

In the Senate of the United States,

November 5, 2003.

Resolved, That the bill from the House of Representatives (H.R. 2622) entitled “An Act to amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “National Consumer Credit Reporting System Improve-
4 ment Act of 2003”.

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

Sec. 1. Short title; table of contents.

TITLE I—IDENTITY THEFT PREVENTION AND CREDIT HISTORY
 RESTORATION

Subtitle A—Identity Theft Prevention

- Sec. 111. Definitions.
- Sec. 112. Fraud alerts and active duty alerts.
- Sec. 113. Truncation of credit card and debit card account numbers.
- Sec. 114. Establishment of procedures for the identification of possible instances of identity theft.
- Sec. 115. Amendments to existing identity theft prohibition.
- Sec. 116. Authority to truncate social security numbers.

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

- Sec. 151. Summary of rights of identity theft victims.
- Sec. 152. Blocking of information resulting from identity theft.
- Sec. 153. Coordination of identity theft complaint investigations.
- Sec. 154. Prevention of repollution of consumer reports.
- Sec. 155. Notice by debt collectors with respect to fraudulent information.
- Sec. 156. Statute of limitations.

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

- Sec. 211. Free credit reports.
- Sec. 212. Credit scores.
- Sec. 213. Enhanced disclosure of the means available to opt out of prescreened lists.
- Sec. 214. Affiliate sharing.
- Sec. 215. Study of effects of credit scores and credit-based insurance scores on availability and affordability of financial products.
- Sec. 216. Disposal of consumer report information and records.

TITLE III—ENHANCING THE ACCURACY OF CONSUMER REPORT
 INFORMATION

- Sec. 311. Risk-based pricing notice.
- Sec. 312. Procedures to enhance the accuracy and completeness of information furnished to consumer reporting agencies.
- Sec. 313. Federal Trade Commission and consumer reporting agency action concerning complaints.
- Sec. 314. Ongoing audits of the accuracy of consumer reports.
- Sec. 315. Improved disclosure of the results of reinvestigation.
- Sec. 316. Reconciling addresses.
- Sec. 317. FTC study of issues relating to the Fair Credit Reporting Act.

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

- Sec. 411. Protection of medical information in the financial system.
 Sec. 412. Confidentiality of medical contact information in consumer reports.

TITLE V—FINANCIAL LITERACY AND EDUCATION IMPROVEMENT

- Sec. 511. Short title.
 Sec. 512. Definitions.
 Sec. 513. Establishment of Financial Literacy and Education Commission.
 Sec. 514. Duties of the Commission.
 Sec. 515. Powers of the Commission.
 Sec. 516. Commission personnel matters.
 Sec. 517. Study by the Comptroller General.
 Sec. 518. Authorization of appropriations.

TITLE VI—RELATION TO STATE LAW

- Sec. 611. Relation to State law.

TITLE VII—MISCELLANEOUS

- Sec. 711. Clerical amendments.

1 **TITLE I—IDENTITY THEFT PRE-**
 2 **VENTION AND CREDIT HIS-**
 3 **TORY RESTORATION**

4 **Subtitle A—Identity Theft**
 5 **Prevention**

6 **SEC. 111. DEFINITIONS.**

7 Section 603 of the Fair Credit Reporting Act (15
 8 U.S.C. 1681a) is amended by adding at the end the fol-
 9 lowing:

10 “(q) DEFINITIONS RELATING TO FRAUD ALERTS.—

11 “(1) ACTIVE DUTY MILITARY CONSUMER.—The
 12 term ‘active duty military consumer’ means a con-
 13 sumer in military service who—

14 “(A) is on active duty (as defined in sec-
 15 tion 101(d)(1) of title 10, United States Code)
 16 or is a reservist performing duty under a call

1 or order to active duty under a provision of law
2 referred to in section 101(a)(13) of title 10,
3 United States Code; and

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

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

9 “(A) notifies all prospective users of a con-
10 sumer report relating to the consumer that the
11 consumer may be a victim of fraud, including
12 identity theft, or is an active duty military con-
13 sumer, as applicable;

14 “(B) provides to all prospective users of a
15 consumer report relating to the consumer, a
16 telephone number or other reasonable contact
17 method designated by the consumer for the user
18 to obtain authorization from the consumer be-
19 fore establishing new credit (including providing
20 any increase in a credit limit with respect to an
21 existing credit account) in the name of the con-
22 sumer; and

23 “(C) is presented in a manner that facili-
24 tates a clear and conspicuous view of the state-

1 ment described in subparagraph (A) or (B) by
2 any person requesting such consumer report.

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

6 “(s) DEBIT CARD.—The term ‘debit card’ means any
7 card issued by a financial institution to a consumer for
8 use in initiating an electronic fund transfer from the ac-
9 count of the consumer at such financial institution, for
10 the purpose of transferring money between accounts or ob-
11 taining money, property, labor, or services.

12 “(t) ACCOUNT AND ELECTRONIC FUND TRANS-
13 FER.—The terms ‘account’ and ‘electronic fund transfer’
14 have the same meanings as in section 903 of the Elec-
15 tronic Fund Transfer Act.

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

19 “(v) FEDERAL BANKING AGENCIES.—The term
20 ‘Federal banking agencies’ has the same meaning as in
21 section 3 of the Federal Deposit Insurance Act.

22 “(w) FINANCIAL INSTITUTION.—The term ‘financial
23 institution’ means a State or National bank, a State or
24 Federal savings and loan association, a mutual savings
25 bank, a State or Federal credit union, or any other person

1 that, directly or indirectly, holds an account belonging to
2 a consumer.

3 “(x) RESELLER.—The term ‘reseller’ means a con-
4 sumer reporting agency that—

5 “(1) assembles and merges information con-
6 tained in the database of another consumer report-
7 ing agency or multiple consumer reporting agencies
8 concerning any consumer for purposes of furnishing
9 such information to any third party, to the extent of
10 such activities; and

11 “(2) does not maintain a database of the as-
12 sembled or merged information from which new con-
13 sumer reports are produced.

14 “(y) DEFINITIONS RELATING TO CREDIT SCORES.—

15 “(1) CREDIT SCORE AND KEY FACTORS.—When
16 used in connection with an application for an exten-
17 sion of credit for a consumer purpose that is to be
18 secured by a dwelling—

19 “(A) the term ‘credit score’—

20 “(i) means a numerical value or cat-
21 egorization derived from a statistical tool
22 or modeling system used to predict the
23 likelihood of certain credit behaviors, in-
24 cluding default; and

25 “(ii) does not include—

1 “(I) any mortgage score or rating
2 of an automated underwriting system
3 that considers 1 or more factors in
4 addition to credit information, includ-
5 ing the loan-to-value ratio, the
6 amount of down payment, or the fi-
7 nancial assets of a consumer; or

8 “(II) other elements of the un-
9 derwriting process or underwriting de-
10 cision; and

11 “(B) the term ‘key factors’ means all rel-
12 evant elements or reasons affecting the credit
13 score for a consumer, listed in the order of their
14 importance, based on their respective effects on
15 the credit score.

16 “(2) DWELLING.—The term ‘dwelling’ has the
17 same meaning as in section 103 of the Truth in
18 Lending Act.

