined under section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note)) and community financial institutions.

(9) Consumers residing in federally assisted housing, including consumers receiving Federal rental subsidies.

(b) ADDITIONAL CONSIDERATIONS.—In assessing impacts under subsection (a), the Bureau of Consumer Financial Protection shall also consider impacts on—

(1) the privacy, security, and confidentiality of the financial, medical, and personally identifiable information of consumers;

(2) the control of consumers over how such information may or will be used or considered;

(3) the understanding of consumers of how such information may be used or considered and the ease with which a consumer may decide to restrict or prohibit such use or consideration of such information;

(4) potential discriminatory effects; and

(5) disparate outcomes the use or consideration of such information may cause.

(c) CONSIDERATION OF RECENT GOVERNMENT STUDIES.—In assessing impacts under subsection (a), the Bureau of Consumer Financial Protection shall also consider recent Government studies on alternative data, including—

(1) the report of the Bureau of Consumer Financial Protection titled ''CFPB Data Point: Becoming Credit Visible'' (published June 2017); and

(2) the report of the Comptroller General of the United States titled ''Financial Technology: Agencies Should Provide Clarification on Lenders' Use of Alternative Data'' (published December 2018).

(d) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Bureau of Consumer Financial Protection shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations, including any recommendations for any legislative or regulatory changes, made in carrying out the study required under subsection (a).

(e) DEFINITIONS.—In this section:

(1) ALTERNATIVE MODELING TECHNIQUES.—The term ''alternative modeling techniques'' means statistical and mathematical techniques that are not traditional modeling techniques, including decision trees, random forests, artificial neutral networks, nearest neighbor, genetic programming, and boosting algorithms.

(2) CONSUMER REPORT.—The term ''consumer report'' has the meaning given such term in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

(3) NON-TRADITIONAL DATA.—The term ''non-traditional data'' means data related to telecommunications, utility payments, rent payments, remittances, wire transfers, data not otherwise regularly included in consumer reports issued by consumer reporting agencies described under section 603(p), and such other items as the Bureau of Consumer Financial Protection deems appropriate.

(4) TRADITIONAL MODELING TECHNIQUES.—The term ''traditional modeling techniques'' means statistical and mathematical techniques (including models, algorithms, linear and logistic regression methods, and their outputs) that are traditionally used in automated underwriting processes.

SEC. 502. CONSUMER BUREAU OVERSIGHT OF CREDIT SCORING MODELS.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 701, is further amended—

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

''§ 631. Credit scoring models

''(a) VALIDATED CREDIT SCORING MODELS.—Not later than 1 year after the date of the enactment of this section, the Bureau shall (in consultation with the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Board of Directors of the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board) issue final regulations applicable to any person that

creates, maintains, utilizes, or purchases credit scoring models used in making credit decisions to establish standards for validating the accuracy and predictive value of all such credit scoring models, both before release for initial use and at regular intervals thereafter, for as long as such credit scoring models are made available for purchase or use by such person.

''(b) PROHIBITION.—At least once every 2 years, the Bureau shall conduct a review of credit scoring models to determine whether the use of any particular factors, or the weight or consideration given to certain factors by credit scoring models, is inappropriate, including if such factors do not enhance or contribute to the accuracy and predictive value of the models. Upon the conclusion of its review, the Bureau may prohibit a person described in subsection (a) from weighing, considering, or including certain factors in, or making available for purchase or use, certain credit scoring models or versions, as the Bureau determines appropriate.''; and

(2) in the table of contents for such Act, as amended by section 701, by adding after the item relating to section 630 the following new item:

''631. Credit scoring models.''.

TITLE VI—RESTRICTIONS ON CREDIT CHECKS FOR EMPLOYMENT DECISIONS

SEC. 601. PROHIBITION ON THE USE OF CREDIT INFORMATION FOR MOST EMPLOYMENT DECISIONS.

(a) IN GENERAL.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended—

(1) in subsection (a)(3)(B), by inserting '', subject to the requirements of subsection (b)'' after ''purposes''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by amending the paragraph heading to read as follows: ''USE OF CONSUMER REPORTS FOR EMPLOYMENT PURPOSES'';

(ii) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively (and conforming the margins accordingly);

(iii) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively (and conforming the margins accordingly);

(iv) by striking the period at the end of clause (ii) (as so redesignated) and inserting ''; and'';

(v) by striking ''agency may furnish'' and inserting ''agency—

''(A) may furnish''; and

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

''(B) except as provided in paragraph (5), may not furnish a consumer report for employment purposes with respect to any consumer in which any information contained in the report bears on the consumer's creditworthiness, credit standing, or credit capacity.''; and

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

''(5) REQUIREMENTS FOR CONSUMER REPORTS BEARING ON THE CONSUMER'S CREDITWORTHINESS, CREDIT STANDING, OR CREDIT CAPACITY.—

''(A) IN GENERAL.—A person may use a consumer report for employment purposes with respect to any consumer in which any information contained in the report bears on the consumer's creditworthiness, credit standing, or credit capacity only if—

''(i) either—

''(I) the person is required to obtain the report by a Federal, State, or local law or regulation; or

''(II) the information contained in the report is being used with respect to a national security investigation (as defined in paragraph (4)(D));

''(ii) none of the cost associated with obtaining the consumer report will be passed on to the consumer to whom the report relates; and

''(iii) the information contained in the consumer report will not be disclosed to any other person other than—

''(I) in an aggregate format that protects a consumer's personally identifiable information; or

''(II) as may be necessary to comply with any applicable Federal, State, or local equal employment opportunity law or regulation.

''(B) DISCLOSURES.—A person who procures, or causes to be procured, a consumer report described in subparagraph (A) for employment purposes shall, in the disclosure made pursuant to paragraph (2), include—

''(i) an explanation that a consumer report is being obtained for employment purposes;

''(ii) the reasons for obtaining such a report; and

''(iii) the citation to the applicable Federal, State, or local law or regulation described in subparagraph (A)(i)(I).

''(C) ADVERSE ACTIONS.—In using a consumer report described in subparagraph (A) for employment purposes and before taking an adverse action based in whole or in part on the report, the person intending to take such adverse action shall, in addition to the information described in paragraph (3), provide to the consumer to whom the report relates—

''(i) the name, address, and telephone number of the consumer reporting agency that furnished the report (including, for a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, a toll-free telephone number established by such agency);

''(ii) the date on which the report was furnished; and

''(iii) the specific factors from the report upon which the adverse action (as defined in section 603(k)(1)(B)(ii)) was based.

''(D) NATIONAL SECURITY INVESTIGATIONS.—The requirements of paragraph (4) shall apply to a consumer report described under subparagraph (A).

''(E) NON-CIRCUMVENTION.—With respect to a consumer report in which any information contained in the report bears on the consumer's creditworthiness, credit standing, or credit capacity, if a person is prohibited from using the consumer report pursuant to subparagraph (A), such person may not, directly or indirectly, either orally or in writing, require, request, suggest, or cause any employee or prospective employee to submit such information to the person as a condition of employment.

''(F) NON-WAIVER.—A consumer may not waive the requirements of this paragraph with respect to a consumer report.

''(6) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to require a consumer reporting agency to prevent a Federal, State, or local law enforcement agency from accessing information in a consumer report to which the law enforcement agency could otherwise obtain access.''.

(b) TECHNICAL AMENDMENT.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by striking ''section 604(b)(4)(E)(i)'' each place such term appears and inserting ''section 604(b)(4)(D)(i)''.

(c) RULE OF CONSTRUCTION.—The amendments made by this Act may not be construed as limiting the ability of a person to use non-financial or non-credit related consumer report information.

TITLE VII—PROHIBITION ON MISLEADING AND UNFAIR CONSUMER REPORTING PRACTICES

SEC. 701. PROHIBITION ON AUTOMATIC RENEWALS FOR PROMOTIONAL CONSUMER REPORTING AND CREDIT SCORING PRODUCTS AND SERVICES.

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

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

''§ 630. Promotional periods

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

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

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

''630. Promotional periods.''.

SEC. 702. PROHIBITION ON MISLEADING AND DECEPTIVE MARKETING RELATED TO THE PROVISION OF CONSUMER REPORTING AND CREDIT SCORING PRODUCTS AND SERVICES.

Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by section 206, is further amended—

(1) in subsection (a)—

(A) in paragraph (1)—

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

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

(iii) by striking subparagraph (B); and

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

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

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

SEC. 703. PROHIBITION ON EXCESSIVE DIRECT-TO-CONSUMER SALES.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 407, is further amended—

(1) by adding after section 632 the following new section:

''§ 633. Fair and reasonable fees for products and services

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

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

''633. Fair and reasonable fees for products and services.''.

SEC. 704. FAIR ACCESS TO CONSUMER REPORTING AND CREDIT SCORING DISCLOSURES FOR NONNATIVE ENGLISH SPEAKERS AND THE VISUALLY AND HEARING IMPAIRED.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 903, is further amended—

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

''§ 635. Fair access to information for nonnative English speakers and the visually and hearing impaired

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

under this title, to the maximum extent reasonably practicable—

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

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

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

''(2) to ensure that—

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

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

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

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

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

''635. Fair access to information for nonnative English speakers and the visually and hearing impaired.''.

SEC. 705. COMPARISON SHOPPING FOR LOANS WITHOUT HARM TO CREDIT STANDING.

Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by section 401, is further amended by adding at the end the following new subsection:

''(h) ENCOURAGING COMPARISON SHOPPING FOR LOANS.—

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

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

''(A) A covered residential mortgage loan (as defined in section 605C).

''(B) A motor vehicle loan or lease (as described in section 609(i)).

''(C) A private education loan.

''(D) Any other consumer financial product or service, as determined by the Bureau.''.

SEC. 706. NATIONWIDE CONSUMER REPORTING AGENCIES REGISTRY.

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 704, is further amended—

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

''§ 636. Nationwide consumer reporting agencies registry

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

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

''(1) identify the largest agencies and the markets and demographics covered by such agencies; and

''(2) disclose, with respect to each agency, whether the agency is subject to the supervisory authority of the Bureau under this title.

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

''(1) independently verify information submitted by each agency; and

''(2) update the registry not less frequently than annually.''; and

(2) in the table of contents for such Act by adding at the end the following new item:

''636. Nationwide consumer reporting agencies registry.''.

SEC. 707. PROTECTION FOR CERTAIN CONSUMERS AFFECTED BY A SHUTDOWN.

(A) DEFINITION OF EMPLOYEE AFFECTED BY A SHUTDOWN.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as amended by section 901, is further amended by adding at the end the following:

''(ee) EMPLOYEE AFFECTED BY A SHUTDOWN.—With respect to a shutdown, the term 'employee affected by a shutdown' means a consumer who—

''(1) is an employee of—

''(A) the Federal Government, and who is furloughed or excepted from a furlough during the shutdown;

''(B) the District of Columbia, and who is furloughed or excepted from a furlough during the shutdown;

''(C) the District of Columbia Courts, and who is furloughed or excepted from a furlough during the shutdown;

''(D) the Public Defender Service for the District of Columbia, and who is furloughed or excepted from a furlough during the shutdown; or

''(E) a Federal contractor (as defined under section 710 of title 41, United States Code) or other business, and who has experienced a substantial reduction in pay (directly or indirectly) due to the shutdown; and

(2) who—

''(A) is listed in the database established under section 63; or

''(B) has self-certified pursuant to such section.

''(ff) SHUTDOWN.—The term 'shutdown' means any period in which there is more than a 24-hour lapse in appropriations as a result of a failure to enact a regular appropriations bill or continuing resolution.

(gg) COVERED SHUTDOWN PERIOD.—The term 'covered shutdown period' means, with respect to a shutdown, the period beginning on the first day of the shutdown and ending on the date that is 90 days after the last day of the shutdown.''.

(b) EXCLUSION FOR EMPLOYEES AFFECTED BY A SHUTDOWN.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 809, is further amended by adding at the end the following:

''(18) Any adverse item of information with respect to an action or inaction taken during a covered shutdown period by an employee affected by a shutdown.''.

(c) AMENDMENT TO SUMMARY OF RIGHTS FOR EMPLOYEES AFFECTED BY A SHUTDOWN.—Secgtion 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding at the end the following:

''(7) Information on the rights of an employee affected by a shutdown, including which consumers may be an employee affected by a shutdown and the process for a consumer to self-certify as an employee affected by a shutdown under section 637.''.

(d) DATABASE AND SELF-CERTIFICATION FOR EMPLOYEES AFFECTED BY A SHUTDOWN.—

(1) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 706, is further amended by adding at the end the following new section:

''§ 637. Database and self-certification for employees affected by a shutdown

''(a) DATABASE.—

''(1) IN GENERAL.—With respect to each shutdown, the consumer reporting agencies described in section 603(p) shall jointly establish a database that includes employees affected by the shutdown as reported pursuant to paragraph (2).

''(2) CONTENTS OF DATABASE.—

''(A) FURLOUGHED EMPLOYEES AND CONTRACTORS.—Each authority of the executive, legislative, or judicial branch of the Federal Government or District of Columbia shall provide to the consumer reporting agencies described in section 603(p) a list identifying—

''(i) employees of such authority that are furloughed, excepted from furlough, or not receiving pay because of a shutdown; and

''(ii) to the extent practicable, employees of contractors of such authority.

''(B) SELF-CERTIFIED CONSUMERS.—A consumer that self-certifies as an employee affected by a shutdown pursuant to subsection (b) shall be included in the database, unless the Bureau determines such consumer is not an employee affected by a shutdown.

''(3) ACCESS TO DATABASE.—The consumer reporting agencies described in section 603(p) shall make the database established under this subsection available to the Bureau, other consumer reporting agencies, furnishers of information to consumer reporting agencies, and users of consumer reports. A consumer reporting agency described in section 603(x) shall periodically access the database to confirm the accuracy of information such an agency has that identifies a consumer as an employee affected by a shutdown.

''(B) SELF-CERTIFICATION PROCESS.—A consumer shall be deemed to be an employee affected by a shutdown if such consumer self-certifies through—

''(1) the website established under subsection (c); or

''(2) a toll-free telephone number established by a consumer reporting agency.

''(c) WEBSITE.—The consumer reporting agencies described in section 603(p) shall jointly establish a website for a consumer to self-certify as an employee affected by a shutdown. Such website may not include any advertisement or other solicitation.

''(d) OPT-OUT.—The consumer reporting agencies described in section 603(p) shall provided a process through the website described under subsection (c) for consumers to opt-out of having their name included in the database established under this section.''.

(2) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Fair Credit Reporting Act, as amended by section 706, if further amended by adding at the end the following new item:

''637. Database and self-certification for employees affected by a shutdown.''.

(e) PROHIBITION ON ADVERSE ACTIONS AGAINST EMPLOYEES AFFECTED BY A SHUTDOWN.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following:

''(h) PROHIBITION ON ADVERSE ACTIONS AGAINST EMPLOYEES AFFECTED BY A SHUTDOWN.—If a user of a consumer report knows that a consumer is an employee affected by a shutdown, such user may not take an adverse action based on—

''(1) an adverse item of information contained in such report with respect to an action or inaction taken during a covered shutdown period by the employee; or

''(2) information on the consumer included in the database established under section 637.''.

(f) BUREAU REGULATIONS OR GUIDANCE.—Not later than 30 days after the date of the enactment of this Act, the Director of the Bureau of Consumer Financial Protection shall issue rules or guidance, as appropriate, to carry out the requirements of this Act.

TITLE VIII—PROTECTIONS AGAINST IDENTITY THEFT, FRAUD, OR A RELATED CRIME

SEC. 801. IDENTITY THEFT REPORT DEFINITION.

Paragraph (4) of section 603(q) of the Fair Credit Reporting Act (15 U.S.C. 1681a(q)(4)) is amended to read as follows:

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

''(A) that is a standardized affidavit that alleges that a consumer has been a victim of identity theft, fraud, or a related crime, or has been harmed by the unauthorized disclosure of the consumer's financial or personally identifiable information, that was developed and made available by the Bureau; or

''(B)(i) that alleges an identity theft, fraud, or a related crime, or alleges harm from the unauthorized disclosure of the consumer's financial or personally identifiable information;

''(ii) 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 Bureau; and

''(iii) the filing of which subjects the person filing the report to criminal penalties relating to the filing of false information if the information in the report is actually false.''.

(b) RULEMAKING.—Not later than the end of the 2-year period beginning on the date of enactment of this Act, the Director of the Bureau of Consumer Financial Protection shall issue final rules to carry out the amendment made by subsection (a).

SEC. 802. AMENDMENT TO PROTECTION FOR FILES AND CREDIT RECORDS OF PROTECTED CONSUMERS.