19 “(z) IDENTITY THEFT REPORT.—The term ‘identity
20 theft report’ means a report—

21 “(1) that alleges an identity theft;

22 “(2) that is filed by a consumer with an appro-
23 priate Federal, State, or local government agency,
24 including the United States Postal Inspection Serv-
25 ice and any law enforcement agency; and

1 “(3) the filing of which subjects the person fil-
2 ing the report to criminal penalties relating to the
3 filing of false information if, in fact, the information
4 in the report is false.”.

5 **SEC. 112. FRAUD ALERTS AND ACTIVE DUTY ALERTS.**

6 The Fair Credit Reporting Act (15 U.S.C. 1681 et
7 seq.) is amended by inserting after section 605 the fol-
8 lowing:

9 **“§ 605A. Identity theft prevention; fraud alerts and**
10 **active duty alerts**

11 “(a) ONE-CALL FRAUD ALERTS.—

12 “(1) INITIAL ALERTS.—Upon the request of a
13 consumer who asserts in good faith a suspicion that
14 the consumer has been or is about to become a vic-
15 tim of fraud or related crime, including identity
16 theft, a consumer reporting agency described in sec-
17 tion 603(p) that maintains a file on the consumer
18 and has received appropriate proof of the identity of
19 the requester shall—

20 “(A) include a fraud alert in the file of
21 that consumer for a period of not less than 90
22 days, beginning on the date of such request, un-
23 less the consumer requests that such fraud alert
24 be removed before the end of such period, and

1 the agency has received appropriate proof of the
2 identity of the requester for such purpose; and

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

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

12 “(A) disclose to the consumer that the con-
13 sumer may request a free copy of the file of the
14 consumer pursuant to section 612(d); and

15 “(B) provide to the consumer all disclo-
16 sures required to be made under section 609,
17 without charge to the consumer, not later than
18 3 business days after any request described in
19 subparagraph (A).

20 “(b) EXTENDED ALERTS.—

21 “(1) IN GENERAL.—Upon the request of a con-
22 sumer who submits an identity theft report to a con-
23 sumer reporting agency described in section 603(p)
24 that maintains a file on the consumer, if the agency

1 has received appropriate proof of the identity of the
2 requester, the agency shall—

3 “(A) include a fraud alert in the file of
4 that consumer during the 7-year period begin-
5 ning on the date of such request, unless the
6 consumer requests that such fraud alert be re-
7 moved before the end of such period and the
8 agency has received appropriate proof of the
9 identity of the requester for such purpose;

10 “(B) during the 7-year period beginning on
11 the date of such request, exclude the consumer
12 from any list of consumers prepared by the con-
13 sumer reporting agency and provided to any
14 third party to offer credit or insurance to the
15 consumer as part of a transaction that was not
16 initiated by the consumer, unless the consumer
17 requests that such exclusion be rescinded before
18 the end of such period; and

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

24 “(2) VERIFICATION OF IDENTITY THEFT
25 CLAIM.—For purposes of paragraph (1), a consumer

1 reporting agency shall accept as proof of a claim of
2 identity theft, in lieu of an identity theft report—

3 “(A) a properly completed copy of a stand-
4 arized affidavit of identity theft developed and
5 made available by the Federal Trade Commis-
6 sion; or

7 “(B) any affidavit of fact that is accept-
8 able to the consumer reporting agency for that
9 purpose.

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

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

20 “(B) provide to the consumer all disclo-
21 sures required to be made under section 609,
22 without charge to the consumer, not later than
23 3 business days after any request described in
24 subparagraph (A).

1 “(c) ACTIVE DUTY ALERTS.—Upon the request of an
2 active duty military consumer, a consumer reporting agen-
3 cy described in section 603(p) that maintains a file on the
4 active duty military consumer and has received appro-
5 priate proof of the identity of the requester shall—

6 “(1) include an active duty alert in the file of
7 that active duty military consumer during a period
8 of not less than 12 months, beginning on the date
9 of the request, unless the active duty military con-
10 sumer requests that such fraud alert be removed be-
11 fore the end of such period, and the agency has re-
12 ceived appropriate proof of the identity of the re-
13 quester for such purpose;

14 “(2) during the 12-month period beginning on
15 the date of such request, exclude the active duty
16 military consumer from any list of consumers pre-
17 pared by the consumer reporting agency and pro-
18 vided to any third party to offer credit or insurance
19 to the consumer as part of a transaction that was
20 not initiated by the consumer, unless the consumer
21 requests that such exclusion be rescinded before the
22 end of such period; and

23 “(3) refer the information regarding the active
24 duty alert to each of the other consumer reporting

1 agencies described in section 603(p), in accordance
2 with procedures developed under section 621(f).

3 “(d) PROCEDURES.—Each consumer reporting agen-
4 cy described in section 603(p) shall establish policies and
5 procedures to comply with this section, including proce-
6 dures that allow consumers and active duty military con-
7 sumers to request temporary, extended, or active duty
8 alerts (as applicable) in a simple and easy manner, includ-
9 ing by telephone.

10 “(e) REFERRALS OF FRAUD ALERTS.—Each con-
11 sumer reporting agency described in section 603(p) that
12 receives a referral of a fraud alert or active duty alert from
13 another consumer reporting agency pursuant to this sec-
14 tion shall, as though the agency received the request from
15 the consumer directly, follow the procedures required
16 under—

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

20 “(2) paragraphs (1)(A), (1)(B), and (3) of sub-
21 section (b), in the case of a referral under subsection
22 (b)(1)(C); and

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

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

5 “(g) DUTY OF OTHER CONSUMER REPORTING AGEN-
 6 CIES TO PROVIDE CONTACT INFORMATION.—If a con-
 7 sumer contacts any consumer reporting agency that is not
 8 described in section 603(p) to communicate a suspicion
 9 that the consumer has been or is about to become a victim
 10 of fraud or related crime, including identity theft, the
 11 agency shall provide information to the consumer on how
 12 to contact the Federal Trade Commission and the con-
 13 sumer reporting agencies described in section 603(p) to
 14 obtain more detailed information and request alerts under
 15 this section.”.

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

18 Section 605 of the Fair Credit Reporting Act (15
 19 U.S.C. 1681c) is amended by adding at the end the fol-
 20 lowing:

21 “(g) TRUNCATION OF CREDIT CARD AND DEBIT
 22 CARD NUMBERS.—

23 “(1) IN GENERAL.—Except as otherwise specifi-
 24 cally provided in this subsection, no person that ac-
 25 cepts credit cards or debit cards for the transaction

1 of business shall print more than the last 5 digits
2 of the card account number or the expiration date
3 upon any receipt provided to the cardholder at the
4 point of the sale or transaction.

5 “(2) LIMITATION.—This subsection applies only
6 to receipts that are electronically printed, and does
7 not apply to transactions in which the sole means of
8 recording a credit card or debit card account num-
9 ber is by handwriting or by an imprint or copy of
10 the card.

11 “(3) EFFECTIVE DATE.—This subsection shall
12 become effective—

13 “(A) 3 years after the date of enactment
14 of this subsection, with respect to any cash reg-
15 ister or other machine or device that electroni-
16 cally prints receipts for credit card or debit
17 card transactions that is in use before January
18 1, 2005; and

19 “(B) 1 year after the date of enactment of
20 this subsection, with respect to any cash reg-
21 ister or other machine or device that electroni-
22 cally prints receipts for credit card or debit
23 card transactions that is first put into use on
24 or after January 1, 2005.”.

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

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

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

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

8 “(e) RED FLAG GUIDELINES AND REGULATIONS RE-
9 QUIRED.—

10 “(1) GUIDELINES.—The Federal banking agen-
11 cies, the National Credit Union Administration, and
12 the Federal Trade Commission shall, with respect to
13 the entities that are subject to their respective en-
14 forcement authority under section 621, and in co-
15 ordination as described in paragraph (2)—

16 “(A) establish and maintain guidelines for
17 use by each financial institution and each other
18 person that is a creditor or other user of a con-
19 sumer report regarding identity theft with re-
20 spect to account holders at, or customers of,
21 such entities, and update such guidelines as
22 often as necessary;

23 “(B) prescribe regulations requiring each
24 financial institution and each other person that
25 is a creditor or other user of a consumer report
26 to establish reasonable policies and procedures

1 for implementing the guidelines established pur-
2 suant to paragraph (1), to identify possible
3 risks to account holders or to the safety and
4 soundness of the institution or customers; and

5 “(C) prescribe regulations requiring each
6 financial institution and each other person that
7 is a creditor or other user of a consumer report
8 to notify the Federal Trade Commission (and
9 any other agency or person that such rule-
10 making agency determines appropriate) in any
11 case in which there has been, or is reasonably
12 believed to have been unauthorized access to
13 computerized or physical records which com-
14 promises the security, confidentiality, or integ-
15 rity of consumer information maintained by or
16 on behalf of that entity, except that such regu-
17 lations shall not apply to a good faith acquisi-
18 tion of information by an employee or agent of
19 such entity for a business purpose of that enti-
20 ty, if the information is not subject to further
21 unauthorized access.

22 “(2) COORDINATION.—Each agency required to
23 prescribe regulations under paragraph (1) shall con-
24 sult and coordinate with each other such agency so
25 that, to the extent possible, the regulations pre-

1 scribed by each such entity are consistent and com-
2 parable with the regulations prescribed by each
3 other such agency.

4 “(3) CRITERIA.—In developing the guidelines
5 required by paragraph (1)(A), the agencies described
6 in paragraph (1) shall identify patterns, practices,
7 and specific forms of activity that indicate the pos-
8 sible existence of identity theft.

9 “(4) CONSISTENCY WITH VERIFICATION RE-
10 QUIREMENTS.—Policies and procedures established
11 pursuant to paragraph (1) shall not be inconsistent
12 with, or duplicative of, the policies and procedures
13 required under section 5318(l) of title 31, United
14 States Code.

15 “(f) INVESTIGATION OF CHANGES OF ADDRESS.—

16 “(1) IN GENERAL.—The Federal banking agen-
17 cies, the National Credit Union Administration, and
18 the Federal Trade Commission, in carrying out the
19 responsibilities of such agencies under subsection (e)
20 shall, with respect to the entities that are subject to
21 their respective enforcement authority under section
22 621, and in coordination as described in paragraph
23 (2), prescribe regulations applicable to card issuers
24 to ensure that, if any such card issuer receives a re-
25 quest for an additional or replacement card for an

1 existing account not later than 30 days after the
2 card issuer has received notification of a change of
3 address for the same account, the card issuer will
4 follow reasonable policies and procedures that pro-
5 hibit, as appropriate, the card issuer from issuing
6 the additional or replacement card, unless the card
7 issuer—

8 “(A) notifies the cardholder of the request
9 at the former address of the cardholder and
10 provides to the cardholder a means of promptly
11 reporting incorrect address changes;

12 “(B) notifies the cardholder of the request
13 by such other means of communication as the
14 cardholder and the card issuer previously
15 agreed to; or

16 “(C) uses other means of assessing the va-
17 lidity of the change of address, in accordance
18 with reasonable policies and procedures estab-
19 lished by the card issuer in accordance with the
20 regulations prescribed under subsection (e).

21 “(2) COORDINATION.—Each agency required to
22 prescribe regulations under paragraph (1) shall con-
23 sult and coordinate with each other such agency so
24 that, to the extent possible, the regulations pre-
25 scribed by each such entity are consistent and com-

1 parable with the regulations prescribed by each
2 other such agency.

3 “(3) DEFINITION OF CARD ISSUER.—For pur-
4 poses of this subsection, the term ‘card issuer’
5 means—

6 “(A) any person who issues a credit card,
7 or the agent of such person with respect to such
8 card; and

9 “(B) any person who issues a debit card.”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 subsection (a) shall take effect 1 year after the date of
12 enactment of this Act.

13 **SEC. 115. AMENDMENTS TO EXISTING IDENTITY THEFT**
14 **PROHIBITION.**

15 Section 1028 of title 18, United States Code, is
16 amended—

17 (1) in subsection (a)(7)—

18 (A) by striking “transfers” and inserting
19 “transfers, possesses,”; and

20 (B) by striking “abet,” and inserting
21 “abet, or in connection with,”;

22 (2) in subsection (b)(1)(D), by striking “trans-
23 fer” and inserting “transfer, possession,”; and

24 (3) in subsection (b)(2), by striking “three
25 years” and inserting “5 years”.

1 **SEC. 116. AUTHORITY TO TRUNCATE SOCIAL SECURITY**
 2 **NUMBERS.**

3 Section 609(a)(1) of the Fair Credit Reporting Act
 4 (15 U.S.C. 1681g(a)(1)) is amended by striking “except
 5 that nothing” and inserting the following: “except that—

6 “(A) if the consumer to whom the file re-
 7 lates requests that the first 5 digits of the so-
 8 cial security number (or similar identification
 9 number) of the consumer not be included in the
 10 disclosure and the consumer reporting agency
 11 has received appropriate proof of the identity of
 12 the requester, the consumer reporting agency
 13 shall so truncate such number in such disclo-
 14 sure; and

15 “(B) nothing”.

16 **Subtitle B—Protection and Res-**
 17 **toration of Identity Theft Victim**
 18 **Credit History**

19 **SEC. 151. SUMMARY OF RIGHTS OF IDENTITY THEFT VIC-**
 20 **TIMS.**

21 (a) IN GENERAL.—Section 609 of the Fair Credit
 22 Reporting Act (15 U.S.C. 1681g) is amended by adding
 23 at the end the following:

24 “(d) SUMMARY OF RIGHTS OF IDENTITY THEFT VIC-
 25 TIMS.—

1 “(1) IN GENERAL.—The Federal Trade Com-
2 mission, in consultation with the Federal banking
3 agencies and the National Credit Union Administra-
4 tion, shall prescribe the form and content of a sum-
5 mary of the rights of consumers under this title with
6 respect to the procedures for remedying the effects
7 of fraud or identity theft involving credit, electronic
8 fund transfers, or accounts or transactions at or
9 with a financial institution.

10 “(2) SUMMARY OF RIGHTS AND CONTACT IN-
11 FORMATION.—If any consumer contacts a consumer
12 reporting agency and expresses a belief that the con-
13 sumer is a victim of fraud or identity theft involving
14 credit, an electronic fund transfer, or an account or
15 transaction at or with a financial institution, the
16 consumer reporting agency shall, in addition to any
17 other action that the agency may take, provide the
18 consumer with the model summary of rights pre-
19 pared by the Federal Trade Commission under para-
20 graph (1) and information on how to contact the
21 Commission to obtain more detailed information.