(a) AMENDMENT TO DEFINITION OF ''FILE''.—Section 603(g) of the Fair Credit Reporting Act (15 U.S.C. 1681a(g)) is amended by inserting '', except that such term excludes a record created pursuant to section 605A(j)'' after ''stored''.

(b) AMENDMENT TO PROTECTION FOR FILES AND CREDIT RECORDS.—Section 605A(j) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(j)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)(ii), by striking ''an incapacitated person or a protected person'' and inserting ''a person''; and

(B) by amending subparagraph (E) to read as follows:

''(E) The term 'security freeze'—

''(i) has the meaning given in subsection (i)(1)(C); and

''(ii) with respect to a protected consumer for whom the consumer reporting agency does not have a file, means a record that is subject to a security freeze that a consumer reporting agency is prohibited from disclosing to any person requesting the consumer report for the purpose of opening a new account involving the extension of credit.''; and

(2) in paragraph (4)(D), by striking ''a protected consumer or a protected consumer's representative under subparagraph (A)(i)'' and inserting ''a protected consumer described under subparagraph (A)(ii) or a protected consumer's representative''.

SEC. 803. ENHANCEMENT TO FRAUD ALERT PROTECTIONS.

Section 605A of the Fair Credit Reporting Act (15 U.S.C. 1681c–1) is amended—

(1) in subsection (a)—

(A) in the subsection heading, by striking ''ONE-CALL'' and inserting ''ONE-YEAR'';

(B) in paragraph (1)—

(i) in the paragraph heading, by striking ''INITIAL ALERTS'' and inserting ''IN GENERAL'';

(ii) by inserting ''or has been or is about to be harmed by the unauthorized disclosure of the consumer's financial or personally identifiable information,'' after ''identity theft,'';

(iii) in subparagraph (A)—

(I) by inserting ''(which period may be extended upon request of the consumer or such representative)'' after ''1 year''; and

(II) by striking ''and'' at the end;

(iv) in subparagraph (B)—

(I) by inserting ''1-year'' before ''fraud alert''; and

(II) by striking the period at the end and inserting ''; and''; and

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

''(C) upon the expiration of the period described in subparagraph (A) or any extension of such period, and in response to a direct request by the consumer or such representative, continue the fraud alert for a period of 1 additional year if the information asserted in this paragraph remains applicable.''; and

(C) in paragraph (2)—

(i) in the paragraph heading, by inserting ''AND CREDIT OR EDUCATIONAL CREDIT SCORES'' after ''REPORTS'';

(ii) by inserting ''1-year'' before ''fraud alert'';

(iii) in subparagraph (A), by inserting ''and credit score or educational credit score'' after ''file''; and

(iv) in subparagraph (B), by striking ''any request described in subparagraph (A)'' and inserting ''the consumer reporting agency includes the 1-year fraud alert in the file of a consumer'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''EXTENDED'' and inserting ''SEVEN-YEAR'';

(B) in paragraph (1)—

(i) in subparagraph (A), by inserting ''(which period may be extended upon request of the consumer or such representative)'' after ''7-year period beginning on the date of such request'';

(ii) in subparagraph (B)—

(I) by striking ''the 5-year period beginning on the date of such request'' and inserting ''such 7-year period (including any extension of such period)''; and

(II) by striking ''and'' at the end;

(iii) in subparagraph (C)—

(I) by striking ''extended'' and inserting ''7-year''; and

(II) by striking the period at the end and inserting ''; and''; and

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

''(D) upon the expiration of such 7-year period or any extension of such period, and in response to a direct request by the consumer or such representative, continue the fraud alert for a period of 7 additional years if the consumer or such representative submits an updated identity theft report.''; and

(C) in paragraph (2)—

(i) in the paragraph heading, by inserting ''AND CREDIT OR EDUCATIONAL CREDIT SCORES'' after ''REPORTS''; and

(ii) by amending subparagraph (A) to read as follows:

''(A) disclose to the consumer that the consumer may request a free copy of the file and credit score or educational credit score of the consumer pursuant to section 612(d) during each 12-month period beginning on the date on which the 7-year fraud alert was included in the file and ending on the date of the last day that the 7-year fraud alert applies to the consumer's file; and'';

(3) in subsection (c)—

(A) in paragraph (1), by inserting ''or educational credit score'' after ''credit score'';

(B) by redesignating paragraphs (1), (2), and (3), as subparagraphs (A), (B), and (C), respectively (and conforming the margins accordingly);

(C) by striking ''Upon the direct request'' and inserting:

''(1) IN GENERAL.—Upon the direct request''; and

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

''(2) ACCESS TO FREE REPORTS AND CREDIT OR EDUCATIONAL CREDIT SCORES.—If a consumer reporting agency includes an active duty alert in the file of an active duty military consumer, the consumer reporting agency shall—

''(A) disclose to the active duty military consumer that the active duty military consumer may request a free copy of the file and credit score or educational credit score of the active duty military consumer pursuant to section 612(d), during each 12-month period beginning on the date that the activity duty military alert is requested and ending on the date of the last day the active duty alert applies to the file of the active duty military consumer; and

''(B) provide to the active duty military 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).'';

(4) by amending subsection (d) to read as follows:

''(d) PROCEDURES.—Each consumer reporting agency described in section 603(p) shall include on the webpage required under subsection (i) policies and procedures to comply with this section, including policies and procedures—

''(1) that inform consumers of the availability of 1-year fraud alerts, 7-year fraud alerts, active duty alerts, and security freezes (as applicable);

''(2) that allow consumers to request 1-year fraud alerts, 7-year fraud alerts, and active duty alerts (as applicable) and to place, temporarily lift, or fully remove a security freeze in a simple and easy manner; and

''(3) for asserting in good faith a suspicion that the consumer has been or is about to become a victim of identity theft, fraud, or a related crime, or harmed by the unauthorized disclosure of the consumer's financial or personally identifiable information, for a consumer seeking a 1-year fraud alert or security freeze.'';

(5) in subsection (e), by inserting ''1-year or 7-year'' before ''fraud alert'';

(6) in subsection (f), by striking ''or active duty alert'' and inserting ''active duty alert, or security freeze (as applicable)'';

(7) in subsection (g)—

(A) by inserting ''or has been harmed by the unauthorized disclosure of the consumer's financial or personally identifiable information, or to inform such agency of the consumer's participation in credit restoration or rehabilitation under section 605C, 605D, or 605E,'' after ''identity theft,''; and

(B) by inserting ''or security freezes'' after ''request alerts'';

(8) in subsection (h)—

(A) in paragraph (1)—

(i) in the paragraph heading, by striking ''INITIAL'' and inserting ''1-YEAR''; and

(ii) by striking ''initial'' and inserting ''1-year'' each place such term appears; and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking ''EXTENDED'' and inserting ''7-YEAR''; and

(ii) by striking ''extended'' and inserting ''7-year'' each place such term appears; and

(9) in subsection (i)(4)—

(A) by striking subparagraphs (E) and (I); and

(B) by redesignating subparagraphs (F), (G), (H), and (J) as subparagraphs (E), (F), (G), and (H), respectively.

SEC. 804. AMENDMENT TO SECURITY FREEZES FOR CONSUMER REPORTS.

(a) IN GENERAL.—Section 605A(i) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(i)) is amended—

(1) by amending the subsection heading to read as follows: ''SECURITY FREEZES FOR CONSUMER REPORTS'';

(2) in paragraph (3)(E), by striking ''Upon receiving'' and all that follows through ''subparagraph (C),'' and inserting ''Upon receiving a direct request from a consumer for a temporary removal of a security freeze, a consumer reporting agency shall'';

(3) by adding at the end the following:

''(7) RELATION TO STATE LAW.—This subsection does not modify or supersede the laws of any State relating to security freezes or other similar actions, except to the extent those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this subsection, a term or provision of a State law is not inconsistent with the provisions of this subsection if the term or provision affords greater protection to the consumer than the protection provided under this subsection as determined by the Bureau.''.

(b) AMENDMENT TO WEBPAGE REQUIREMENTS.—Section 605A(i)(6)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(i)(6)(A)) is amended—

(1) in clause (ii), by striking ''initial fraud alert'' and inserting ''1-year fraud alert'';

(2) in clause (iii), by striking ''extended fraud alert'' and inserting ''7-year fraud alert''; and

(3) in clause (iv), by striking ''fraud''.

(c) AMENDMENT TO EXCEPTIONS FOR CERTAIN PERSONS.—Section 605A(i)(4)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(i)(4)(A)) is amended to read as follows:

''(A) A person, or the person's subsidiary, affiliate, agent, subcontractor, or assignee with whom the consumer has, or prior to assignment had, an authorized account, contract, or debtor-creditor relationship for the purposes of reviewing the active account or collecting the financial obligation owed on the account, contract, or debt.''.

(e) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 805. CLARIFICATION OF INFORMATION TO BE INCLUDED WITH AGENCY DISCLOSURES.

Section 609(c)(2) of the Fair Credit Reporting Act (15 U.S.C. 1681g(c)(2)) is amended—

(1) in subparagraph (B)—

(A) by striking ''consumer reporting agency described in section 603(p)'' and inserting ''consumer reporting agency described in subsection (p) or (x) of section 603'';

(B) by striking ''the agency'' and inserting ''such an agency''; and

(C) by inserting ''and an Internet website address'' after ''hours''; and

(2) in subparagraph (E), by striking ''outdated under section 605 or'' and inserting ''outdated, required to be removed, or''.

SEC. 806. PROVIDES ACCESS TO FRAUD RECORDS FOR VICTIMS.

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

(1) in paragraph (1)—

(A) by striking ''resulting from identity theft'';

(B) by striking ''claim of identity theft'' and inserting ''claim of fraudulent activity''; and

(C) by striking ''any transaction alleged to be a result of identity theft'' and inserting ''any fraudulent transaction'';

(2) in paragraph (2)(B)—

(A) by striking ''identity theft, at the election of the business entity'' and inserting ''fraudulent activity'';

(B) by amending clause (i) to read as follows:

''(i) a copy of an identity theft report; or''; and

(C) by amending clause (ii) to read as follows:

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

(3) in paragraph (3), by striking ''identity theft'' and inserting ''fraudulent activity'';

(4) by striking paragraph (8) and redesignating paragraphs (9) through (13) as paragraphs (8) through (12), respectively; and

(5) in paragraph (10) (as so redesignated), by striking ''or a similar crime'' and inserting '', fraud, or a related crime''.

SEC. 807. REQUIRED BUREAU TO SET PROCEDURES FOR REPORTING IDENTITY THEFT, FRAUD, AND OTHER RELATED CRIME.

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

(1) in the paragraph heading, by striking ''MODEL FORM'' and inserting ''STANDARDIZED AFFIDAVIT'';

(2) by striking ''The Commission'' and inserting ''The Bureau'';

(3) by striking ''model form'' and inserting ''standardized affidavit'';

(4) by inserting after ''identity theft'' the following: '', fraud, or a related crime, or otherwise are harmed by the unauthorized disclosure of the consumer's financial or personally identifiable information,''; and

(5) by striking ''fraud.'' and inserting ''identity theft, fraud, or other related crime. Such standardized affidavit and procedures shall not include a requirement that a consumer obtain a police report.''.

SEC. 808. ESTABLISHES THE RIGHT TO FREE CREDIT MONITORING AND IDENTITY THEFT PROTECTION SERVICES FOR CERTAIN CONSUMERS.

(a) ENFORCEMENT OF CREDIT MONITORING FOR SERVICEMEMBERS.—

(1) IN GENERAL.—Subsection (k) of section 605A (15 U.S.C. 1681c–1(a)) is amended by striking paragraph (4).

(2) EFFECTIVE DATE.—This subsection and the amendment made by this subsection shall take effect on the date of the enactment of this Act.

(b) FREE CREDIT MONITORING AND IDENTITY THEFT PROTECTION SERVICES FOR CERTAIN CONSUMERS.—Subsection (k) of section 605A (15 U.S.C. 1681c–1), is amended to read as follows:

''(k) CREDIT MONITORING AND IDENTITY THEFT PROTECTION SERVICES.—

''(1) IN GENERAL.—Upon the direct request of a consumer, 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 (as described in section 1022.123 of title 12, Code of Federal Regulations) shall provide the consumer with credit monitoring and identity theft protection services not later than 1 business day after receiving such request sent by postal mail, toll-free telephone, or secure electronic means as established by the agency.

''(2) FEES.—

''(A) CLASSES OF CONSUMERS.—The Bureau may establish classes of consumers eligible to receive credit monitoring and identity theft protection services free of charge.

''(B) NO FEE.—A consumer reporting agency described in section 603(p) may not charge a consumer a fee to receive credit monitoring and identity theft protection services if the consumer or a representative of the consumer—

''(i) asserts in good faith a suspicion that the consumer has been or is about to become a victim of identity theft, fraud, or a related crime, or harmed by the unauthorized disclosure of the consumer's financial or personally identifiable information;

''(ii) is unemployed and intends to apply for employment in the 60-day period beginning on the date on which the request is made;

''(iii) is a recipient of public welfare assistance;

''(iv) is an active duty military consumer or a member of the National Guard (as defined in section 101(c) of title 10, United States Code);

''(v) is 65 years of age or older; or

''(vi) is a member of a class established by the Bureau under subparagraph (A).

''(3) BUREAU RULEMAKING.—The Bureau shall issue regulations—

''(A) to define the scope of credit monitoring and identity theft protection services required under this subsection; and

''(B) to set a fair and reasonable fee that a consumer reporting agency may charge a consumer (other than a consumer described under paragraph (2)(B)) for such credit monitoring and identity theft protection services.

''(4) RELATION TO STATE LAW.—This subsection does not modify or supersede of the laws of any State relating to credit monitoring and identity theft protection services or other similar actions, except to the extent those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this subsection, a term or provision of a State law is not inconsistent with the provisions of this subsection if the term or provision affords greater protection to the consumer than the protection provided under this subsection as determined by the Bureau.''.

(c) RULEMAKING.—Not later than the end of the 2-year period beginning on the date of enactment of this Act, the Director of the Bureau of Consumer Financial Protection shall issue final rules to carry out the amendment made by subsection (b).

SEC. 809. ENSURES REMOVAL OF INQUIRIES RESULTING FROM IDENTITY THEFT, FRAUD, OR OTHER RELATED CRIME FROM CONSUMER REPORTS.

Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 403, is further amended by adding at the end the following:

''(17) Information about inquiries made for a credit report based on requests that the consumer reporting agency verifies were initiated as the result of identity theft, fraud, or other related crime.''.

TITLE IX—MISCELLANEOUS

SEC. 901. DEFINITIONS.

Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as amended by section 302, is further amended by adding at the end the following:

''(dd) DEFINITIONS RELATED TO DAYS.—

''(1) CALENDAR DAY; DAY.—The term 'calendar day' or 'day' means a calendar day, excluding any federally recognized holiday.

''(2) BUSINESS DAY.—The term 'business day' means a day between and including Monday to Friday, and excluding any federally recognized holiday.''.

SEC. 902. TECHNICAL CORRECTION RELATED TO RISK-BASED PRICING NOTICES.

Section 615(h)(8) of the Fair Credit Reporting Act (15 U.S.C. 1681m) is amended—

(1) in subparagraph (A), by striking ''this section'' and inserting ''this subsection''; and

(2) in subparagraph (B), by striking ''This section'' and inserting ''This subsection''.

SEC. 903. FCRA FINDINGS AND PURPOSE; VOIDS CERTAIN CONTRACTS NOT IN THE PUBLIC INTEREST.

(a) FCRA FINDINGS AND PURPOSE.—Section 602 of the Fair Credit Reporting Act (15 U.S.C. 1681(a)) is amended—

(1) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

''(1) Many financial and non-financial decisions affecting consumers' lives depend upon fair, complete, and accurate credit reporting. Inaccurate and incomplete credit reports directly impair the efficiency of the financial system and undermine the integrity of using credit reports in other circumstances, and unfair credit reporting and credit scoring methods undermine the public confidence which is essential to the continued functioning of the financial services system and the provision of many other consumer products and services.''; and

(B) in paragraph (4), by inserting after ''agencies'' the following: '', furnishers, and credit scoring developers''; and

(2) in subsection (b)—

(A) by striking ''It is the purpose of this title to require'' and inserting the following: ''The purpose of this title is the following:

''(1) To require''; and

(B) by adding at the end the following:

''(2) To prohibit any practices and procedures with respect to credit reports and credit scores that are not in the public interest.''.

(b) VOIDING OF CERTAIN CONTRACTS NOT IN THE PUBLIC INTEREST.—

The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 703, is further amended—

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

''§ 634. Voiding of certain contracts not in the public interest

''(a) IN GENERAL.—Any provision contained in a contract that requires a person to not follow a provision of this title, that is against the public interest, or that otherwise circumvents the purposes of this title shall be null and void.

''(b) RULE OF CONSTRUCTION.—Nothing in subsection (a) shall be construed as affecting other provisions of a contract that are not described under subsection (a).''; and

(2) in the table of contents for such Act, by inserting after the item relating to section 633 the following new item:

''634. Voiding of certain contracts not in the public interest.''.

The Acting CHAIR. No further amendment to the bill, as amended, shall be in order except those printed in part B of House Report 116–383. Each such further amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

□ 1415

AMENDMENT NO. 1 OFFERED BY MR. DESAULNIER

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in part B of House Report 116–383.

Mr. DESAULNIER. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

In title IX, add at the end the following:

SEC. 904. GAO STUDY ON THE USE OF CREDIT IN HOUSING DETERMINATIONS.

(a) STUDY.—The Comptroller General of the United States shall carry out a study of the use of consumer reports and credit scores in housing determinations to determine whether consumer reports or credit scores are being used as tools to perform the equivalent of banned red-lining.

(b) CONTENTS OF STUDY.—In carrying out the study required under subsection (a), the Comptroller General shall—

(1) examine both rental applications and mortgage applications; and

(2) include a demographic breakdown by race, gender, age, sexual orientation, city/suburban/rural, socioeconomic status, and any other demographic that the Comptroller General determines appropriate.

(c) REPORT.—The Comptroller General shall issue a report to the Congress containing all findings and determinations made in carrying out the study required under subsection (a).

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from California (Mr. DESAULNIER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. DESAULNIER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I first state my admiration for the chair of the committee and Ms. PRESSLEY and everyone who has worked on this piece of legislation.

Mr. Chairman, credit scores and credit reports impact our daily lives, often in ways that we don't realize. They determine whether you can get a loan for a car that you need to get to work every day. They determine whether you can get a loan to buy a home or rent an apartment and how much interest you are going to pay on your home loan. They impact your insurance premium and your cell phone. In many States, these scores can even determine whether you get a job or not.

Unfortunately, even though they can have an enormous consequence on a person's life, these reports have very little oversight and can easily be inaccurate. Even when inaccuracies are spotted by consumers, the process for removing or correcting the mistakes is perhaps intentionally complicated and time consuming for the average American. A person with multiple jobs or no knowledge of credit reporting systems could very well give up—and often does—because the system is too complex for them.

This is not only a frustrating cycle but is also damaging to a person's financial reputation. We need to know more about how mistakes are made, who is responsible for fixing them, and what the impacts of those mistakes are on individual Americans' lives.

For too long, financial stability has been used as an excuse to keep lower income people out of traditionally wealthy and middle-class neighborhoods. This process, known as ''redlining,'' has been banned, but we continue to see the segregation of our neighborhoods along demographic and economic lines. Credit scores are being weaponized to exclude and separate communities.

To address this problem, we need reliable data. That is why this amendment would require the nonpartisan GAO to study how credit scores are used in housing decisions and examine whether individuals are being discriminated against in those decisions based on race, gender, age, sexual orientation, geographic location, socioeconomic status, and more.

Our society cannot continue to be broken into neighborhoods and communities based on the color of our skin or the amount of money in our bank accounts. This amendment will help us right this wrong and encourage housing decisions that are more equitable and fair for all Americans.

Mr. Chairman, I encourage my colleagues to join me in support of this amendment, and I reserve the balance of my time.

Mr. MCHENRY. Mr. Chairman, I claim the time in opposition, although I am not opposed to this amendment.

The Acting CHAIR. Without objection, the gentleman from North Carolina is recognized for 5 minutes.

There was no objection.

Mr. MCHENRY. Mr. Chairman, let me first say I oppose any disparate treatment of any person or population. That has no place in our society or our communities.

To that end, the data derived from this study would have been helpful to have had before we drafted a bill or we brought it to the House floor. I think it is important data for us to consider here as we make law.

The underlying bill removes important predictive information from consumer credit reports that helps lenders in assessing a borrower's ability to repay. Undermining this responsibility makes it riskier and more expensive for lenders to extend credit, which, ultimately, increases the cost for consumers. Now, that is problematic; but that is the bill, and the bill is problematic.

Buying a home is the biggest purchase that most Americans will make in their lifetime. And while the study is fine and will give us more data, it does nothing to make mortgages more affordable or available for those consumers who desire homeownership. The fact is the underlying bill will make mortgages even more expensive for consumers and consumer credit more expensive for those who seek it.

As I said, I am not opposed to this amendment, but more data is obviously always useful.

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

Mr. DESAULNIER. Mr. Chairman, I yield myself such time as I may consume.

I agree, and as a former small business owner, I see the value of credit reports if done fairly and equitably. It should be balanced against the need for the lenders and the people who are seeking credit.

In my area in northern California, I hear stories over and over again about people who are working two jobs, and, through no mistake of their own, their credit report is not perfect. They don't have the time or the expertise to hire someone or to go back in and correct the problems. Often, problems can be left on even when they go through the process.

As somebody who was in the retail business, I see this as another example of customer service being put on the customer.

Twenty, 30 years ago, to the credit agencies and retailers—at least, in theory—customer service meant you reached out to the client and tried to figure out what the problem is. My experience and the experience I get anecdotally and the research that I see is that, particularly in difficult housing markets, the ability for people to get into the housing market either for

rental or for purchase is inhibited and is an obstacle to current reporting.

So, for this amendment, it is about getting more knowledge in a dynamic that only 10 years ago was almost disastrous to the economy when the housing implosion happened and is happening in many ways again as we, as researchers say, in urban areas resegregate based on ethnicity and demographics.

So, in order to get a better understanding, I think this amendment is a minimal standard of understanding how the situation has changed and how we can protect both the people who are the lenders and also the people who may not be lenders but are just trying to get to a point where they can rent an apartment or own a home.

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

Mr. MCHENRY. Mr. Chairman, I yield back the balance of my time.

Mr. DESAULNIER. Mr. Chairman, I urge my colleagues to support this commonsense amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from California (Mr. DESAULNIER).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MS. SHALALA

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in part B of House Report 116–383.

Ms. SHALALA. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

In title IX, add at the end the following:

SEC. 904. GAO STUDY ON THE EFFECTS OF CREDIT SCORES IMPACTED BY A STUDENT BORROWER'S DEFAULTED OR DELINQUENT PRIVATE EDUCATION LOAN.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on how credit scores impacted by a student borrower's defaulted or delinquent private education loan impacts applying for future loans, including information on the treatment of different demographic populations.

(b) REPORT.—The Comptroller General shall issue a report to the Congress containing all findings and determinations made in carrying out the study required under subsection (a).

The Acting CHAIR. Pursuant to House Resolution 811, the gentlewoman from Florida (Ms. SHALALA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Florida.

Ms. SHALALA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, when you default on a student loan, you impact your credit score. Indeed, your credit score with all three credit agencies will most likely drop. That means that buying or renting a house, purchasing or leasing a vehicle, going back to school, or receiving competitive offers for credit cards will be very difficult.

Each year, more than 1 million student loan borrowers go into default. Nearly 40 percent of borrowers today are expected to default on their student loans by 2023.

We know that people most at risk of defaulting on their student loans are more likely to be Hispanic or African American. Defaulters are more likely to be older, to be Pell grant recipients, and to come from a nontraditional educational background when compared to borrowers who never default.

Research also tells us that people of color are more burdened by their educational debt. They have less parental wealth to draw on, as well as higher rates of unemployment.

By the time their loan falls into default, a typical borrower will see their score drop around 60 points, to an average of 550, which is considered very poor.

Entering default makes it harder to obtain future loans and prevents borrowers from receiving any additional Federal student aid until their loans return to good standing. Loan providers can then begin to garnish their wages, to impose restrictions on earnings, and to take their tax refund.

A student loan default stays on your credit report for 7 years—even if you pay off the loan in full. Having that notification on your credit report will make lenders nervous about working with you and hurt your economic stability for years.

Mr. Chairman, my amendment instructs the GAO to carry out a thorough review on how credit scores impacted by a student loan default can destroy people's lives. The amendment also asks the GAO to examine how multiple delinquencies on private student loans can hurt borrowers, including a demographic breakdown by race, gender, age, sexual orientation, and socioeconomic status.

Allowing student loans to enter delinquency can often have a negative effect on a borrower's credit score and in credit reports due to the fact that each loan is reported individually.

Mr. Chairman, Congress has a vested interest in ensuring that we expand the middle class, we grow the economy, and we protect consumers from irreversible financial damage to their credit. I believe that H.R. 3621, with the inclusion of this amendment, will establish parity for student borrowers and provide Congress with the necessary tools to craft meaningful legislation that will help avoid the tragedy of student loan default.

I thank Congresswoman KENDRA HORN for sharing my concerns on this issue and for cosponsoring this amendment.

Mr. Chairman, I urge my colleagues to support the amendment, and I yield back the balance of my time.

Mr. MCHENRY. Mr. Chairman, I claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from North Carolina is recognized for 5 minutes.

There was no objection.

Mr. MCHENRY. Mr. Chairman, as I said in the previous statement, this study would have been helpful to have informed our analysis prior to drafting and debating this bill.

But there is a broader theme fundamental to this amendment and many of the amendments that will be offered later in this debate: My Democrat colleagues are not fully satisfied with their effort back in 2010 that nationalized the student loan program. They are coming back for the final 8 percent.

It was the Democrat Congress and Democrat President that nationalized the student loan marketplace, and now they want to do away with this small portion, the 8 percent of the marketplace, that is private student lending.

In fact, the private educational loans, while only 8 percent of the market, if you look at how they perform, they have a 98 percent repayment rate, which is far better than the nationalized 92 percent of the student loan marketplace. Meanwhile, Federal student loan default rates are in the double digits.

This is simply an attempt to gather data to be used to make it more difficult for private lenders to compete in the student loan market.

The fact is the underlying bill still removes important predictive information from consumer credit reports that helps lenders assess a borrower's ability to repay.

□ 1430

The underlying bill will weaken underwriting standards and make credit more expensive, especially for those who are on the margins, ultimately harming the very consumers we want to help.

As I said, I am not opposed to the amendment. More data is useful and good, and the GAO provides a wonderful resource for Congress in this data collection. So with that, as I said, more data is useful.

Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Florida (Ms. SHALALA).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. TIMMONS

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in part B of House Report 116–383.

Mr. TIMMONS. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

In title IX, add at the end the following:

SEC. 904. GAO STUDY ON CONSUMER REPORTING AGENCY COMPLIANCE WITH CONSENT ORDERS.

(a) STUDY.—The Comptroller General of the United States shall carry out a study of the compliance by consumer reporting agencies that compile and maintain files on consumers on a nationwide basis with consent orders, and the impact such compliance has on consumers.

(b) REPORT.—Not later than the end of the 180-day period beginning on the date of enactment of this Act, the Comptroller General

shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under subsection (a).

(c) DEFINITIONS.—In this section, the terms ''consumer'' and ''consumer reporting agency that compiles and maintains files on consumers on a nationwide basis'' have the meaning given those terms, respectively, under section 603 of the Fair Credit Reporting Act.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from South Carolina (Mr. TIMMONS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from South Carolina.

Mr. TIMMONS. Mr. Chair, my amendment is simple. It would require the GAO to carry out a study on the compliance of consumer reporting agencies with the underlying legislation proposed by my colleague from Massachusetts. It would also study what effect the compliance of reporting agencies would have on consumers.

This is important because if this bill were somehow able to become law, the results would be disastrous not only for reporting agencies but also for the average consumer.

The purpose of a credit score is to show an individual's creditworthiness. This bill would significantly water down the integrity of these credit scores.

If you are removing predictive data, if you are drastically shortening the amount of time adverse yet accurate information remains on a report, and if you remove medical debt from a report, then what exactly is the purpose of a credit score? What will a credit score be good for if this bill were to become law?

The bottom line is this bill would significantly weaken the process for determining creditworthiness and would enable individuals to obtain loans that they do not have the means to pay back.

It would also give the CFPB, an unaccountable government agency, control over private credit scoring models.

It is imperative that we know exactly how compliance with this bill would affect reporting agencies and, as a result, consumers.

Mr. Chair, I urge all of my colleagues to support this amendment, and I reserve the balance of my time.

Mr. LAWSON of Florida. Mr. Chair, I claim the time in opposition to the amendment, even though I am not opposed to it.

The Acting CHAIR. Without objection, the gentleman from Florida is recognized for 5 minutes.

There was no objection.

Mr. LAWSON of Florida. Mr. Chair, I urge my colleagues to support this amendment.

As we know, the three major credit rating agencies, Equifax, Experian, and TransUnion, retain credit profile information on more than 200 million Americans.

The underlying bill represents a comprehensive reform of our Nation's credit reporting system. This amendment would direct the GAO to review just how well the credit reporting agencies are complying with these new requirements and how that affects consumers.

We know that the credit reporting agencies have not been complying with the law today. For example, the Fair Credit Reporting Act contains provisions requiring credit reports to be accurate, but it is estimated that more than 42 million Americans have inaccurate credit reports.

The credit reporting agencies need to do better by consumers, and if they did, perhaps consumer reporting problems would not consistently rank in the top three of consumer complaints to the Consumer Financial Protection Bureau.

Mr. Chair, I support this study. If adopted, I hope that Mr. TIMMONS would also support the underlying bill.

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

Mr. TIMMONS. Mr. Chair, I would inquire how much time is remaining.

The Acting CHAIR. The gentleman from South Carolina has 3½ minutes remaining.

Mr. TIMMONS. Mr. Chair, I yield 1½ minutes to the gentleman from North Carolina (Mr. MCHENRY), the ranking member.

Mr. MCHENRY. Mr. Chair, I thank my colleague from South Carolina, the second newest member of the Financial Services Committee, for offering this good, thoughtful amendment.

This amendment will give us a better picture of the consent orders that impact credit reporting agencies, including the CFPB's consent orders related to marketing and sale of services.

This is a good amendment in what is otherwise a bad bill.

Often in legislating, we try to make bad bills less bad or not-so-good bills good, but I am grateful that Mr. TIMMONS offered this amendment and grateful for his participation representing upstate South Carolina and being a sound policymaker.

Mr. Chair, I ask my colleagues to support the amendment.

Mr. LAWSON of Florida. Mr. Chair, I yield myself the balance of my time.

Mr. Chair, in closing, I urge all of my colleagues to support this amendment, and I yield back the balance of my time.

Mr. TIMMONS. Mr. Chair, in closing, I would again urge all of my colleagues to support this amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from South Carolina (Mr. TIMMONS).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. CLAY

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in part B of House Report 116–383.

Mr. CLAY. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 44, line 18, before the period insert ''(increased by $1,000,000)''.

In title IX, add at the end the following:

SEC. 904. POSITIVE CREDIT REPORTING PERMITTED.

(a) IN GENERAL.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s–2), as amended by section 103, is further amended by adding at the end the following new subsection:

''(g) FULL-FILE CREDIT REPORTING.—

''(1) IN GENERAL.—Subject to the requirements of paragraphs (2) through (5) and notwithstanding any other provision of law, a person that has obtained the written authorization of a consumer may furnish to a consumer reporting agency information relating to the performance of a consumer in making payments—

''(A) under a lease agreement with respect to a dwelling; or

''(B) pursuant to a contract for services provided by a utility or telecommunication firm.

''(2) LIMITATIONS.—

''(A) WITHHELD PAYMENTS DUE TO HABITABILITY OR SANITARY CONDITIONS.—No person shall furnish or threaten to furnish negative information relating to the performance of a consumer in making payments under a lease agreement with respect to a dwelling if the consumer has withheld payment pursuant to—

''(i) any right or remedy for breach of the warranty of habitability; or

''(ii) any violation of a Federal, State, or municipal law, code, or regulation regarding sanitary conditions.

''(B) SERVICES PROVIDED BY A UTILITY OR TELECOMMUNICATION FIRM.—Information about a consumer's usage of any services provided by a utility or telecommunication firm may be furnished to a consumer reporting agency only to the extent that such information relates to—

''(i) payment by the consumer for such services; or

''(ii) other terms of the provision of such services to the consumer, including any deposit, discount, or conditions for interruption or termination of such services.

''(3) PAYMENT PLAN.—A utility or telecommunication firm may not report payment information to a consumer reporting agency with respect to an outstanding balance of a consumer as late if—

''(A) the utility or telecommunication firm and the consumer have entered into a payment plan (including a deferred payment agreement, an arrearage management program, or a debt forgiveness program) with respect to such outstanding balance; and

''(B) the consumer is meeting the obligations of the payment plan, as determined by the utility or telecommunication firm.

''(4) PROHIBITION ON USE BY DEBT COLLECTORS.—A debt collector (as defined in section 803(6) of the Fair Debt Collection Practices Act) may not use the information described in paragraph (1).