22 “(e) INFORMATION AVAILABLE TO VICTIMS.—

23 “(1) IN GENERAL.—For the purpose of docu-
24 menting fraudulent transactions resulting from iden-
25 tity theft, not later than 20 days after the date of

1 receipt of a request from a victim in accordance with
2 paragraph (3), and subject to verification of the
3 identity of the victim and the claim of identity theft
4 in accordance with paragraph (2), a business entity
5 that has provided credit to, provided for consider-
6 ation products, goods, or services to, accepted pay-
7 ment from, or otherwise entered into a commercial
8 transaction for consideration with, a person who has
9 allegedly made unauthorized use of the means of
10 identification of the victim, shall provide a copy of
11 application and business transaction records in the
12 control of the business entity, whether maintained
13 by the business entity or by another person on be-
14 half of the business entity, evidencing any trans-
15 action alleged to be a result of identity theft to—

16 “(A) the victim;

17 “(B) any Federal, State, or local governing
18 law enforcement agency or officer specified by
19 the victim in such a request; or

20 “(C) any law enforcement agency inves-
21 tigating the identity theft and authorized by the
22 victim to take receipt of records provided under
23 this subsection.

24 “(2) VERIFICATION OF IDENTITY AND CLAIM.—

25 Before a business entity provides any information

1 under paragraph (1), unless the business entity, at
2 its discretion, is otherwise able to verify the identity
3 of the victim making a request under paragraph (1),
4 the victim shall provide to the business entity—

5 “(A) as proof of positive identification of
6 the victim, at the election of the business
7 entity—

8 “(i) the presentation of a government-
9 issued identification card;

10 “(ii) personally identifying informa-
11 tion of the same type as was provided to
12 the business entity by the unauthorized
13 person; or

14 “(iii) personally identifying informa-
15 tion that the business entity typically re-
16 quests from new applicants or for new
17 transactions, at the time of the victim’s re-
18 quest for information, including any docu-
19 mentation described in clauses (i) and (ii);
20 and

21 “(B) as proof of a claim of identity theft,
22 at the election of the business entity—

23 “(i) a copy of a police report evidenc-
24 ing the claim of the victim of identity
25 theft; and

1 “(ii) a properly completed—

2 “(I) copy of a standardized affi-
3 davit of identity theft developed and
4 made available by the Federal Trade
5 Commission; or

6 “(II) an affidavit of fact that is
7 acceptable to the business entity for
8 that purpose.

9 “(3) PROCEDURES.—The request of a victim
10 under paragraph (1) shall—

11 “(A) be in writing; and

12 “(B) be mailed to an address specified by
13 the business entity, if any.

14 “(4) NO CHARGE TO VICTIM.—Information re-
15 quired to be provided under paragraph (1) shall be
16 so provided without charge.

17 “(5) AUTHORITY TO DECLINE TO PROVIDE IN-
18 FORMATION.—A business entity may decline to pro-
19 vide information under paragraph (1) if, in the exer-
20 cise of good faith, the business entity determines
21 that—

22 “(A) this subsection does not require dis-
23 closure of the information;

24 “(B) the request for the information is
25 based on a misrepresentation of fact by the in-

1 dividual requesting the information relevant to
2 the request for information; or

3 “(C) the information requested is Internet
4 navigational data or similar information about
5 a person’s visit to a website or online service.

6 “(6) LIMITATION ON LIABILITY.—Except as
7 provided in section 621, sections 616 and 617 do not
8 apply to any violation of this subsection.

9 “(7) NO NEW RECORDKEEPING OBLIGATION.—
10 Nothing in this subsection creates an obligation on
11 the part of a business entity to obtain, retain, or
12 maintain information or records that are not other-
13 wise required to be obtained, retained, or maintained
14 in the ordinary course of its business or under other
15 applicable law.

16 “(8) RULE OF CONSTRUCTION.—

17 “(A) IN GENERAL.—No provision of Fed-
18 eral or State law (except a law involving the
19 nondisclosure of information related to a pend-
20 ing Federal criminal investigation) prohibiting
21 the disclosure of financial information by a
22 business entity to third parties shall be used to
23 deny disclosure of information to the victim
24 under this subsection.

1 “(B) LIMITATION.—Except as provided in
2 subparagraph (A), nothing in this subsection
3 permits a business entity to disclose informa-
4 tion, including information to law enforcement
5 under subparagraphs (B) and (C) of paragraph
6 (1), that the business entity is otherwise prohib-
7 ited from disclosing under any other applicable
8 provision of Federal or State law.

9 “(9) AFFIRMATIVE DEFENSE.—In any civil ac-
10 tion brought to enforce this subsection, it is an af-
11 firmative defense (which the defendant must estab-
12 lish by a preponderance of the evidence) for a busi-
13 ness entity to file an affidavit or answer stating
14 that—

15 “(A) the business entity has made a rea-
16 sonably diligent search of its available business
17 records; and

18 “(B) the records requested under this sub-
19 section do not exist or are not available.

20 “(10) DEFINITION OF VICTIM.—For purposes
21 of this subsection, the term ‘victim’ means a con-
22 sumer whose means of identification or financial in-
23 formation has been used or transferred (or has been
24 alleged to have been used or transferred) without the
25 authority of that consumer, with the intent to com-

1 mit, or to aid or abet, identity theft or any other vio-
2 lation of law.”.

3 (b) PUBLIC CAMPAIGN TO PREVENT IDENTITY
4 THEFT.—Not later than 2 years after the date of enact-
5 ment of this Act, the Federal Trade Commission shall es-
6 tablish and implement a media and distribution campaign
7 to teach the public how to prevent identity theft. Such
8 campaign shall include existing Federal Trade Commis-
9 sion education materials, as well as radio, television, and
10 print public service announcements, video cassettes, inter-
11 active digital video discs (DVD’s) or compact audio discs
12 (CD’s), and Internet resources.

13 (c) CONFORMING AMENDMENT.—Section 624(b)(3)
14 of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(3),
15 regarding relation to State laws) is amended by striking
16 “section 609(c)” and inserting “subsection (c) or (d) of
17 section 609”.

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

20 (a) IN GENERAL.—The Fair Credit Reporting Act
21 (15 U.S.C. 1681 et seq.) is amended by inserting after
22 section 605A, as added by this Act, the following:

1 **“§ 605B. Block of information resulting from identity**
2 **theft**

3 “(a) BLOCK.—Except as otherwise provided in this
4 section, a consumer reporting agency shall block the re-
5 porting of any information in the file of a consumer that
6 the consumer identifies as information that resulted from
7 an alleged identity theft, not later than 3 business days
8 after the date of receipt by such agency of—

9 “(1) appropriate proof of the identity of the
10 consumer;

11 “(2) a copy of an identity theft report; and

12 “(3) the identification of such information by
13 the consumer.

14 “(b) NOTIFICATION.—A consumer reporting agency
15 shall promptly notify the furnisher of information identi-
16 fied by the consumer under subsection (a)—

17 “(1) that the information may be a result of
18 identity theft;

19 “(2) that an identity theft report has been filed;

20 “(3) that a block has been requested under this
21 section; and

22 “(4) of the effective dates of the block.

23 “(c) AUTHORITY TO DECLINE OR RESCIND.—

24 “(1) IN GENERAL.—A consumer reporting
25 agency may decline to block, or may rescind any
26 block, of information relating to a consumer under

1 this section, if the consumer reporting agency rea-
2 sonably determines that—

3 “(A) the information was blocked in error
4 or a block was requested by the consumer in
5 error;

6 “(B) the information was blocked, or a
7 block was requested by the consumer, on the
8 basis of a material misrepresentation of fact
9 relevant to the request to block; or

10 “(C) the consumer obtained possession of
11 goods, services, or money as a result of the
12 blocked transaction or transactions.

13 “(2) NOTIFICATION TO CONSUMER.—If a block
14 of information is declined or rescinded under this
15 subsection, the affected consumer shall be notified
16 promptly, in the same manner as consumers are no-
17 tified of the reinsertion of information under section
18 611(a)(5)(B).

19 “(3) SIGNIFICANCE OF BLOCK.—For purposes
20 of this subsection, if a consumer reporting agency
21 rescinds a block, the presence of information in the
22 file of a consumer prior to the blocking of such in-
23 formation is not evidence of whether the consumer
24 knew or should have known that the consumer ob-

1 tained possession of any goods, services, or money as
2 a result of the block.

3 “(d) EXCEPTION FOR RESELLERS.—

4 “(1) NO RESELLER FILE.—This section shall
5 not apply to a consumer reporting agency, if the
6 consumer reporting agency—

7 “(A) is a reseller;

8 “(B) is not, at the time of the request of
9 the consumer under subsection (a), otherwise
10 furnishing or reselling a consumer report con-
11 cerning the information identified by the con-
12 sumer; and

13 “(C) informs the consumer, by any means,
14 that the consumer may report the identity theft
15 to the Federal Trade Commission to obtain con-
16 sumer information regarding identity theft.

17 “(2) RESELLER WITH FILE.—The sole obliga-
18 tion of the consumer reporting agency under this
19 section, with regard to any request of a consumer
20 under this section, shall be to block the consumer re-
21 port maintained by the consumer reporting agency
22 from any subsequent use, if—

23 “(A) the consumer, in accordance with the
24 provisions of subsection (a), identifies, to a con-
25 sumer reporting agency, information in the file

1 of the consumer that resulted from identity
2 theft; and

3 “(B) the consumer reporting agency is a
4 reseller of the identified information.

5 “(3) NOTICE.—In carrying out its obligation
6 under paragraph (2), the reseller shall promptly pro-
7 vide a notice to the consumer of the decision to
8 block the file. Such notice shall contain the name,
9 address, and telephone number of each consumer re-
10 porting agency from which the consumer information
11 was obtained for resale.

12 “(e) EXCEPTION FOR VERIFICATION COMPANIES.—
13 The provisions of this section do not apply to a check serv-
14 ices company, acting as such, which issues authorizations
15 for the purpose of approving or processing negotiable in-
16 struments, electronic fund transfers, or similar methods
17 of payments, except that, beginning 3 business days after
18 receipt of information described in paragraphs (1) through
19 (3) of subsection (a), a check services company shall not
20 report to a national consumer reporting agency described
21 in section 603(p), any information identified in the subject
22 identity theft report as resulting from identity theft.

23 “(f) ACCESS TO BLOCKED INFORMATION BY LAW
24 ENFORCEMENT AGENCIES.—No provision of this section
25 shall be construed as requiring a consumer reporting agen-

1 cy to prevent a Federal, State, or local law enforcement
 2 agency from accessing blocked information in a consumer
 3 file to which the agency could otherwise obtain access
 4 under this title.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
 6 for the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)
 7 is amended by inserting after the item relating to section
 8 605 the following new items:

“605A. Identity theft prevention; fraud alerts and active duty alerts.
 “605B. Block of information resulting from identity theft.”.

9 **SEC. 153. COORDINATION OF IDENTITY THEFT COMPLAINT**
 10 **INVESTIGATIONS.**

11 Section 621 of the Fair Credit Reporting Act (15
 12 U.S.C. 1681s) is amended by adding at the end the fol-
 13 lowing:

14 “(f) COORDINATION OF CONSUMER COMPLAINT IN-
 15 VESTIGATIONS.—

16 “(1) IN GENERAL.—Each consumer reporting
 17 agency described in section 603(p) shall develop and
 18 maintain procedures for the referral to each other
 19 such agency of any consumer complaint received by
 20 the agency alleging identity theft, or requesting a
 21 fraud alert under section 605A or a block under sec-
 22 tion 605B.

23 “(2) MODEL FORM AND PROCEDURE FOR RE-
 24 PORTING IDENTITY THEFT.—The Federal Trade

1 Commission, in consultation with the Federal bank-
2 ing agencies and the National Credit Union Admin-
3 istration, shall develop a model form and model pro-
4 cedures to be used by consumers who are victims of
5 identity theft for contacting and informing creditors
6 and consumer reporting agencies of the fraud.

7 “(3) ANNUAL SUMMARY REPORTS.—Each con-
8 sumer reporting agency described in section 603(p)
9 shall submit an annual summary report to the Fed-
10 eral Trade Commission on consumer complaints re-
11 ceived by the agency on identity theft or fraud
12 alerts.”.

13 **SEC. 154. PREVENTION OF REPOLLUTION OF CONSUMER**
14 **REPORTS.**

15 (a) PREVENTION OF REINSERTION OF ERRONEOUS
16 INFORMATION.—

17 (1) DUTIES OF FURNISHERS UPON NOTICE OF
18 IDENTITY THEFT-RELATED DISPUTES.—Section
19 623(b) of the Fair Credit Reporting Act (15 U.S.C.
20 1681s–2(b)) is amended—

21 (A) by redesignating paragraph (2) as
22 paragraph (3);

23 (B) by inserting after paragraph (1) the
24 following:

1 “(2) DUTIES OF FURNISHERS UPON NOTICE OF
2 IDENTITY THEFT-RELATED DISPUTES.—A person
3 that furnishes information to any consumer report-
4 ing agency shall—

5 “(A) have in place reasonable procedures
6 to respond to any notification that it receives
7 from a consumer reporting agency under sec-
8 tion 605B relating to information resulting
9 from identity theft, to prevent that person from
10 refurnishing such blocked information; and

11 “(B) take the actions described in subpara-
12 graphs (A) through (D) of paragraph (1), if
13 such person receives directly from a consumer,
14 an identity theft report or a properly completed
15 copy of a standardized affidavit of identity theft
16 developed and made available by the Federal
17 Trade Commission.”; and

18 (C) in paragraph (3), as redesignated, by
19 striking “paragraph (1)” and inserting “this
20 subsection”.