''(5) RELATION TO STATE LAW.—Notwithstanding section 625, this subsection shall not preempt any law of a State with respect to furnishing to a consumer reporting agency information relating to the performance of a consumer in making payments pursuant to a lease agreement with respect to a dwelling or a contract for a utility or telecommunications service. For purposes of this paragraph, the term 'law of a State' shall include all laws, decisions, rules, regulations,

or other State action having the effect of law, as issued by a State, any political subdivisions thereof, or any agency or instrumentality of either the State or a political subdivision thereof.

''(6) UTILITY OR TELECOMMUNICATION FIRM DEFINED.—In this subsection, the term 'utility or telecommunication firm'—

''(A) means an entity that provides utility services to the public through pipe, wire, landline, wireless, cable, or other connected facilities, or radio, electronic, or similar transmission (including the extension of such facilities); and

''(B) includes an entity that provides natural gas or electric service to consumers.''.

(b) GAO STUDY AND REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the impact on consumers of furnishing information pursuant to subsection (g) of section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s–2), as added by subsection (a).

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from Missouri (Mr. CLAY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. CLAY. Mr. Chair, I rise in support of my amendment.

This amendment would clarify the law for reporting certain positive consumer credit information to the credit reporting agencies and seeks to expand access to credit through the use of alternative data.

In addition, this amendment addresses several concerns identified by consumer advocates, including removing a provision that would have preempted State laws and ensuring consumers provide written consent if their utility or rental history is to be considered.

Also, the bill requires a 2-year study and report from GAO on the impact of furnishing additional information, which will help us gather data to further ensure that American consumers have the tools they need to obtain and improve credit and that policymakers can continue to work to make improvements to the law.

The way in which alternative data is used is important. One of the most important factors is consumer choice. If the use of alternative data is truly voluntary—that is, consumers make knowing and voluntary decisions to allow the use of the data, and the information is used only for that limited purpose and in ways that consumers would expect—then it is much more likely to be helpful.

I am pleased to have the support of the National Consumer Law Center on this important provision. They support it because, unlike prior versions, it would permit the reporting of utility and rental payment information only when the consumer has provided written authorization, that is, only when the consumer chooses to.

In the critical area of lending, it is estimated that the use of alternative data by lenders could expand access to credit to over 40 million consumers in the United States. Imagine the economic activity that would generate.

As internet access increases and data becomes more readily available, marketplace or fintech leaders mostly rely on online platforms and frequently underwrite loans using alternative data. Despite fintech lending serving a small part of the consumer lending market, it continues to grow at a rapid rate. That is why it is critical that consumers have as much control over the use of their data as possible. In fact, according to the GAO, since 2013, personal loans provided by fintech lenders tripled to about $17.7 billion by 2017.

Alternative data used in credit scoring could potentially increase accuracy, visibility, and scorability in credit reporting by including additional information beyond that which is conventionally used by loan officers.

I would add that my amendment does not preempt State consumer protection laws protecting the privacy of utility customers and hindering States from regulating tenant screening agencies. This is important to the regulation and monitoring of traditional and fintech firms. At times, States have a better view than the Federal regulators.

Lastly, the two largest populations of credit invisibles and unscorables are either African American or Hispanic millennials who live in lower income neighborhoods like those that I represent in north St. Louis. These populations are especially vulnerable to predatory lenders and other unscrupulous lenders.

Mr. Chair, it is time we try this new method to help millions of Americans improve their credit scores.

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

Mr. HILL of Arkansas. Mr. Chair, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman from Arkansas is recognized for 5 minutes.

Mr. HILL of Arkansas. Mr. Chair, it doesn't bring me pleasure to claim the time in opposition to my good friend from Missouri, and he knows how much I appreciate the work he has done on this matter.

The amendment is certainly, Mr. Chair, well intentioned, but as currently drafted, I would argue that this language does more harm to consumers than good.

Let me step back and say that, unrelated to Mr. CLAY's amendment, I introduced H.R. 4231, the Credit Access and Inclusion Act, which expands consumers' access to credit by allowing them to use their rent, utility, and telecom payments to help build their credit scores. In other words, it would help more people have access to credit with those additional facts.

As my friend noted, and as we have heard in our Task Force on Financial Technology and in the Financial Services Committee's Consumer Protection and Financial Institutions Subcommittee, additional data allows millions more to have access to the credit they need.

This bill, the Credit Access and Inclusion Act, was introduced in the 114th Congress and the 115th Congress by my friend, former Representative Keith Ellison of Minnesota. I joined in the last Congress with him and cosponsored it, and in the 116th, I have introduced it.

So I find it interesting that in the last two Congresses, my bill was the appropriate way to handle additional data, but in this Congress, it is not.

Mr. Chair, I would also raise the point that there is a bipartisan Senate companion to my bill introduced by Senators SCOTT and MANCHIN.

□ 1445

Furthermore, the language I have introduced was offered as an amendment to this bill by GWEN MOORE but was ruled out of order in the Rules Committee.

As I have outlined, H.R. 4231, my legislation, has strong, bipartisan, bicameral support. I believe Mr. CLAY is trying to do something similar with the text he has offered today. But in my view, his version makes it more difficult for consumers to establish a credit history which is underscored by the lack of bipartisan and bicameral support for this text.

As drafted, Mr. CLAY's amendment creates a new barrier because it requires written consumer authorization before furnishing a customer's payment information to a consumer reporting agency for a lease, for a utility, or for a telecom service. This is in stark contrast with how the current credit reporting methodology works.

This amendment requires consumers to opt-in to have their rental, utility, or telecommunication payments included in their credit reports. I believe that is a defective viewpoint.

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

Mr. CLAY. Mr. Speaker, just in quick response to my friend from Arkansas, some consumer advocates have expressed concern that consumers may be evaluated as higher risk for using alternative data than they would be with no reports at all; so we worked on this language to try to find the sweet spot.

The Acting CHAIR. The time of the gentleman has expired.

Mr. HILL of Arkansas. Mr. Chair, may I ask how much time remains.

The Acting CHAIR. The gentleman from Arkansas has 2 minutes remaining.

Mr. HILL of Arkansas. Mr. Chair, let me thank Mr. CLAY for his work on this. Requiring an opt-in and excluding data that would not allow lenders to get the full picture of a consumer's financial health, in my view, makes it more difficult for consumers to access credit because practically no rental, utility, or telecommunication companies would actually furnish the Expanded Access program.

Therein lies the conundrum here. Therein lies the challenge with Mr. CLAY's approach compared to my approach. But it doesn't stop me from

thanking my friend for his work on this. I know it is an area that we share an interest in. I know that this area is keenly important to him.

However, this amendment, as it is currently drafted, I cannot support it.

I urge my colleagues to vote ''no.'' But I hope my colleague would be open to working together to finding a better solution that truly benefits consumers, expands additional data, and allows people to offer these products because it will qualify more credit-needy Americans for badly needed credit.

I think in the case of Mr. CLAY's approach, ''perfect is the enemy of the good.'' I think we ought to work within the system that we have and make it better. That is why I support my measure I have introduced in the House and oppose this amendment.

Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Missouri (Mr. CLAY).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. CLAY. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Missouri will be postponed.

AMENDMENT NO. 5 OFFERED BY MR. STEIL

The Acting CHAIR. It is now in order to consider amendment No. 5 printed in part B of House Report 116–383.

Mr. STEIL. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 163, beginning on line 5, strike ''(i) either—'' and all that follows through ''(I) the person'' and insert ''(i)(I) the person'' (and adjust the margin of the subsequent subclause accordingly).

Page 163, line 8, strike ''or'' at the end.

Page 163, line 12, add ''or'' at the end.

Page 163, after line 12, insert the following:

''(III) the report is necessary for a background check or related investigation of financial information that is required by a Federal, State, or local law or regulation;''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from Wisconsin (Mr. STEIL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Wisconsin.

Mr. STEIL. Mr. Chair, I rise to urge support for my amendment to H.R. 3621.

Mr. Chair, I want to start by thanking Chairwoman WATERS, Ranking Member MCHENRY, Representative LAWSON, and Representative MCADAMS for working with me to reach this commonsense agreement on this amendment.

As my colleagues know, for certain jobs, employers are required by law to review the financial history of prospective employees. For instance, in some States, insurance commissioners require companies to review an agent's financial condition and history prior to granting a license.

This is a consumer protection issue. It is important to ensure that the professionals who consumers trust to carry out major financial transactions on their behalf aren't themselves in financial distress.

This amendment clarifies that an employer may use a credit report when it is necessary for a financial background check, required by Federal, State, or local laws or regulations.

By clarifying this issue, my amendment ensures that the underlying bill does not conflict with important consumer protection laws that are already on the books. Failing to address this conflict will be bad for workers and consumers.

I again urge support on this amendment, and I reserve the balance of my time.

Mr. LAWSON of Florida. Mr. Chair, I claim the time in opposition to the amendment, although I am not opposed to it.

The Acting CHAIR. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. LAWSON of Florida. Mr. Chair, I rise to support Mr. STEIL's and Mr. MCADAMS' amendment.

Mr. Chairman, this bipartisan amendment would add clarity to title VI of the bill that addresses restricting the use of credit reports in most employment decisions.

As we know, in many cases, the use of credit reports unnecessarily exposes consumers' financial information and potentially puts existing employees and job applicants in an uncomfortable position of having to discuss private matters such as: divorce; domestic abuse; or health and genetic conditions in explaining their impaired credit history.

While financial events that cause diverse information to land on the credit profile do not determine alone what value the person can bring to an employer, there are some circumstances where financial background is more relevant to a job.

While this bill already contains exemptions that address this, such as exemptions when the credit file is needed for national security, or is otherwise required for Federal or State or local laws or regulations, we were able to draft a bipartisan compromise that adds a tailored exemption if Federal, State, or local laws or regulations require an investigation for financial information of an employee.

This compromise strikes the right balance of commonsense solutions without creating loopholes that would hurt consumers.

I want to thank Representative STEIL and Representative MCADAMS for their work on this, and hope Mr. STEIL will vote for the underlying bill if the amendment is adopted.

Mr. Chair, I yield back the balance of my time.

Mr. STEIL. Mr. Chair, I appreciate my colleague's remarks regarding this amendment. I think this is the commonsense solution that we need to make sure that employers are protected as they are looking for their employees as it relates to this.

I appreciate the gentleman's work and Mr. MCADAMS' work on this amendment, and I urge my colleagues' support.

Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Wisconsin (Mr. STEIL).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. GOTTHEIMER

The Acting CHAIR. It is now in order to consider amendment No. 6 printed in part B of House Report 116–383.

Mr. GOTTHEIMER. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

In title V, add at the end the following:

SEC. 503. REVIEW OF CHANGES TO CREDIT SCORING MODELS.

Section 631 of the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as added by section 502, is amended by adding at the end the following:

''(c) REVIEW OF CHANGES TO CREDIT SCORING MODELS.—With respect to a person that creates credit scoring models used in making credit decisions, if such person creates a new credit scoring model (including a revision to an existing scoring model) that would, when compared to previous credit scoring models created by such person, lower the credit scores of a class of consumers, the Director of the Bureau may review such new credit scoring model and, if the Director determines that such new credit scoring model is inappropriate (including, with respect to a revision to an existing scoring model, if such revision does not enhance or contribute to the accuracy and predictive value of the existing scoring model), the Director may prohibit such new credit scoring model.''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from New Jersey (Mr. GOTTHEIMER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. GOTTHEIMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in support of my amendment to H.R. 3621, the Comprehensive CREDIT Act of 2020.

According to my good friend from New Jersey Tom Bracken, who is the president and CEO of the New Jersey Chamber of Commerce: ''Everyone needs to be evaluated properly regarding their ability to secure credit.'' Individuals want to be confident that the due diligence involved in evaluating their credit worthiness is accurate.

Now, here is the problem that my amendment is trying to solve, a problem Americans face every single day. There are a handful of credit bureaus

in the United States that are deciding Americans' fate in a black box on whether they should get access to credit or not—whether they should get, or how much they should be paying for a car, a house, a loan to send their children to college, a rate on a credit card, and how much they can receive for a small business loan.

Houdini himself couldn't figure out how these scores are calculated. And here is the rub: Each of these companies comes up with a magic number, your credit score.

Last week, The New York Times reported that one of the controllers of that black box is developing a new credit model to decide our financial fates in, and that this new model may lower the scores for 40 million Americans.

Yes, this new model—just to say this again—may lower the scores for 40 million Americans who work every single day to keep their credit scores high. These are hardworking people in our communities who are going to be penalized after spending years doing everything right. But they are going to change those scores based on external factors that have nothing to do with them and how hard they have worked to keep their credit scores up.

Not only does your score determine your ability to obtain credit at a fair price, but they are also used by countless sectors, from insurance companies to landlords and even employers, to decide if you are welcome or not.

These changes could harm 40 million Americans, again, even though they have done absolutely nothing wrong. These changes could cost people thousands of dollars in higher-priced credit, or worse yet, result in the denial of a job, apartment rental, or ability to buy a home.

I am focusing on working to expand credit access to the millions of credit-invisible Americans, consumers who have no credit history.

Now, many of these new creditworthy consumers are going to wake up and find that the rules they thought they were playing by are changing because of economic forecasts that they have no control over.

My amendment is simple. It will allow for a level of oversight to review any potential model changes to ensure that they are not being done arbitrarily, if the changes decrease the credit scores for Americans. If it is found that there is no justification for the changes, the models can be blocked from deployment.

The review is not mandatory, giving flexibility for the market to work on their own approach to make sure that Americans who work hard and care about their credit health are not being whacked for doing the right thing.

This amendment is an important safeguard for consumers who all too often are left holding the bag when it comes to their credit scores.

I am proud to offer this amendment today that will protect consumers and make sure that no one's credit scores get docked arbitrarily after they have played by the rules.

I urge my colleagues to support this commonsense amendment. Again, this is not about being able to price for risk and make sure that we don't set the right scores and rates. This is about arbitrarily changing someone's score simply because there is macro outside externalities that have nothing to do with them or their behavior, and suddenly, they wake up one day and their credit scores are really changing their lives and having a significant impact on them.

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

Mr. MCHENRY. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chair, this amendment epitomizes what is wrong with the approach taken by the majority in this bill.

This amendment is about socializing credit score models and putting that power within the government, and clearance from the government in order to use different models.

In short, this amendment says, if you don't like the outcome of something, we will just have the CFPB lean in and deem it inappropriate.

That is what it is about.

This amendment directs the CFPB to review the reasons a class of consumers may have been negatively impacted by a newly introduced credit scoring model and determine whether the model is inappropriate.

I would say to my colleague, this amendment appears to be duplicative of the authority already given, already vested in the CFPB's organizational statute and in the underlying bill for the CFPB to intervene in private-sector decisions.

I would also further ask the House: Do we really want to give a government agency veto power over new credit models?

□ 1500

As I raised in our committee markup, as I raised in our hearing back in February, and as I have raised on this day here on the House floor and many times before, I have concerns about the consumer credit reporting agencies and their structure. I think there is a way for us to have a bipartisan consensus.

While I respect my colleague on the other side of the aisle, and there are times when we can work together, this is not one of those times. I see this is as further vesting governmental power in something that the private sector should be deciding in the private-sector allocation of risk, rather than socializing credit models.

Mr. Chairman, I urge a ''no'' vote, and I reserve the balance of my time.

Mr. GOTTHEIMER. Mr. Chairman, I want to thank the ranking member for his leadership. We work together quite often, and I know we disagree on this one.

The challenge I have here is you have just a couple companies that control, through this black box, all this information that no one can figure out how they get your score and how the score is developed. It is completely arbitrary.

People are working really hard to try to get their scores up so they can get a loan, so they can get a mortgage, and just to make their lives better. They work really hard at it. It just doesn't make any sense to me to have this arbitrary change in the number that no one can understand. Again, you just have a few people sitting in a room somewhere making this decision.

The idea would be to make sure there is some sort of review, so that if a few people just go make this decision without any real competition—I am a probusiness Democrat—they go off and make this decision in this room somewhere, it really can affect every aspect of your life. Suddenly your credit goes down, and now they want to bring your credit down again, these credit scores down and change the number, with nothing to do with your own behavior at all. It is just that they decided this on externalities.

So I agree with the ranking member that we should always make sure that we are circumspect here and we allow the markets to play out. But in this case, this isn't the market with competition.

In this case it is arbitrary, and there should be review. In the review you can have a perfect review and in the end it would be that, okay, this makes sense. I can see why we need to make these changes. I understand why we need to do this. And, of course, price for the risk here, and that makes sense.

But in this case you can't just be someone in the back room making a decision and then you wake up one day, you have done nothing wrong and they had a huge impact on how much you are paying for your credit, how much you are paying to take out a loan, if you own a small business to take out a loan, or get a lease for a car, things that affect your life every single day. That is really what we are talking about here.

So I appreciate the ranking member's concerns, but I think in this case it is very focused. It is to really ensure that you don't have an oligopoly with all control.

Mr. Chairman, I yield back the balance of my time.

Mr. MCHENRY. Mr. Chairman, as I said, this amendment is about socializing credit modeling. My colleague raised this issue that a few people in a room are making a decision that will affect millions of Americans.

I think the consumer credit reporting agencies are deeply problematic. There is not real competition. When you have three controlling this marketplace with very little competition, the varied

entries being massive because it is heavily regulated by government, a set of laws that act on them and regulations that act on them, that is problematic. It is an oligopoly.

I have said that I think there are reasonable reforms that we could achieve in a bipartisan way through this House that could make it into law. This bill is dead on arrival in the Senate, and the President said he is going to veto it.

This is not a bipartisan undertaking. In fact, instead of having that private-sector, behind-closed-doors group making this decision, you vest one government bureau with somebody under statute who is appointed, who cannot be fired, who can show up drunk at work basically, and the President doesn't have the authority to fire them under the statute, and you are going to give the CFPB this power and have a single director make this decision on the allocation of credit for all Americans?

So private sector, a small group making a decision and you have three choices for your credit scores. Or do you want to have one government bureaucrat make all the decisions for the American people?

So this is a fundamental debate, not just here on the House floor but on wider politics about how you allocate capital in the United States: Is it the government that should do this? Or should it be individual action and individual citizens who have that control?

I fundamentally believe it is the individual citizens not government bureaucrats behind closed doors who are making those decisions. We need real innovation for consumer credit scores and consumer credit modeling. We need big data involved, we need machine learning, and we need to make sure that we root out inherent bias within the data sources. I think there are enormous things we can do. But investing in a government bureau that is unaccountable and a single director that is making these decisions is a worse outcome than what is already not that great.

So I appreciate my colleague raising this issue because we both agree this is a problem. We just haven't been able to come to terms with how to do it.

So while I oppose this amendment, I certainly respect my colleague from New Jersey as a serious policy maker, but on this we just don't agree.

Mr. GOTTHEIMER. Will the gentleman yield?

Mr. MCHENRY. I yield to the gentleman from New Jersey.

Mr. GOTTHEIMER. Mr. Chairman, it sounds like we are finding a place of common ground here where we certainly need more competition in this space, and the fact that the gentleman said big data and other externalities being brought to bear, I am looking forward to working with him on that because I think certainly we have got to make this better.

Mr. MCHENRY. Mr. Chairman, as I said, my colleague is a serious policy maker. At times we can come together, at other times we see things differently, and I think that is okay.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New Jersey (Mr. GOTTHEIMER).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. KILDEE

The Acting CHAIR. It is now in order to consider amendment No. 7 printed in part B of House Report 116–383.

Mr. KILDEE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 134, line 25, before ''in an area'' insert ''or works''.

Page 135, beginning on line 5, strike ''the date that is 3 months after such date.'' and insert the following: ''the date that is the earlier of—

''(i) 6 months after the date on which the major disaster or emergency was declared; and

''(ii) the later of—

''(I) 3 months after the date on which the major disaster or emergency was declared; and

''(II) the date that the Director of the Bureau, in consultation with the Administrator of the Federal Emergency Management Agency, determines is the date on which substantially all provision of assistance by the Federal Emergency Management Agency under such major disaster or emergency declaration has concluded.''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from Michigan (Mr. KILDEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I thank Congresswoman AYANNA PRESSLEY and Chairwoman MAXINE WATERS for their leadership on this legislation and for advocating for consumers.

The credit reporting system in this country is not consumer focused and is in need of a major overhaul.

Consumer complaints about their credit reports are one of the most frequently reported issues submitted to the Consumer Financial Protection Bureau. Over 40 million Americans have errors in their credit reports. In fact, just last week one credit reporting company announced it was changing the credit scoring model which could arbitrarily reduce credit scores for millions of Americans without allowing any public input whatsoever.

Having poor credit makes it harder and more expensive to borrow money, buy a home, or own a car. It also negatively impacts a person's ability to be approved for an apartment, get car insurance, and even to get a job. The lack of transparency and accuracy in the credit reporting system leaves borrowers at the mercy of credit reporting agencies, which is holding American families back.

The Comprehensive CREDIT Act is a much-needed, comprehensive overhaul of the credit reporting system. This bill would enhance consumer rights and increase the accountability and transparency of consumer reporting agencies.

Specifically, the bill would help rehabilitate credit for student borrowers with private loans. Right now Americans are experiencing a student loan debt crisis. Student loan debt is now at $1.3 trillion. This is the largest source of debt in the U.S., even more than credit card debt. This is delaying young people from making critical investments in their own future like buying a house, starting a family, or saving for their own children to go to college.

The Comprehensive CREDIT Act would combat this by requiring a credit reporting agency to remove a delinquent or defaulted private education loan on a borrower's consumer report if they have shown a good history of loan repayment for 10 consecutive months after the delinquency or default. If a borrower has demonstrated a good faith effort to resume loan repayment after a delinquency or default, then they should not be punished with a lowered credit score.

I also support the underlying legislation very strongly, and I have introduced an amendment that I think would strengthen the bill even further. My amendment would provide a 6-month grace period to preserve the credit score of borrowers living and working in an area impacted by a major disaster or emergency if there is an interruption in their 10 consecutive months of loan repayment.

In 2016 in my own hometown, the people of Flint experienced a drinking water emergency. I know many of you have heard me discuss this on many occasions. During that period people were not able to access safe drinking water, families were saddled with unexpected medical bills, parents and children poisoned by their water experienced adverse health conditions, and homeowners and businesses were negatively affected.

People whose livelihoods were damaged by this crisis or any other natural disaster or emergency should not be penalized for failing to pay back student loans until they get back on their feet. When experiencing a crisis, borrowers should be provided flexibility to repay their loans when they are able to without affecting their underlying credit score. This relief would be provided to people living and working in an area experiencing a major disaster or emergency.

My amendment and the underlying bill will help decrease the burden of student loans on Americans and improve their credit scores, especially those people living in areas impacted by emergencies or natural disasters.

Mr. Chairman, I ask my colleagues to join me in supporting this amendment, and I reserve the balance of my time.

Mr. MCHENRY. Mr. Chairman, I claim the time in opposition.

The Acting CHAIR. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chairman, I want to commend my colleague, Mr. KILDEE, for representing his constituents' interests. The people in this Chamber know of his commitment to his neighbors in Flint, and he has been quite vocal and passionate about their plight. He has brought that debate here to the House floor in a very proper and good way, so he should be commended for that, I believe.

We know that when you have a local concern like this you want to fix it. So many times when you have something that is applicable at the national level you learn from local circumstances.

So let's look at the underlying bill first in order to describe this. What this bill says to the 8 percent of the student loan marketplace—8 percent—this has nothing to do with the 92 percent that is controlled by the Federal Government. That is an Education and Labor Committee of jurisdiction and is not a part of this bill.

Eight percent of the student loan marketplace is private. Private lenders are engaged, and those terms are already a part of a set of Federal laws and State laws. The underlying bill ignores the contractual terms of that, ignores the fact that you have in that 8 percent of the student loan marketplace only 2 percent who are not paying or in default. Ninety-eight percent are paying. So my friend is trying to fix a problem on 2 percent. The Federal student loan portfolio has double-digit default rates and folks not paying.

So we have a big issue here. It is a big societal issue. It is impacting two generations of Americans, and it is because Congress has passed bad law that is saddling and enabling a generation of students to saddle themselves with debt that they cannot repay. It is unconscionable what we have done.

So what that bill does is say to that 8 percent of the marketplace: If you are behind—8 percent of the marketplace, 2 percent not paying or in default. So let's go to that 2 percent.

We are saying: If you have been in default for months, perhaps years, and you make payments, and over 10 months you make nine of 10—why? Well, I couldn't determine during committee debate why it was nine. Why not 11 of 12? Why not 5 of 6? Why not three of seven? Nine of ten, because that was the determination we have gotten. And now we have an amendment that says, nine of ten? Well, maybe a little different.

So I get the expression of resolve for fixing people's problems, but this bill is really bad. It is a really fundamentally flawed bill when you have these arbitrary timelines like this and it says you sort of pay and you sort of pay for a period of time and then all that fact that you didn't pay is just waved away.

So that is the absurdity of the underlying bill.

I say to Mr. KILDEE, I am sorry to take up the debate to talk about how flawed that is. The gentleman's expression, though, about natural disasters is a reasonable one. If we can do a standalone bill on that then I think we would have not a dissenting vote on the House floor. So I would love to work with the gentleman on that, but I cannot support this amendment, and I have to oppose it.

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

□ 1515

Mr. KILDEE. Mr. Chairman, I appreciate my friend's expression. We served together my first 6 years on the Financial Services Committee. And if the event occurs that we need to pursue this relief in another fashion, I would look to forward to working with him. But it is my hope that we can act on this within this legislation.

I do disagree with his assessment of the underlying legislation, but that is fine. That is the nature of this place, that we have disagreements sometimes over issues like this.

In this case, where we do have a chance, as the gentleman described, to deal with a specific set of circumstances affecting specific individuals, we ought to take that opportunity and do something.

I didn't know when I was elected that the community that I represent was going to face the crisis that it did, and nobody serving in this body knows whether or not their community, in the next month or year or 10 years, will face a similar circumstance.

So let's take the opportunity we have, as small as it may be in terms of the way the gentleman describes it. It is not small when it happens to you, and it is not small when it happens to your community.

So I appreciate the gentleman's willingness to work with me in the future on this. I ask my colleagues to join me in supporting this amendment, and I yield back the balance of my time.

Mr. MCHENRY. Mr. Chair, may I inquire how much time remains.

The Acting CHAIR. The gentleman from North Carolina has 1 minute remaining.

Mr. MCHENRY. Mr. Chair, I would say to the gentleman from Michigan that I commend him for offering this amendment; I commend him for the respect for this institution and how he interacts legislatively. He can be passionate about representing his constituents, his point of view, his legislation, his amendments, but, at the same time, where we can come to terms, we do that on a regular basis.

So it is not all dysfunction here; it is not all dismay; it is not all disaster; it is not all acrimony. There are those of us who can still talk amidst a broken and divided government that we have.

So I commend him for offering this amendment, and, again, as I said, I am opposed to the amendment.

Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. KING OF IOWA

The Acting CHAIR. It is now in order to consider amendment No. 8 printed in part B of House Report 116–383.

Mr. KING of Iowa. Mr. Chairman, I have an amendment at the desk made in order by the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 135, beginning on line 3, strike ''date on which the major disaster or emergency was declared'' and insert ''initial date of the incident period of the major disaster or emergency''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from Iowa (Mr. KING) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Iowa.

Mr. KING of Iowa. Mr. Chairman, this amendment, in reading through the bill, brings something forward that we have experienced a number of times in the natural disasters that have poured forth and the flooding in my district over the 17 years-plus that I have represented the folks in the Missouri River bottom, in particular; but, also, it affects everybody else around the country.

In reading the base bill, it says that the 3-month grace period that is granted for a student loan begins on the date that the declaration of disaster is issued, and often that declaration of disaster is issued sometimes months after the disaster is over.

The crisis is also over for the former student who was paying their student loans and having difficulty meeting those obligations because they have been the victim of a natural disaster, whether it be a hurricane, whether it be a flood, whether it be a tornado or some other type of natural disaster. This morning, I saw there was an earthquake down across from Florida, across the Caribbean.

What this amendment does is move that date back to the initial date of the disaster itself rather than the date that it was declared a disaster. The language in the current bill says, ''date on which the major disaster or emergency was declared.'' Instead, the language becomes, ''initial date of the incident period of the major disaster or emergency.''

Mr. Chairman, I would point out some of these dates along the way that stand out to me.

There was flooding in North Dakota that began on October 9 of 2019 and continued until October 26 of 2019. That disaster was declared not then, but declared on January 21, 2020. That would have been the first date that the grace period would kick in under this language. I ask that that grace period kick in immediately. Although the announcement will come from FEMA and wouldn't be on the first day of the disaster, that is the first day that they feel the financial stress.

I will go through a number of these.

The courageous people of Hornick, Iowa, bounced back from that flood as strongly as anybody I have seen, but that began on March 12, and the disaster declaration came March 23. So they lost some of those days.

And I look down to Tropical Storm Michael in North Carolina, and that disaster began October 10 to 12, 2018, and 4 months later, January 31, 2019, was the declaration.

So the credit of these people who are trying diligently to pay their student loans is damaged unless they have this grace period that begins when the stress period begins, and that is what my amendment does, Mr. Chairman, and I reserve the balance of my time.

Mr. LAWSON of Florida. Mr. Chairman, I claim the time in opposition, although I am not opposed.

The Acting CHAIR. Without objection, the gentleman from Florida is recognized for 5 minutes.

There was no objection.

Mr. LAWSON of Florida. Mr. Chairman, this amendment will allow for more time for private student loan borrowers in the process of rehabilitating their loans to repay their loans when also impacted by a geographical disaster or emergency.

By changing the language from when a disaster or emergency is federally declared to when the actual disaster began, private student loan borrowers will have more time outside of when an emergency is officially federally declared to explain and have their situation taken into consideration for hardship.

For example, it was a shame that it took President Trump more than 2 weeks to declare the major disaster declaration after Puerto Rico received a string of earthquakes beginning December 28. Consumers should not be penalized by politics when they are in dire need for help.

As climate change and other disasters continue to have devastating consequences across this country, students who are demonstrating that they can rehabilitate their loans and improve their credit scores should not have to additionally suffer because extreme events like these cause hardships that would reasonably interrupt a payment.

It can take years for communities to recover from natural and other disasters, and this amendment further allows victims of these disasters the time that they deserve, a fair chance to improve their credit scores and future credit opportunities.

I support this amendment, and I reserve the balance of my time.

Mr. KING of Iowa. Mr. Chairman, may I inquire as to how much time remains.

The Acting CHAIR. The gentleman from Iowa has 2¼ minutes remaining. The gentleman from Florida has 3 minutes remaining.

Mr. KING of Iowa. Mr. Chairman, I yield myself such time as I may consume.

I appreciate the gentleman's remarks with regard to this amendment.

I would point out that we have 435 Members in this United States Congress, and it was envisioned by our Founding Fathers that we would get ideas from every one of those districts. And they also recognized that we are all human, and no matter how diligent we might be, no matter how much we care about the people we are helping, sometimes things just kind of slide along, look good on the surface, and we are busy. So that is why we all want to look at this, and that is why I have the privilege to be here to offer this amendment.

Having gone through natural disaster after natural disaster after natural disaster, suffered from them myself—in fact, the 1993 flood is probably why I am in Congress today, because I realized the degree of risk was not proportional to the potential for profit if you are under water.

So I want to help those students who want to keep their credit in line, and I appreciate the support across Congress to do so.

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

Mr. LAWSON of Florida. Mr. Chair, I yield myself the balance of my time.

I urge all of my colleagues to support this amendment, and I yield back the balance of my time.

Mr. KING of Iowa. Mr. Chairman, I appreciate the gentleman's remarks again, and I would just point out that, of this list of disasters that we have and the delays we have in declaring these disasters, there is one here on April 29.

A disaster declaration was declared for severe storms and flooding within the Sac and Fox Tribe in Mississippi and Iowa—and I actually live in Sac County, although that is not part of that reservation—with an incident period spanning March 13 till April 1. However, the disaster declaration was April 29, so there was a month-and-a-half delay in that one.

I have other examples of this, Mr. Chairman, but I think that we have made our point here today, and I appreciate the attendance and diligence of the Members on both sides of the aisle.

Mr. Chairman, I urge adoption of my amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Iowa (Mr. KING).

The amendment was agreed to.

AMENDMENT NO. 9 OFFERED BY MS. SÁNCHEZ

The Acting CHAIR. It is now in order to consider amendment No. 9 printed in part B of House Report 116–383.

Ms. SÁNCHEZ. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 44, line 18, before the period insert ''(increased by $1,000,000)''.

Page 182, line 8, strike ''military'' and insert ''uniformed''.

Page 182, line 10, strike ''military'' and insert ''uniformed''.

Page 182, line 11, strike ''military'' and insert ''uniformed''.

Page 182, line 14, strike ''military'' and insert ''uniformed''.

Page 182, beginning on line 16, strike ''military''.

Page 182, line 19, strike ''military'' and insert ''uniformed''.

Page 182, line 21, strike ''military'' and insert ''uniformed''.

Page 192, line 7, strike ''military'' and insert ''uniformed''.

In title IX, add at the end the following:

SEC. 904. PROTECTIONS FOR ACTIVE DUTY UNIFORMED CONSUMER.