21 (2) CONFORMING AMENDMENTS RELATING TO
22 NOTICE OF IDENTITY THEFT DIRECTLY FROM CON-
23 SUMERS.—Section 623(b)(1) of the Fair Credit Re-
24 porting Act (15 U.S.C. 1681s-2(b)(1)) is
25 amended—

1 (A) in the matter preceding subparagraph
2 (A), by inserting “or as described in paragraph
3 (2)(B),” after “agency,”;

4 (B) subparagraph (B), by inserting before
5 the semicolon the following: “, and by the con-
6 sumer, and other documentation reasonably
7 available to the person that is necessary to con-
8 duct a reasonable investigation”; and

9 (C) in subparagraph (C), by inserting be-
10 fore the semicolon at the end the following: “,
11 and to the consumer, if notice of the dispute
12 was received directly from the consumer, as de-
13 scribed in paragraph (2)(B)”.

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

18 “(g) PROHIBITION ON SALE OR TRANSFER OF DEBT
19 CAUSED BY IDENTITY THEFT.—

20 “(1) IN GENERAL.—No person shall sell, trans-
21 fer for consideration, or place for collection a debt
22 that such person has been notified under section
23 605B has resulted from identity theft.

24 “(2) APPLICABILITY.—The prohibitions of this
25 subsection shall apply to all persons collecting a debt

1 described in paragraph (1) after the date of a notifi-
2 cation under paragraph (1).

3 “(3) RULE OF CONSTRUCTION.—Nothing in
4 this subsection shall be construed to prohibit—

5 “(A) the repurchase of a debt in any case
6 in which the assignee of the debt requires such
7 repurchase because the debt has resulted from
8 identity theft;

9 “(B) the securitization of a debt; or

10 “(C) the transfer of debt as a result of a
11 merger, acquisition, purchase and assumption
12 transaction, or transfer of substantially all of
13 the assets of an entity.”.

14 **SEC. 155. NOTICE BY DEBT COLLECTORS WITH RESPECT TO**
15 **FRAUDULENT INFORMATION.**

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

19 “(h) DEBT COLLECTOR COMMUNICATIONS CON-
20 CERNING IDENTITY THEFT.—If a person acting as a debt
21 collector (as that term is defined in title VIII) on behalf
22 of a third party that is a creditor or other user of a con-
23 sumer report is notified that any information relating to
24 a debt that the person is attempting to collect may be

1 fraudulent or may be the result of identity theft, that per-
2 son shall—

3 “(1) notify the third party that the information
4 may be fraudulent or may be the result of identity
5 theft; and

6 “(2) upon request of the consumer to whom the
7 debt purportedly relates, provide to the consumer all
8 information to which the consumer would otherwise
9 be entitled if the consumer were not a victim of
10 identity theft, but wished to dispute the debt under
11 provisions of law applicable to that person.”.

12 **SEC. 156. STATUTE OF LIMITATIONS.**

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

15 **“§ 618. Jurisdiction of courts; limitation of actions**

16 “An action to enforce any liability created under this
17 title may be brought in any appropriate United States dis-
18 trict court, without regard to the amount in controversy,
19 or in any other court of competent jurisdiction, not later
20 than the earlier of—

21 “(1) 2 years after the date of discovery by the
22 plaintiff of the violation that is the basis for such li-
23 ability; or

24 “(2) 5 years after the date on which the viola-
25 tion that is the basis for such liability occurs.”.

1 **TITLE II—IMPROVEMENTS IN**
2 **USE OF AND CONSUMER AC-**
3 **CESS TO CREDIT INFORMA-**
4 **TION**

5 **SEC. 211. FREE CREDIT REPORTS.**

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

8 (1) by redesignating subsection (a) as sub-
9 section (f), and transferring it to the end of the sec-
10 tion;

11 (2) by inserting before subsection (b) the fol-
12 lowing:

13 “(a) FREE ANNUAL DISCLOSURE.—

14 “(1) IN GENERAL.—A consumer reporting
15 agency described in section 603(p) shall make all
16 disclosures pursuant to section 609 once during any
17 12-month period upon request of the consumer and
18 without charge to the consumer, only if the request
19 is made by mail or through an Internet website
20 using the centralized system and the standardized
21 form established for such requests in accordance
22 with section 211(e) of the National Consumer Credit
23 Reporting System Improvement Act of 2003.

24 “(2) TIMING.—A consumer reporting agency
25 shall provide a consumer report under paragraph (1)

1 not later than 15 days after the date on which the
2 request is received under paragraph (1).

3 “(3) REINVESTIGATIONS.—Notwithstanding the
4 time periods specified in section 611(a)(1), a re-
5 investigation under that section by a consumer re-
6 porting agency upon a request of a consumer that
7 is made after receiving a consumer report under this
8 subsection shall be completed not later than 45 days
9 after the date on which the request is received.”;

10 (3) by redesignating subsection (d) as sub-
11 section (e);

12 (4) by inserting before subsection (e), as redesi-
13 gnated, the following:

14 “(d) FREE DISCLOSURES IN CONNECTION WITH
15 FRAUD ALERTS.—Upon the request of a consumer, a con-
16 sumer reporting agency described in section 603(p) shall
17 make all disclosures pursuant to section 609 without
18 charge to the consumer, as provided in subsections (a)(2)
19 and (b)(3) of section 605A, as applicable.”;

20 (5) in subsection (e), as redesignated, by strik-
21 ing “subsection (a)” and inserting “subsection (f)”;
22 and

23 (6) in subsection (f), as redesignated, by strik-
24 ing “Except as provided in subsections (b), (c), and
25 (d), a” and inserting “In the case of a request from

1 a consumer other than a request that is covered by
2 any of subsections (a) through (d), a”.

3 (b) SUMMARY OF RIGHTS TO OBTAIN AND DISPUTE
4 INFORMATION IN CONSUMER REPORTS AND TO OBTAIN
5 CREDIT SCORES.—Section 609(c) of the Fair Credit Re-
6 porting Act (15 U.S.C. 1681g) is amended to read as fol-
7 lows:

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

11 “(1) COMMISSION SUMMARY OF RIGHTS RE-
12 QUIRED.—

13 “(A) IN GENERAL.—The Federal Trade
14 Commission shall prepare a model summary of
15 the rights of consumers under this title.

16 “(B) CONTENT OF SUMMARY.—The sum-
17 mary of rights prepared under subparagraph
18 (A) shall include a description of—

19 “(i) the right of a consumer to obtain
20 a copy of a consumer report under sub-
21 section (a) from each consumer reporting
22 agency;

23 “(ii) the frequency and circumstances
24 under which a consumer is entitled to re-

1 ceive a consumer report without charge
2 under section 612;

3 “(iii) the right of a consumer to dis-
4 pute information in the file of the con-
5 sumer under section 611;

6 “(iv) the right of a consumer to ob-
7 tain a credit score from a consumer report-
8 ing agency, and a description of how to ob-
9 tain a credit score; and

10 “(v) the method by which a consumer
11 can contact, and obtain a consumer report
12 from, a consumer reporting agency without
13 charge, as provided in the regulations of
14 the Federal Trade Commission prescribed
15 under section 211(e) of the National Con-
16 sumer Credit Reporting System Improve-
17 ment Act of 2003.

18 “(C) AVAILABILITY OF SUMMARY OF
19 RIGHTS.—The Federal Trade Commission
20 shall—

21 “(i) actively publicize the availability
22 of the summary of rights prepared under
23 this paragraph;

1 “(ii) conspicuously post on its Inter-
2 net website the availability of such sum-
3 mary of rights; and

4 “(iii) promptly make such summary of
5 rights available to consumers, on request.