(a) DEFINITIONS.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended—

(1) in subsection (q), by amending paragraph (1) to read as follows:

''(1) ACTIVE DUTY UNIFORMED CONSUMER.—The term 'active duty uniformed consumer' means a consumer who is—

''(A) in military service and on active service (as defined in section 101(d) of title 10, United States Code); or

''(B) a member of the uniformed services (as defined in section 101(a) of title 10, United States Code) who is not a member of the armed forces and is on active service.''; and

(2) by inserting after subsection (dd) (as added by section 901) the following:

''(ee) EXTENDED ACTIVE DUTY UNIFORMED CONSUMER.—The term 'extended active duty uniformed consumer' means an active duty uniformed consumer that is deployed—

''(1) in a combat zone (as defined under section 112(c) of the Internal Revenue Code of 1986); or

''(2) aboard a United States vessel.''.

(b) PROHIBITION ON INCLUDING CERTAIN ADVERSE INFORMATION IN CONSUMER REPORTS.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended—

(1) in subsection (a), as amended by section 809, by adding at the end the following:

''(18) Any item of adverse information about a consumer, if the action or inaction that gave rise to the item occurred while the consumer was an extended active duty uniformed consumer.''; and

(2) by inserting after subsection (h) (as added by section 705) the following:

''(i) NOTICE OF STATUS AS AN EXTENDED ACTIVE DUTY UNIFORMED CONSUMER.—With respect to an item of adverse information about a consumer, if the action or inaction that gave rise to the item occurred while the consumer was an extended active duty uniformed consumer, the consumer may provide appropriate proof, including official orders, to a consumer reporting agency that the consumer was an extended active duty uniformed consumer at the time such action or inaction occurred. The consumer reporting agency shall promptly delete that item of adverse information from the file of the consumer and notify the consumer and the furnisher of the information of the deletion.''.

(c) COMMUNICATIONS BETWEEN THE CONSUMER AND CONSUMER REPORTING AGENCIES.—Section 605A of the Fair Credit Reporting Act (15 U.S.C. 1681c-1) is amended—

(1) in subsection (c), as amended by section 803, by adding at the end the following:

''(2) NEGATIVE INFORMATION ALERT.—Any time a consumer reporting agency receives an item of adverse information about a consumer, if the consumer has provided appropriate proof that the consumer is an extended active duty uniformed consumer, the consumer reporting agency shall promptly notify the consumer—

''(A) that the agency has received such item of adverse information, along with a description of the item; and

''(B) the method by which the consumer can dispute the validity of the item.

''(3) CONTACT INFORMATION FOR EXTENDED ACTIVE DUTY UNIFORMED CONSUMERS.—With respect to any consumer that has provided appropriate proof to a consumer reporting agency that the consumer is an extended active duty uniformed consumer, if the consumer provides the consumer reporting agency with separate contact information to be used when communicating with the consumer while the consumer is an extended active duty uniformed consumer, the consumer reporting agency shall use such contact information for all communications while the consumer is an extended active duty uniformed consumer.''; and

(2) in subsection (e), by amending paragraph (3) to read as follows:

''(3) subparagraphs (A) and (B) of subsection (c)(1), in the case of a referral under subsection (c)(1)(C).''.

(d) CONFORMING AMENDMENT.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by striking ''active duty military'' each place such term appears and inserting ''active duty uniformed''.

(e) SENSE OF CONGRESS.—It is the sense of Congress that any person making use of a consumer report containing an item of adverse information should, if the action or inaction that gave rise to the item occurred while the consumer was an extended active duty uniformed consumer, take such fact into account when evaluating the creditworthiness of the consumer.

The Acting CHAIR. Pursuant to House Resolution 811, the gentlewoman from California (Ms. SÁNCHEZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. SÁNCHEZ. Mr. Chairman, I yield myself such time as I may consume.

I am proud to vote today to protect consumers and improve our credit reporting system.

I thank Chairwoman WATERS and Representative PRESSLEY for their hard work on this important legislative package, and I want to thank the Financial Services staff who have worked diligently behind the scenes.

I would also like to thank the National Military Family Association, the National Consumer Law Center, and the Consumer Federation of America for their support of my amendment.

My amendment today, which is based upon a bill that I have long championed, is focused on our friends and family in uniform who are serving abroad. Specifically, my amendment would allow servicemembers the ability to dispute negative information, or dings, on their credit report that occurred while they were serving in a combat zone or aboard a U.S. vessel.

Those who are serving in the Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, and the Public Health Service would benefit from this amendment.

This amendment isn't without guardrails. A credit reporting agency must be notified that the servicemember was on extended Active Duty at the time the hit to the credit report occurred. The credit reporting agency would then be required to conduct a review of the information and delete any negative information from the credit report should certain requirements be met.

We must acknowledge the realities of deployment in today's technological world. Life goes on at home while our military members are deployed. Sometimes a bill payment is missed when an electronic payment agreement lapses, a credit card on file expires, or an unauthorized credit card is issued.

This amendment allows for credit reports that more accurately reflect the full picture. This idea was born out of the incredible courage of two parents who faced an overwhelming grief that I hope never to experience.

John Kelsall, president of my local chamber of commerce at the time, and his wife, Teri, a long-time southern California nonprofit leader, lost their son. Lieutenant Commander Jonas Kelsall, a proud Navy SEAL, was killed in Afghanistan in 2011. In order to keep their son's legacy alive, the Kelsalls founded a nonprofit veterans business incubator to assist U.S. military veterans upon their return to civilian life.

Whenever I was back home, John and Teri would catch me up on the latest challenges and success stories from their organization. However, one hurdle kept coming up over and over and over again for these veteran would-be entrepreneurs.

□ 1530

Terri and John shared stories of servicemembers and veterans who had trouble obtaining loans to help start their businesses. Why? Because while they were deployed, they missed payments, and this negatively affected their credit scores, even though, oftentimes, the delays were out of their control.

I knew something had to be done. That is why, in 2014, I joined our colleague, Congressman LAMBORN of Colorado, in introducing legislation to address this problem. I have been proud to strengthen the text of this bill over the years with the help of the National Consumer Law Center and military family support groups. Our country continues to ask so much from our men and women who serve in uniform. They deserve peace of mind during their Active Duty deployments.

Mr. Chair, I urge all of my colleagues to support this amendment and the underlying legislative package, and I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I claim the time in opposition, but I am not opposed to it.

The Acting CHAIR. Without objection, the gentleman from North Carolina is recognized for 5 minutes.

There was no objection.

Mr. MCHENRY. Mr. Chairman, this amendment introduces to the Fair Credit Reporting Act a definition for Active Duty uniformed consumer and establishes a special regime for the treatment of such consumers.

It is understandable and commendable that we want to help the men and women who serve our country. They are involved in unique circumstances, not just here domestically but globally.

While I support the need for our servicemen and women broadly, this amendment does not remedy the overarching issues in the underlying bill. There are some deeply problematic pieces to this bill, as I have said in this overall debate. Because of that, I would offer to work with the gentlewoman on this as a standalone measure that I believe we could pass with a wide majority through the House. Who knows in the Senate, given these days. But I believe that it would even have the opportunity for the President's signature, which is important for our process here in lawmaking.

Unfortunately, the overall bill, even if this is added, won't see the light of day because the Senate is not going to take it up, and the President has already said he is going to veto it.

Mr. Chair, I would offer to the gentlewoman to work with her on a standalone measure to achieve the very thing of her amendment. I am happy to yield if she has a response or if she is interested in working in a bipartisan way for a standalone measure to achieve this.

I yield to the gentlewoman from California.

Ms. SÁNCHEZ. Mr. Chair, I thank my colleague for the offer to work on this as a standalone bill. It was originally a standalone bill. It is being offered as an amendment to the bill. I understand that you have reservations on the underlying bill.

My hope is that it will pass as an amendment and that the underlying bill will pass. But should that bill not be successful in being taken up in the Senate, I would surely love to work with my colleague on a standalone bill that will accomplish this very important goal of helping our men and women who serve in uniform make their lives just a little bit easier.

We ask a lot of them as a Nation, and so I think helping them when they are on Active Duty and sometimes are late or miss payments is a worthwhile endeavor.

Mr. MCHENRY. Mr. Chair, reclaiming my time, I appreciate the offer and would be happy to work with the gentlewoman on that standalone measure.

Mr. Chair, I yield back the balance of my time.

Ms. SÁNCHEZ. Mr. Chair, again, I want to say that I have attempted to pass this bill as a standalone bill. I believe that it is properly included in the underlying bill, which I think is an excellent piece of legislation.

Our country asks a lot of our men and women, and while you are on Active Duty, the last thing that you should worry about is late payments or missed payments, oftentimes because you are in far-flung regions of the world when it is not like you can just mail a letter back to make sure that your payment gets in on time.

Mr. Chair, I believe very strongly in this amendment. I ask my colleagues to support the amendment and support the underlying bill. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. SÁNCHEZ).

The amendment was agreed to.

AMENDMENT NO. 10 OFFERED BY MR. COHEN

The Acting CHAIR. It is now in order to consider amendment No. 10 printed in part B of House Report 116–383.

Mr. COHEN. Mr. Chair, as I have an amendment at the desk, I stand and seek recognition.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 137, line 16, insert before the period the following: ''as soon as possible, but in no case later than 5 days after such completion''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from Tennessee (Mr. COHEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. COHEN. Mr. Chair, this amendment creates a specific time period for credit reporting agencies to change a consumer's credit report after consecutive payments have been made on certain private education loans.

This bill offers credit rehabilitation for distressed private education loan borrowers. My amendment simply states that once a consumer has made the consecutive payments outlined in the standardized reporting codes, the consumer reporting agency must update a consumer's report immediately or within 5 business days, at the most.

Credit reports and credit scores are tied to so many important factors in consumers' lives. They determine interest rates on mortgages, bank loans, and credit cards, and deposits for rent. They can even lower insurance premiums.

Every day counts. Consumers shouldn't have to wait in limbo, not knowing exactly when a charge is going to be removed from their credit report, especially if they have been making consecutive payments and meet the criteria to have it removed.

This amendment is supported by the National Consumer Law Center, which stated that ''putting a specific timeframe for compliance is a good idea. It provides clarity on what action needs to be taken for both compliance and enforcement purposes. It also ensures borrowers will get the benefits of the law promptly.''

Mr. Chair, I thank Chairwoman WATERS, Mr. LAWSON, Congresswoman PRESSLEY, and the Financial Services Committee staff—especially Yana Miles, Glen Sears, Avy Malik, Clement Abonyi, and Lisa Peto—for all of their hard work on this issue. I encourage my colleagues to support this amendment.

Mr. Chair, I yield 1 minute to the gentlewoman from Massachusetts (Ms. PRESSLEY), the sponsor of this comprehensive bill.

Ms. PRESSLEY. Mr. Chair, my bill, the Comprehensive CREDIT Act, will greatly improve a fundamentally flawed credit reporting system, providing much-needed relief for families across the country.

It works to protect consumers from unfair and misleading credit reporting practices, affirming the rights of all Americans to an equitable and transparent credit reporting process. My bill takes the burden off consumers while holding credit reporting agencies accountable and restoring fairness to the system.

I thank my colleague from Tennessee (Mr. COHEN) for offering this amendment. CRAs are all too quick to add penalties and negative marks to credit reports, but the same urgency never seems to be applied to improving those reports.

Once borrowers take the steps prescribed in this bill to improve their credit reports, they deserve to have the reports updated to reflect that in a reasonable timeframe.

Credit scores are meant to be predictive, and the best predictor of future behavior is their most recent behavior. Our bill takes the burden off of consumers while holding debt reporting agencies accountable and restoring fairness to the system. This amendment would further strengthen our bill by ensuring that these changes happen in a timely manner.

Mr. Chair, I am proud to support this amendment, and I urge my colleagues to do the same.

Mr. MCHENRY. Mr. Chair, I claim time in opposition to the amendment.

The Acting CHAIR. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chair, it sounds like a bit of a broken record, but this amendment does two things.

First, it continues to undermine the ability of private lenders to negotiate terms of their loans with student borrowers. Second, it continues the bill's theme of removing negative information, even if accurate, from credit scores and credit reports.

Now, it was the decision by a Democratic House, Democratic Senate, Democratic President that has saddled a generation—in fact, two generations—of students with this massive, federally administered student loan program.

This bill only deals with the 8 percent that is in the private marketplace. It is trying to put bad rules there to take that final 8 percent, when in reality we should be focused on the 92 percent that the Federal Government has saddled, the 92 percent that is the Federal student loan program.

They want to remove predictive information, which will lead to students taking on even more debt. We should be addressing the underlying factors that are causing the crisis, like the rising costs of higher education, the lack of underwriting standards in the Federal program.

Instead, we are going to weaken the standards in the private market, the part of the marketplace that is actually working really, really well, where you only have default rates or folks who are not paying at 2 percent or less. In the Federal program, we have double digits that are in the same sort of category.

The underlying bill requires consumer reporting agencies to develop and use reporting codes to reflect a borrower's participation in the credit rehabilitation program. The amendment would require these codes to be removed no later than 5 days after the consumer makes nine payments in 10 months.

Why nine payments in 10 months? As I said the last time I spoke about this, because that kind of feels right, apparently. That is kind of what we determined in the committee debate. Not that people have paid every month but, you know, they have paid 9 out of 10 months.

What we are talking about here is not science in the underlying bill. In fact, the 5-day period, I am not sure how the sponsor came up with that. But this amendment expedites the requirement of a flawed program within the bill, so not making a titanic change, a major change to the bill. But it is a bad program that he is basically speeding up, in my view—a bad program, in my view—that he is obviously trying to enact more quickly.

Under this amendment, there will be no record of the borrower ever being delinquent or having been in default.

Let's go back to the private loan market statistics. Again, 2 percent in the private student loan marketplace is in default of their loans, compared to the Federal student loan program, which has a default rate of 18 percent.

Fannie and Freddie didn't have a default rate that high, and they got nationalized as a result of the financial crisis and sparked a financial crisis. We have 18 percent that is in default in the student loan program.

Why are we messing with this small program when we should be taking on this bigger issue that is one that is a major struggle? There are a lot of ideas on both sides of the aisle for how we deal with that.

We shouldn't be weakening underwriting standards, either in the Federal program or in the private program. We should have strong underwriting standards. We should not lead to more financial instability but a fairly structured and smart marketplace.

Mr. Chair, I oppose this amendment and, again, reiterate that this amendment is about speeding up a bad program that is deeply flawed in the underlying bill, and that is why I oppose it.

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

Mr. COHEN. Mr. Chair, first of all, Federal student loans already have the option to rehabilitate the loan after the borrower has made 9 out of 10 consecutive on-time payments.

H.R. 3621 simply brings private student loans in line with Federal student loans, so 9 out of 10. It is not science like climate change is, but it is pretty good, and it is based on current law for Federal student loans.

Secondly, I would submit, don't try to make the perfect the enemy of the good. I was here for 8 years in the minority, and I don't remember the majority bringing any bills to help consumers on any student loans, any loans, or anything at all. Fortunately, we are in the majority, and we are bringing you bills to help consumers, and this bill helps people with student loans.

Mr. Chair, I once again reiterate that I urge people to support this, and I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, may I inquire how much time is remaining on both sides.

The Acting CHAIR. The gentleman from North Carolina has 30 seconds remaining. The gentleman from Tennessee has 1¼ minutes.

Mr. MCHENRY. Mr. Chair, I am prepared to close, and I reserve the balance of my time.

Mr. COHEN. Mr. Chair, I yield myself the balance of my time.

Mr. Chair, simply, for the college students, for the debtors, for fairness, for justice, pass this bill, pass this amendment. I yield back the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield myself the balance of my time.

Mr. Chair, this is more aggressive than the bad Federal student loan program. If you are a delinquent borrower, you cannot access this like-kind program. What this amendment is saying is, if you are a delinquent borrower, you can get in the front of the line and get that waived away as if you had been paying the whole time. This is a bad idea.

If you want to address the problem, let's address the cost of college, not doing this gamesmanship of trying to socialize on the back end through credit scores and credit reporting agencies.

Mr. Chair, I oppose the amendment, and I yield back the balance of my time.

□ 1545

The Acting CHAIR. The question is on the amendment offered by the gentleman from Tennessee (Mr. COHEN).

The amendment was agreed to.

AMENDMENT NO. 11 OFFERED BY MR. COHEN

The Acting CHAIR. It is now in order to consider amendment No. 11 printed in part B of House Report 116–383.

Mr. COHEN. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 162, line 15, after ''purposes'' insert the following: '', including for the purpose of denying employment,''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from Tennessee (Mr. COHEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. COHEN. Mr. Chair, first, I would just like to make some closing remarks on the previous argument. The gentleman is right. We need to make college more affordable, and I passed a bill in Tennessee when I was a senator, a referendum on the ballot that has raised over $5 billion to send kids to college in Tennessee, $5 billion free scholarship money. So, yes, I don't talk the talk, I walk the walk.

Mr. Chairman, my amendment makes it unequivocally clear that credit reports should not be used as the sole reason for the denial of employment.

This amendment is for the countless constituents who have contacted my office with disturbing stories of being denied a job opportunity because of their credit report.

This amendment is for the many people in this country who are currently in a vicious cycle: To pay down their debt, they need a job, but they can't get hired because of their debt.

According to the Society for Human Resource Management, 43 percent of employers are conducting pre-employment credit checks, claiming that a potential employee's credit score is somehow an accurate predictor of future job performance. Nobody says that. Like nobody says that you have to have a crime in an impeachment article to impeach a President. Abuse of power is sufficient.

Yet, there has not been any proof that a credit report or a credit score can predict how an employee will perform, none whatsoever.

A credit report doesn't tell the whole story. Maybe a person had a long stretch of unemployment. Maybe they unexpectedly had a health or a medical crisis.

This practice has had a disproportionate impact on some of our most vulnerable, credit-challenged citizens; recent college grads, divorced women, low-income families, senior citizens, and minorities.

Everyone deserves the opportunity to begin rebuilding their credit history by obtaining employment. We should be doing everything in our power to help people find jobs during these tough economic times, not hinder them.

Making sure credit reports are not used as a means for denial of employment has been a very important issue to me and my office, and I have introduced a bill, the Equal Employment for All Act, every Congress for the last 11 years.

Unfortunately, in eight of those years, we were in the minority and so we couldn't get a hearing. But now, Mr. LAWSON has brought a bill, which I appreciate greatly, and he is on the committee and this issue is now before us.

What matters most is that important issues like this are addressed and fixed by Congress and get to the floor for a vote. I would like to thank Mr. LAWSON.

I would also like to go back and thank my former staffer, Michael Fulton, who worked tirelessly on the Equal Employment for All Act and the Fair Access to Credit Scores Act. I am happy to see that language to provide free credit scores is also included in the Comprehensive CREDIT Act of 2020.

I want to thank again Chairwoman WATERS and the dedicated staff on the Financial Services Committee. And I encourage all of my colleagues to support my amendment and vote for the overall bill.

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

Mr. MCHENRY. Mr. Chair, I claim the time in opposition. I am opposed to the amendment.

The Acting CHAIR. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chairman, this amendment is more of the same. It prevents employers from identifying and fulfilling the needs of their companies.

Now, use of a credit score, you would argue, is not perfect for every job, but there are certain cases where that would, in fact, be a reasonable thing and a reasonable limitation on employment; and I would ask the amendment sponsor if that is the case.

Are there reasonable limitations that we could find here for the types of employment where a credit report may be helpful to an employer?

I would ask the bill's sponsor, Mr. COHEN of Tennessee, who is here in the room, so your amendment says you cannot use the credit report for anything related to hiring; is that correct?

I yield to the gentleman from Tennessee.

Mr. COHEN. Right.

Mr. MCHENRY. I understand that correctly. Is there any reasonable limitation—as an employer, is there any reasonable expectation for using a credit report in a hiring process, in your view?

Mr. COHEN. I am still having trouble hearing. Like in the 8 years when I was in the minority, I couldn't hear the majority party give me a chance to bring this to a vote. But I don't think the answer is yes. The answer is no.

Mr. MCHENRY. Reclaiming my time. If the amendment sponsor doesn't wish to engage in debate, then don't come to the House floor, Mr. Chair, unless you want to engage in a debate. I am offering a reasonable question. The gentleman may be so far in left field he can't hear me in this Chamber.

But I would say this: As an employer, if you are handling cash, as an example, every day, is it a reasonable thing to check somebody's credit report to see if somebody has perhaps—I don't know—had problems with cash, or is

massively in debt, or has not paid their bills. Is that a reasonable thing?

Is it a reasonable thing if you get hired by the FBI to know that you have massive debt and, therefore, could fall victim to extortion?

I think there is a reasonable limitation. And what the gentleman has already exposed with his unwillingness to even engage in a simple colloquy—the gentleman has been around this House long enough to know this general process, but he doesn't want to answer the question.

The reason he doesn't want to answer the question is he doesn't believe any employer should be able to look at a consumer credit report for any hiring procedure, and I think that is patently absurd, Mr. Chair.

So if employers have a real fear that hiring or retaining an individual can jeopardize the integrity of an institution, I think they should be able to check a credit report; just like in certain circumstances, somebody's criminal background could be harmful.

I will give you an example. Elder abuse. I think it is reasonable to know if somebody has committed a violent crime or has extorted money from people. I think that is a reasonable circumstance, is it not?

So I would say this: I offered a reasonable opportunity for a debate on this. This is an absurd amendment that should be rejected.

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

Mr. COHEN. Mr. Chair, it can't be the sole reason for denying a job, number one. That is what the bill says. And there are exemptions for circumstances when Federal, State, or local law call for it, or a national security clearance.

Indeed, I think that if you are an administrator, if you are over, say, the foreign policy of the United States and the Defense Department, people should know if you have great debts to, like, Russia or something. People should have a right to know that because it could relate to your employment. But that is another issue.

Mr. Chair, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON LEE).

Ms. JACKSON LEE. Mr. Chairman, I rise to support the underlying bill by Representative PRESSLEY, and I thank her for her outstanding leadership. And I rise, in particular, to support the reasonable, smart amendment of Mr. COHEN. It says very clearly that it is the sole reason.

Let me be clear again, to my good friend. A credit score, or owing bills, is not criminal. It is not a criminal act. It doesn't in any way diminish your ability to do your job.

One percent of the American people own 90 percent of the wealth. That means that students with debt, and millennials, mostly, are not in that category. That means that you are not encouraging leadership if you use a credit score as the sole reason for denying an able leader that happens to be a millennial to get a job. I am outraged and insulted by the premise.

Mr. COHEN's amendment is a smart amendment that indicates, give these individuals a chance, as does the underlying bill by Ms. PRESSLEY.

I rise enthusiastically to give relief to millennials and those with major student debt; one, under this act; and two, under Mr. COHEN's amendment not to deny them a job.

I support the Cohen amendment. I support the underlying bill by Ms. PRESSLEY, the Comprehensive CREDIT Act of 2020, and I believe we should vote ''yes'' on that amendment and ''yes'' on the bill. Do our job for the millennials.

Mr. MCHENRY. Mr. Chair, I reserve the balance of my time.

Mr. COHEN. Mr. Chair, is the gentleman ready to close? Is the gentleman ready to learn if a President has debts to Russia before he can count the money?

Mr. MCHENRY. I will inquire of the Chair; how much time remains on both sides.

The Acting CHAIR. The gentleman from North Carolina has 1½ minutes remaining. The gentleman from Tennessee has 30 seconds remaining.

Mr. MCHENRY. I have the right to close and I intend to do so.

Mr. COHEN. Mr. Chairman, I yield back the balance of my time.

Mr. MCHENRY. Mr. Chair, for the express purpose of this amendment, in legislative text it says that you cannot use a consumer credit report or the information therein to deny employment. And the gentleman in the very debate, Mr. Chair, said that he thinks some different standard. But that is not what this amendment does.

This is a deeply-flawed amendment that has not been—I think it has been thought through, because the gentleman wants to ban every potential limitation on employment, even in a sensitive industry, even dealing with the elderly, even dealing with children; and I think that is way too far to the left and out of the mainstream.

And this amendment is not conforming with the rhetoric that he used on the floor. In fact, it is much more far-reaching.

But it is also quite fitting with the overall bill, because the overall bill is about socializing credit; and if you socialize credit, you can't use any form or factor, and so I think this is really problematic.

If employers have a real fear that hiring an individual can jeopardize the integrity of an institution, for instance, a financial institution, or cause harm to the very people they are trying to care for, or share sensitive information on their customers, then they should have the opportunity to not hire those people that will cause harm or wreck our financial system.

So this is a way-out-left amendment, and it is a way-out-left bill.

So while I oppose it, I wish the gentleman well. And I wish that we could actually engage in some reasonable debate like I had with other Members. But I realize not all Members are the same.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Tennessee (Mr. COHEN).

The amendment was agreed to.

AMENDMENT NO. 12 OFFERED BY MR. TAKANO

The Acting CHAIR. It is now in order to consider amendment No. 12 printed in part B of House Report 116–383.

Mr. TAKANO. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 143, after line 8, insert the following:

(c) PROHIBITION ON INCLUSION OF ARREST INFORMATION IF THERE IS NO CONVICTION.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as amended by section 809, is further amended by adding at the end the following:

''(18) Records of an arrest, if the consumer was not convicted of any crime in connection with the arrest.''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from California (Mr. TAKANO) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. TAKANO. Mr. Chair, I rise to offer an amendment to the Comprehensive CREDIT Act of 2020 that would prohibit the inclusion of arrest records on a consumer report if the arrest did not lead to a conviction.

Consumer reporting in this country is extremely broken, and consumer reports regularly have unexpected errors. Millions of public records do not contain accurate information, which means that reports have been found to include outdated information and misclassified offenses.

Additionally, incomplete reports fail to say whether or not a person who faced an arrest was exonerated or if criminal charges against them were dropped.

An arrest does not prove criminal conduct and it is not a presumption of guilt. If a consumer was arrested and there was no subsequent conviction, that arrest should not be allowed to show on a consumer report.

Now, due to the extreme bias in our criminal justice system, people of color are arrested and convicted at disproportionate levels in this country. For example, we know that African Americans and Hispanics are approximately two to three times more likely to be arrested than their White counterparts.

□ 1600

These disproportionate levels of arrests can negatively impact the ability for African Americans and Hispanics to obtain housing or find employment. That is why California, New York, and Kentucky have prohibited the inclusion of arrest records without a conviction on consumer reports. We need to

follow their lead and implement this nationwide.

I am encouraged by the work of my colleagues on the Financial Services Committee to limit the time adverse information can remain on a consumer credit report, including information pertaining to convictions.

My amendment goes one step further by prohibiting arrest records from being included if they do not lead to a criminal conviction. Consumers deserve a fair shot in society and should not be penalized for wrongful arrests or arrests that did not lead to a guilty conviction.

Mr. Chairman, I urge my colleagues to support my amendment, and I reserve the balance of my time.

Mr. MCHENRY. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chairman, this amendment would prohibit the inclusion of any arrest records on a consumer report if the arrest did not result in a conviction, but looking at the intention here, I would say to my colleague, I see the intention here.

In my view, this needs a little more work. And I say this to a Member who is not on the Financial Services Committee. So it is a very thoughtful amendment. I appreciate the gentleman's approach.

The difficulty here, and I am happy to yield, but the difficulty here is at what level? Is it multiple arrests that would be—I mean, I see this as the right intent.

You don't want somebody who makes a mistake, and their court date—because State courts are backed up, and you have a court date 6 months or a year in advance. You did something dumb. You are going to pay the price. You are a law-abiding citizen otherwise, but you broke the law, and you are accused of something very serious. In that period of time, you can't buy a house, potentially, you can't buy a car. I see that as the intention.

Now, you also have the circumstance where you have somebody who has a traumatic life event and has a serious break from their previous reality, and over a short period of time, over that same 6 months, let's say, they have multiple arrests in increasing severity. We talk about the opioid crisis, but we have a larger societal crisis around mental illness and around abuse of illicit and otherwise heavily regulated drugs. So we have these periods of time that we have got to wrestle with in Federal law, but I see the gentleman's intent.

So, while I am opposed to this amendment because I think it is too broad because I think there are severe penalties for that period of time, I think it is probably right and just to have a pause, and if something changes, then they need to remove the fact that you are even accused of a crime. That shouldn't be pertinent to somebody's long-term credit.

So that is how I see it. If I am off base in some way, I am happy to engage on that.

I yield to the gentleman from California for a response.

Mr. TAKANO. Mr. Chairman, I appreciate the gentleman yielding.

I want to point out to the gentleman that my amendment pertains to records of arrests that appear on consumer reports that did not lead to a conviction, so, what is recorded on the report is an arrest.

I don't believe most Americans believe that it is fair for that consumer to suffer adverse ability to gain housing or to gain credit or whatever it may be, a job, but employers look at job——

Mr. MCHENRY. Mr. Chairman, reclaiming my time, on that subject matter, it is the period of time between the arrest and the court date is my concern.

Mr. TAKANO. Mr. Chairman, is the gentleman concerned about the pending arrest?

Mr. MCHENRY. Yes.

Mr. TAKANO. Mr. Chairman, we believe in those instances where there has been an arrest and there is a pending trial, so the arrest shows up on their record and there is a pending trial, we think it is a very small number of cases.

I do agree with the gentleman from North Carolina that is something we should address, and I would be more than happy to work with him on final language if this should gain legs. I believe we can cure that particular instance.

Mr. MCHENRY. Mr. Chairman, I would say I think the gentleman from California (Mr. TAKANO) has offered a thoughtful amendment. We don't want any unjust actions taken against somebody because they are accused of something at one period of time or made a mistake and the courts found that that was not, in fact, something illegal.

So I think he has the right intent. I think the gentleman's inclination is right. I would be happy to work with him on a standalone measure to achieve something similar, but I appreciate that.

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

Mr. TAKANO. Mr. Chairman, I yield myself such time as I may consume.

I appreciate the spirit in which the gentleman from North Carolina understands the intent here. I believe that most Americans seeing this language on its face would say it makes common sense. There is a kind of netherworld for that person who has been arrested but, yet, who has not been tried.

I still say that our system of jurisprudence says that the person who has been arrested and not yet tried is still presumed to be innocent, and I still maintain that it is reasonable for Congress to hold a consumer reporting agency accountable to only reporting records of arrest for those who have been convicted.

I understand there is some netherworld here, but I still think we need to err on the side of our system of jurisprudence, which says that we presume a person to be innocent until proven guilty, and a person who has been arrested and not yet gone to trial is in that status.

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

Mr. MCHENRY. Mr. Chairman, again, I still have concerns, but in the interest of due process, the direction of this amendment I think is a thoughtful one, and the gentleman's explanation is a strong explanation of his amendment.

I would say in language such as no conviction, perhaps acquittal may be some better form of this, but this is something I am happy to work on if this ever gets to a conference committee, which I don't believe the bill will. But I am happy to engage with my colleague from California on the contents of this, and, as a separate measure, potentially, to work with him on that.

Mr. Chairman, I yield back the balance of my time.

Mr. TAKANO. Mr. Chairman, I yield myself the balance of my time.

I urge that my colleagues back this very commonsense amendment, which would ensure that any person who has been arrested but never convicted or whose case has never been brought to trial—actually, not been convicted. I want to make it very clear, if they have not been convicted, they should not be listed on a consumer credit report.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from California (Mr. TAKANO).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MR. BROWN OF MARYLAND

The Acting CHAIR. It is now in order to consider amendment No. 13 printed in part B of House Report 116–383.

Mr. BROWN of Maryland. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 44, line 18, before the period insert ''(increased by $15,000,000)''.

At the end of title IX, add the following:

SEC. 904. SENSE OF CONGRESS.

It is the sense of Congress that efforts to enhance cybersecurity and implement routine security updates of databases maintained by the nationwide consumer reporting agencies that contain sensitive consumer data, including the credit history and personal information of millions of Americans, is critical to the national interest of the United States.

SEC. 905. CYBERSECURITY SUPERVISION AND EXAMINATION OF LARGE CONSUMER REPORTING AGENCIES.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by section 706, is further amended by adding at the end the following:

"SEC. 637. CYBERSECURITY SUPERVISION AND EXAMINATION OF LARGE CONSUMER REPORTING AGENCIES.

''(a) IN GENERAL.—Consumer reporting agencies described under section 603(p) shall be subject to cybersecurity supervision and examination by the Bureau.

''(b) MINIMUM TRAINING REQUIREMENTS.—Consumer reporting agencies described under section 603(p) shall meet minimum training and ongoing certification requirements with respect to cybersecurity at regular intervals, as established by the Director of the Bureau.''.

(b) CLERICAL AMENDMENT.—The table of contents of the Fair Credit Reporting Act, as amended by section 706, is further amended by adding at the end the following:

''637. Cybersecurity supervision and examination of large consumer reporting agencies.''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from Maryland (Mr. BROWN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maryland.

Mr. BROWN of Maryland. Mr. Chairman, I yield myself such time as I may consume.

I want to first recognize the hard work of the Financial Services Committee, under the leadership of Chairwoman WATERS, and also the work and the commitment of Congresswoman PRESSLEY on the underlying bill.

This legislative package reforms the credit reporting industry and improves consumer protections.

Credit scores play a critical role in the lives and financial futures of American consumers. The information relied upon by the industry is personal to us, things like when we were born, where we live, and where we work. This data is some of the most valuable information that we have in today's digital economy. It often is how we prove our very identity, if not existence. It is key to every aspect of our lives, from applying to college, purchasing a car, obtaining housing, investing in our futures, and, eventually, to collecting retirement.