6 “(2) SUMMARY OF RIGHTS REQUIRED TO BE IN-
7 CLUDED WITH AGENCY DISCLOSURES.—A consumer
8 reporting agency shall provide to a consumer, with
9 each written disclosure by the agency to the con-
10 sumer under this section—

11 “(A) the summary of rights prepared by
12 the Federal Trade Commission under para-
13 graph (1);

14 “(B) in the case of a consumer reporting
15 agency described in section 603(p), a toll-free
16 telephone number established by the agency, at
17 which personnel are accessible to consumers
18 during normal business hours;

19 “(C) a list of all Federal agencies respon-
20 sible for enforcing any provision of this title,
21 and the address and any appropriate phone
22 number of each such agency, in a form that will
23 assist the consumer in selecting the appropriate
24 agency;

1 “(D) a statement that the consumer may
2 have additional rights under State law, and that
3 the consumer may wish to contact a State or
4 local consumer protection agency or a State at-
5 torney general (or the equivalent thereof) to
6 learn of those rights; and

7 “(E) a statement that a consumer report-
8 ing agency is not required to remove accurate
9 derogatory information from the file of a con-
10 sumer, unless the information is outdated under
11 section 605 or cannot be verified.”.

12 (c) RULEMAKING REQUIRED.—

13 (1) IN GENERAL.—The Federal Trade Commis-
14 sion shall prescribe regulations applicable to con-
15 sumer reporting agencies described in section 603(p)
16 of the Fair Credit Reporting Act to require the es-
17 tablishment of—

18 (A) a centralized source, through which
19 consumers may obtain a consumer report from
20 each consumer reporting agency described in
21 that section 603(p) using a single request and
22 without charge to the consumer, as provided in
23 section 612(a) of the Fair Credit Reporting Act
24 (as amended by this Act);

1 (B) a standardized form for a consumer to
2 make such a request for a consumer report by
3 mail or through an Internet website; and

4 (C) streamlined methods by which such a
5 consumer reporting agency shall provide such
6 consumer reports, after consideration of—

7 (i) the significant demands that may
8 be placed on consumer reporting agencies
9 in providing such consumer reports;

10 (ii) appropriate means to ensure that
11 consumer reporting agencies can satisfac-
12 torily meet those demands, including the
13 efficacy of a system of staggering the
14 availability to consumers of such consumer
15 reports using a quarterly method based on
16 the birth month of the consumer; and

17 (iii) the ease by which consumers
18 should be able to contact consumer report-
19 ing agencies with respect to access to such
20 consumer reports.

21 (2) TIMING.—Regulations required by this sub-
22 section shall—

23 (A) be issued in final form not later than
24 6 months after the date of enactment of this
25 Act; and

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

4 (d) EFFECTIVE DATE.—The amendments made by
5 subsections (a) and (b) shall become effective on the effec-
6 tive date of the regulations prescribed by the Federal
7 Trade Commission in accordance with subsection (c).

8 **SEC. 212. CREDIT SCORES.**

9 (a) DUTIES OF CONSUMER REPORTING AGENCIES
10 TO DISCLOSE CREDIT SCORES.—

11 (1) IN GENERAL.—Section 609(a) of the Fair
12 Credit Reporting Act (15 U.S.C. 1681g(a)) is
13 amended by adding at the end the following:

14 “(6) In connection with an application for an
15 extension of credit for a consumer purpose that is to
16 be secured by a dwelling—

17 “(A) the current, or most recent, credit
18 score of the consumer that was previously cal-
19 culated by the agency;

20 “(B) the range of possible credit scores
21 under the model used;

22 “(C) the key factors, if any, not to exceed
23 4, that adversely affected the credit score of the
24 consumer in the model used;

1 “(D) the date on which the credit score
2 was created; and

3 “(E) the name of the person or entity that
4 provided the credit score or the credit file on
5 the basis of which the credit score was cre-
6 ated.”.

7 (2) LIMITATIONS ON REQUIRED PROVISION OF
8 CREDIT SCORE.—Section 609 of the Fair Credit Re-
9 porting Act (15 U.S.C. 1681g), as amended by this
10 Act, is amended by adding at the end the following:

11 “(f) LIMITATIONS ON REQUIRED PROVISION OF
12 CREDIT SCORE.—

13 “(1) IN GENERAL.—Subsection (a)(6) may not
14 be construed—

15 “(A) to compel a consumer reporting agen-
16 cy to develop or disclose a credit score if the
17 agency does not, in the ordinary course of its
18 business—

19 “(i) distribute scores that are used in
20 connection with extensions of credit se-
21 cured by residential real property; or

22 “(ii) develop credit scores that assist
23 creditors in understanding the general
24 credit behavior of the consumer and pre-
25 dicting future credit behavior;

1 “(B) to require a consumer reporting
2 agency that distributes credit scores developed
3 by another person or entity to provide a further
4 explanation of those scores, or to process a dis-
5 pute arising pursuant to section 611(a), except
6 that the consumer reporting agency shall be re-
7 quired to provide to the consumer the name and
8 information for contacting the person or entity
9 that developed the score;

10 “(C) to require a consumer reporting agen-
11 cy to maintain credit scores in its files; or

12 “(D) to compel disclosure of a credit score,
13 except upon specific request of the consumer,
14 except that if a consumer requests the credit
15 file and not the credit score, then the consumer
16 shall be provided with the credit file and a
17 statement that the consumer may request and
18 obtain a credit score.

19 “(2) PROVISION OF SCORING MODEL.—In com-
20 plying with subsection (a)(6) and this subsection, a
21 consumer reporting agency shall supply to the
22 consumer—

23 “(A) a credit score that is derived from a
24 credit scoring model that is widely distributed
25 to users of credit scores by that consumer re-

1 porting agency in connection with any extension
2 of credit secured by a dwelling; or

3 “(B) a credit score that assists the con-
4 sumer in understanding the credit scoring as-
5 sessment of the credit behavior of the consumer
6 and predictions about future credit behavior.”.

7 (3) CONFORMING AMENDMENT.—Section
8 609(a)(1)(B) of the Fair Credit Reporting Act (15
9 U.S.C. 1681g(a)(1)(B)), as so designated by section
10 116, is amended by inserting before the period “,
11 other than as provided in paragraph (6)”.

12 (b) DUTIES OF USERS OF CREDIT SCORES.—

13 (1) IN GENERAL.—Section 615 of the Fair
14 Credit Reporting Act (15 U.S.C. 1681m), as amend-
15 ed by this Act, is amended by adding at the end the
16 following:

17 “(i) DUTIES OF USERS OF CREDIT SCORES.—

18 “(1) DISCLOSURES.—Any person that makes or
19 arranges extensions of credit for consumer purposes
20 that are to be secured by a dwelling and that uses
21 credit scores for that purpose, shall be required to
22 provide to the consumer to whom the credit score re-
23 lates, as soon as is reasonably practicable after such
24 use—

1 “(A) a copy of the information described in
2 section 609(a)(6) that was obtained from a con-
3 sumer reporting agency or that was developed
4 and used by that user of the credit score infor-
5 mation; or

6 “(B) if the user of the credit score infor-
7 mation obtained such information from a third
8 party that developed such information (other
9 than a consumer reporting agency or the user
10 itself), only—

11 “(i) a copy of the information de-
12 scribed in section 609(a)(6) provided to
13 the user by the person or entity that devel-
14 oped the credit score; and

15 “(ii) a notice that generally describes
16 credit scores, their use, and the sources
17 and kinds of data used to generate credit
18 scores.