Credit agencies have not adequately secured this data and have violated our trust. The most egregious example of this is the Equifax breach of 2017. This theft was not a high-tech cyberattack. The weaknesses in the Equifax systems were known, as were the fixes, yet Equifax failed to take action.

The credit agencies have demonstrated that they are not able to secure their systems by themselves. It is time for Congress to protect Americans from threats against their credit history and the misuse of their personal information.

My amendment, Mr. Chairman, addresses this issue in two ways:

First, it requires credit agencies to ensure they are meeting minimum training requirements for cybersecurity. Every major corporation and most Federal, State, and local government entities understand that cybersecurity training is crucial and have established training requirements and standards. Credit agencies should do the same.

Second, it gives the Consumer Financial Protection Bureau the authority to examine the cybersecurity protocols and training of credit agencies, to ensure these agencies are taking appropriate steps to secure our critical personal information. This oversight will ensure that credit agencies are proactively adapting to the change in threats more institutions face in cyberspace.

Mr. Chairman, I urge my colleagues to support this amendment and the underlying legislation, and I yield back the balance of my time.

Mr. MCHENRY. Mr. Chairman, I rise in opposition to this amendment, though I am not opposed to it.

The Acting CHAIR. Without objection, the gentleman from North Carolina is recognized for 5 minutes.

There was no objection.

Mr. MCHENRY. Mr. Chairman, I yield myself such time as I may consume.

I am happy to see my friends on the other side of the aisle take the same interest that we have on this side of the aisle in protecting cybersecurity and protecting consumer data. I think it is great that this is a bipartisan concern that we share.

This amendment reaffirms the data security concerns that Republicans have highlighted in the past with respect to credit reporting agencies, including back in February of last year, the only time we had a hearing in the House Financial Services Committee on the credit reporting agencies. We want to ensure that these credit reporting agencies protect our data.

The collection and maintenance of our personal information and exposing that to risk is deeply problematic. All we need to do is look back a few years ago to the Equifax breach to understand how vital cybersecurity standards are, not only at the consumer credit reporting agencies, but across the financial sector.

I appreciate the gentleman from Maryland using the language from my substitute amendment that I offered before the Rules Committee and before the House Financial Services Committee and incorporating it into this amendment. I am disappointed that the rest of the bill was not as bipartisan as this amendment text.

Since this bill is not going anywhere, I would ask whether or not the author of the amendment would be interested in drafting a separate suspensionable—I think it has wide bipartisan support—a suspension-worthy version of this as a stand-alone bill.

I yield to the gentleman from Maryland.

Mr. BROWN of Maryland. Mr. Chairman, I thank the gentleman for yielding.

I don't share the gentleman from New Jersey's pessimism this early in the game, so I will reserve judgment and a response for the appropriate time.

Mr. MCHENRY. Mr. Chairman, reclaiming my time, I thank my new colleague, but bipartisanship is kind of rare to happen around here, so when it is offered, let's just go try to get it, try to work on it. That would be my suggestion, Mr. Chairman. Since this is the language, verbatim, from my substitute, I am trying to be charitable.

But with that, like I said, I am not opposed to the amendment. In fact, I am proud to really have written the contents of what is being offered. I am grateful that the gentleman offered it and the Rules Committee approved it, because they didn't approve my standalone amendment in the nature of a substitute.

Mr. Chairman, we are not going to resolve those broader issues, but I am happy to work with the gentleman if he is ever interested in a bipartisan bill on this measure. I am happy to do that.

I am fine with the passage of this. I think the underlying bill is still deeply flawed. This doesn't tip the balance for me to make an awful bill really good, but it does make an awful bill just slightly less awful.

Mr. Chairman, I yield back the balance of my time.

□ 1615

The Acting CHAIR. The question is on the amendment offered by the gentleman from Maryland (Mr. BROWN).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. BROWN of Maryland. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Maryland will be postponed.

AMENDMENT NO. 14 OFFERED BY MR. PANETTA

The Acting CHAIR. It is now in order to consider amendment No. 14 printed in part B of House Report 116–383.

Mr. PANETTA. Mr. Chair, I do have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 135, line 21, insert '', including homelessness (as defined by the Secretary of Housing and Urban Development),'' after ''barriers''.

The Acting CHAIR. Pursuant to House Resolution 811, the gentleman from California (Mr. PANETTA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. PANETTA. Mr. Chair, I thank Mr. LAWSON, Ms. PRESSLEY, and the ranking member for their work on this bill.

I rise to offer an amendment to H.R. 3621, the Student Borrower Credit Improvement Act.

As we all know, this bill that we are considering today strengthens consumer protections for all Americans by making overdue reforms to credit reporting.

Specifically, the Student Borrower Credit Improvement Act gives borrowers facing economic hardship an opportunity to repair their credit profiles and prevent certain prior delinquencies from being reported.

These borrowers, who are working to do everything right, deserve that chance to repair their credit scores. But at times, when a borrower experiences sudden economic hardship, it can be nearly impossible to make payments on time. That is why the legislation in front of us allows borrowers to pause their repayments when they demonstrate undue hardship resulting from an unusual extenuating life circumstance.

My amendment would include homelessness, as defined by HUD, as an extenuating life circumstance demonstrating a hardship, therefore making them eligible for that type of grace period that this legislation allows.

When a borrower experiences homelessness, it is nearly impossible to focus on anything else, and securing a safe place to live becomes a top priority.

This amendment would ensure that a borrower who is experiencing homelessness can focus on finding a place to stay without worrying about missing a payment.

A Federal Reserve study has shown that student loan debt has caused a third of borrowers to move in with their parents after school. But many students with debt lack that type of support system, and faced with a lack of housing options, they do become homeless.

On the central coast of California, where I represent, there are some borrowers who face homelessness even before graduating college. Students at the local university, the University of California at Santa Cruz, many of them have been forced to live in vehicles in the university's parking lots.

By including my amendment in this legislation, we can ensure that borrowers experiencing homelessness are given a temporary reprieve and preserve their ability to repair their credit.

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

Mr. MCHENRY. Mr. Chair, I claim the time in opposition to the amendment, even though I am not opposed to it.

The Acting CHAIR. Without objection, the gentleman from North Carolina is recognized for 5 minutes.

There was no objection.

Mr. MCHENRY. Mr. Chair, as we all know, homelessness is an issue that has plagued the lives of many Americans across this country, and we know the particular crisis that is in Los Angeles.

I know that the gentleman is trying to deal with the particular issues of his home State, and so I commend him for that. But he is also highlighting something that has been a big debate—not debate, but a big point of discussion, I would say, and shared concern about homelessness that we have in the Financial Services Committee.

I know every committee of jurisdiction has homelessness as a part of their agenda, but we are the committee that does housing, and we are trying to draw some consensus on how we deal with this homelessness crisis.

We have a crisis of affordability across the country, but in particular, in high growth areas. It is a blessing that it is a high-growth area, but there is an enormous number of challenges that come along the way.

It means that commutes get longer for people who are working-class folks. It means that you have folks who are making serious life decisions with a great limitation, right? So that impairs, I think, economic growth.

It is not just in New York or Los Angeles or San Francisco where there is a homelessness crisis. I say this not using it as words of attack to the sponsor of this. It is not. We have a homelessness crisis in every community in America because we have homeless. We have a veterans homelessness crisis because if we have a single veteran who is homeless, that is not in keeping with who we are as America.

So I think it is important to raise this issue of homelessness in every way we can. I think a number of the policies that have been offered this Congress will make things worse, not better.

For the affordability challenge, I feel like national rent control policies and things of that sort will move us in the wrong direction for ensuring that we have enough housing stock for those who seek it. With the changing nature of how people want to live, we have to make sure that housing stock fits with that so you are able to grow housing stock to meet that need, not just for young people, but for old people and everybody in between, as I find out I am getting old, right?

But with this, I appreciate my colleague for offering this amendment. I think it is a thoughtful approach. It gives us the opportunity to have a wider discussion about homelessness and the challenges therein to those experiencing it, to the communities that are struggling with it, and to all of us to come to terms with the best way to approach it.

Look, this doesn't tip the balance in my view of the underlying bill. For those of you who have been paying attention to this debate, I won't repeat myself on this, but this is the final amendment.

I think the bill's sponsor is of goodwill in trying to address this. The underlying bill is still deeply problematic to me, but I commend my colleague for raising that.

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

Mr. PANETTA. Mr. Chair, I thank Mr. MCHENRY for his very thoughtful comments.

Mr. Chair, I yield the remainder of my time to the gentlewoman from Massachusetts (Ms. PRESSLEY).

Ms. PRESSLEY. Mr. Chair, I find very often we tend to stereotype and present a very shallow narrative as to who experiences homelessness or is on the precipice of experiencing it.

The reality is that struggle is certainly not a character flaw, and hardship is transcendent. Many of us have disruptive life events: a layoff, a death, a natural disaster, displacement. I could go on.

The point is that far too many Americans are living on the brink of financial collapse. So while this administration continues to undo basic protections for those experiencing homelessness, we must be working to support them and help them to regain stability.

There is no hierarchy of hurt. As someone who faced multiple eviction notices growing up, I can tell you that losing one's home is every bit as traumatic as losing one's job or being diagnosed with a life-threatening illness.

We should be working to help people find housing, not punishing and criminalizing those without it.

This amendment would make it clear that Americans facing homelessness are able to get relief under our bill. I am proud to support it.

Mr. Chair, I thank my colleague from California for offering this amendment. And in that this is the final amendment, I want to thank Chairwoman WATERS for her leadership; the dedicated Financial Services Committee staff; Representative LAWSON; and my dedicated A Team, specifically Aya Ibrahim, who has been the lead on this bill.

Mr. MCHENRY. Mr. Chair, again, for the overall bill, to put a bow on this, if you will, this bill is about socializing credit scores. If you socialize credit scores, you can socialize credit. If you can socialize credit, then you can have government make the decision about the allocation of credit in the private sector.

This is a larger narrative from the far left in this country, which has now taken the opportunity to attempt to make legislative gains.

The President has said he will not sign this bill, thankfully, which is good for the American consumer. Furthermore, I don't see this seeing the light of day in the Senate.

Having said that, we still need to have a serious bipartisan conversation about how to reform the credit reporting agencies and the law that underlies their regulatory framework.

Mr. Chair, I am grateful for the opportunity to debate here on the House floor. While I am not opposed to this amendment, I remain opposed to the overall bill and will urge my colleagues to vote ''no'' on that. But, again, I commend the gentleman from California (Mr. PANETTA) for his offering of a thoughtful amendment dealing with homelessness and raising this issue, not as a local issue, but as one of national import and one worthy of debate here on the House floor.

Mr. Chair, I yield back the balance of my time.

Mr. PANETTA. Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

Mr. LAWSON of Florida. Mr. Chair, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PANETTA) having assumed the chair, Mr. PAYNE, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3621) to amend the Fair Credit Reporting Act to remove adverse information for certain defaulted or delinquent private education loan borrowers who demonstrate a history of loan repayment, and for other purposes, had come to no resolution thereon.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 4 o'clock and 27 minutes p.m.), the House stood in recess.

□ 1759

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. QUIGLEY) at 5 o'clock and 59 minutes p.m.

HOUR OF MEETING ON TOMORROW

Mr. NEGUSE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

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

There was no objection.

STUDENT BORROWER CREDIT IMPROVEMENT ACT

The SPEAKER pro tempore. Pursuant to House Resolution 811 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the bill, H.R. 3621.

Will the gentlewoman from Colorado (Ms. DEGETTE) kindly take the chair.

□ 1800

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 3621) to amend the Fair Credit Reporting Act to remove adverse information for certain defaulted or delinquent private education loan borrowers who demonstrate a history of loan repayment, and for other purposes, with Ms. DEGETTE (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose earlier today, amendment No. 14 printed in part B of House Report 116–383 offered by the gentleman from California (Mr. PANETTA) had been disposed of.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in part B of House Report 116–383 on which further proceedings were postponed, in the following order:

Amendment No. 4 by Mr. CLAY of Missouri.

Amendment No. 13 by Mr. BROWN of Maryland.

The Chair will reduce to 2 minutes the minimum time for any electronic vote after the first vote in this series.

AMENDMENT NO. 4 OFFERED BY MR. CLAY

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Missouri (Mr. CLAY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes 185, not voting 19, as follows:

[Roll No. 28]

AYES—231

Adams
Aguilar
Allred
Axne
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brindisi
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Carbajal
Cárdenas
Carson (IN)
Cartwright
Case
Casten (IL)
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Cisneros
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Correa
Costa
Courtney
Cox (CA)
Craig
Crist
Crow
Cuellar
Cunningham
Davids (KS)
Davis (CA)
Davis, Danny K.
Dean
DeFazio
DeGette
DeLauro
DelBene
Delgado
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Engel
Escobar
Eshoo
Espaillat
Evans
Finkenauer
Fletcher
Foster
Frankel
Fudge
Gallego
Garamendi
García (IL)
Garcia (TX)
Golden
Gomez
Gonzalez (TX)
Gottheimer
Green, Al (TX)
Grijalva
Haaland
Harder (CA)
Hayes
Higgins (NY)
Himes
Horn, Kendra S.
Horsford
Houlahan
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson (TX)
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kildee
Kilmer
Kim
Kind
Krishnamoorthi
Kuster (NH)
Lamb
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee (CA)
Lee (NV)
Levin (CA)
Levin (MI)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Luján
Lynch
Malinowski
Maloney, Carolyn B.
Maloney, Sean
Matsui
McAdams
McBath
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Morelle
Moulton
Mucarsel-Powell
Murphy (FL)
Nadler
Napolitano
Neal
Neguse
Norcross
Norton
O'Halleran
Ocasio-Cortez
Omar
Pallone
Panetta
Pappas
Pascrell
Payne
Perlmutter
Perry
Peters
Peterson
Phillips
Pingree
Plaskett
Pocan
Porter
Pressley
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rogers (AL)
Rose (NY)
Rouda
Roybal-Allard
Ruiz
Ruppersberger
Rush
Sablan
San Nicolas
Sánchez
Sarbanes
Scanlon
Schakowsky
Schiff
Schneider
Schrader
Schrier
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shalala
Sherman
Sherrill
Sires
Slotkin
Smith (WA)
Soto
Spanberger
Spano
Stanton
Stevens
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tlaib
Tonko
Torres (CA)
Torres Small (NM)
Trahan
Trone
Underwood
Vargas
Veasey
Vela
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson Coleman
Welch
Wexton
Wild
Wilson (FL)
Yarmuth
Young

NOES—185

Abraham
Aderholt
Allen
Amash
Amodei
Armstrong
Arrington
Babin
Bacon
Baird
Balderson
Banks
Barr
Bergman
Biggs
Bilirakis
Bishop (NC)
Bishop (UT)
Bost
Brady
Brooks (AL)
Brooks (IN)
Buchanan
Bucshon
Budd
Burchett
Burgess
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Cline
Cloud
Cole
Collins (GA)
Comer
Conaway
Cook
Crawford
Crenshaw
Curtis
Davidson (OH)
Davis, Rodney
DesJarlais
Diaz-Balart
Duncan
Dunn
Emmer
Estes
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx (NC)
Fulcher
Gaetz
Gallagher
Gianforte
Gibbs
Gohmert
Gonzalez (OH)
González-Colón (PR)
Gooden
Gosar
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Green (TN)
Griffith
Grothman
Guest
Guthrie
Hagedorn
Harris
Hartzler
Hern, Kevin
Herrera Beutler
Hice (GA)
Hill (AR)
Holding
Hollingsworth
Hudson
Huizenga
Hurd (TX)
Johnson (LA)
Johnson (OH)
Johnson (SD)
Jordan
Joyce (OH)
Joyce (PA)
Katko
Keller
Kelly (PA)
King (IA)
King (NY)
Kustoff (TN)
LaHood
LaMalfa
Lamborn
Latta
Lesko
Long
Lucas
Luetkemeyer
Marchant
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
Meadows
Meuser
Miller
Mitchell
Moolenaar
Mooney (WV)
Newhouse
Norman
Nunes
Olson
Palazzo
Palmer
Pence
Posey
Ratcliffe
Reed
Reschenthaler
Rice (SC)
Riggleman
Roby
Rodgers (WA)
Roe, David P.
Rogers (KY)
Rose, John W.
Rouzer
Roy
Rutherford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Shimkus
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Stauber
Stefanik
Steil
Steube
Stewart
Taylor
Thompson (PA)
Thornberry
Timmons
Tipton
Turner
Upton
Van Drew
Wagner
Walberg
Walden
Walker
Walorski
Waltz
Watkins
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Wright
Yoho
Zeldin