19 “(2) RULE OF CONSTRUCTION.—This sub-
20 section may not be construed to require the user of
21 a credit score described in paragraph (1)—

22 “(A) to explain to the consumer the infor-
23 mation provided pursuant to section 609(a)(6),
24 unless that information was developed by the
25 user;

1 “(B) to disclose any information other
2 than a credit score or the key factors required
3 to be disclosed under section 609(a)(6)(C);

4 “(C) to disclose any credit score or related
5 information obtained by the user after a trans-
6 action occurs; or

7 “(D) to provide more than 1 disclosure
8 under this subsection to any 1 consumer per
9 credit transaction.

10 “(3) LIMITATION.—Except as otherwise pro-
11 vided in this subsection, the obligation of a user of
12 a credit score under this subsection shall be limited
13 solely to providing a copy of the information that
14 was received from the consumer reporting agency or
15 other person. A user of a credit score has no liability
16 under this subsection for the content of credit score
17 information received from a consumer reporting
18 agency or for the omission of any information within
19 the report provided by the consumer reporting agen-
20 cy.”.

21 “(2) CONFORMING AMENDMENT.—Section 615
22 of the Fair Credit Reporting Act (15 U.S.C. 1681m)
23 is amended in the section heading, by adding at the
24 end the following: “**and credit scores**”.

1 (c) CONTRACTUAL LIABILITY.—Section 616 of the
2 Fair Credit Reporting Act (15 U.S.C. 1681n) is amended
3 by adding at the end the following:

4 “(d) USE OF CREDIT SCORES.—Any provision of any
5 contract that prohibits the disclosure of a credit score by
6 a consumer reporting agency or a person who makes or
7 arranges extensions of credit to the consumer to whom
8 the credit score relates is void. A user of a credit score
9 shall not have liability under any such contractual provi-
10 sion for disclosure of a credit score.”.

11 (d) RELATION TO STATE LAWS.—Section 624(b)(1)
12 of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1),
13 regarding relation to State laws) is amended—

14 (1) in subparagraph (E), by striking “or” at
15 the end; and

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

17 “(G) subsections (a)(6) and (f) of section
18 609, relating to the disclosure of credit scores
19 by consumer reporting agencies in connection
20 with an application for an extension of credit
21 that is to be secured by a dwelling;

22 “(H) section 615(i), relating to the duties
23 of users of credit scores to disclose credit score
24 information to consumers in connection with an

1 application for an extension of credit that is to
2 be secured by a dwelling; or”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall become effective 180 days after the date
5 of enactment of this Act.

6 **SEC. 213. ENHANCED DISCLOSURE OF THE MEANS AVAIL-**
7 **ABLE TO OPT OUT OF PRESCREENED LISTS.**

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

12 “(2) DISCLOSURE OF ADDRESS AND TELE-
13 PHONE NUMBER; FORMAT.—A statement under
14 paragraph (1) shall—

15 “(A) include the address and toll-free tele-
16 phone number of the appropriate notification
17 system established under section 604(e); and

18 “(B) be presented in such format and in
19 such type size and manner as is established by
20 the Federal Trade Commission, by rule, in con-
21 sultation with the Federal banking agencies and
22 the National Credit Union Administration.”.

23 (b) RULEMAKING SCHEDULE.—Regulations required
24 by section 615(d)(2) of the Fair Credit Reporting Act, as

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

3 (c) DURATION OF ELECTIONS.—Section 604(e) of
4 the Fair Credit Reporting Act (15 U.S.C. 1681b(e)) is
5 amended in each of paragraphs (3)(A) and (4)(B)(i), by
6 striking “2-year period” each place that term appears and
7 inserting “7-year period”.

8 (d) PUBLIC AWARENESS CAMPAIGN.—The Federal
9 Trade Commission shall actively publicize and conspicu-
10 ously post on its website any address and the toll-free tele-
11 phone number established as part of a notification system
12 for opting out of prescreening under section 604(e), and
13 otherwise take measures to increase public awareness re-
14 garding the availability of the right to opt out of
15 prescreening.

16 **SEC. 214. AFFILIATE SHARING.**

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

19 (1) by redesignating section 624 (regarding re-
20 lation to State laws), as so designated by section
21 2413(b) of the Consumer Credit Reporting Reform
22 Act of 1996 (110 Stat. 3009–447), as section 625;

23 (2) by redesignating section 624 (regarding dis-
24 closures to FBI for counterintelligence purposes), as
25 added by section 601(a) of the Intelligence Author-

1 ization Act for Fiscal Year 1996 (Public Law 104–
2 93; 109 Stat. 974) (15 U.S.C. 1681u)), as section
3 626; and

4 (3) by inserting after section 623 the following:

5 **“SEC. 624. AFFILIATE SHARING.**

6 “(a) SPECIAL RULE FOR SOLICITATION FOR PUR-
7 POSES OF MARKETING.—

8 “(1) NOTICE.—Any person that receives from
9 another person related to it by common ownership or
10 affiliated by corporate control a communication of
11 information that would be a consumer report, except
12 for clauses (i) through (iii) of section 603(d)(2)(A),
13 may not use the information to make a solicitation
14 for marketing purposes to a consumer about its
15 products or services, unless—

16 “(A) it is clearly and conspicuously dis-
17 closed to the consumer that the information
18 may be communicated among such persons for
19 purposes of making such solicitations to the
20 consumer; and

21 “(B) the consumer is provided an oppor-
22 tunity and a simple method to prohibit the
23 making of such solicitations to the consumer by
24 such person.

25 “(2) CONSUMER CHOICE.—

1 “(A) IN GENERAL.—The notice required
2 under paragraph (1) shall allow the consumer
3 the opportunity to prohibit all such solicita-
4 tions, and may allow the consumer to choose
5 from different options when electing to prohibit
6 the sending of such solicitations, including op-
7 tions regarding the types of entities and infor-
8 mation covered, and which methods of deliv-
9 ering solicitations the consumer elects to pro-
10 hibit.

11 “(B) FORMAT.—Notwithstanding subpara-
12 graph (A), the notice required under paragraph
13 (1) must be clear, conspicuous, and concise, and
14 any method provided under paragraph (1)(B)
15 must be simple. The regulations prescribed to
16 implement this section shall provide specific
17 guidance regarding how to comply with such
18 standards.

19 “(3) DURATION.—The election of a consumer
20 pursuant to paragraph (1)(B) to prohibit the send-
21 ing of solicitations shall be effective permanently, be-
22 ginning on the date on which the person receives the
23 election of the consumer, unless the consumer re-
24 quests that such election be revoked.

1 “(4) DEFINITION.—For purposes of this sec-
2 tion, the term ‘pre-existing business relationship’
3 means a relationship between a person and a con-
4 sumer, based on—

5 “(A) the purchase, rental, or lease by the
6 consumer of that person’s goods or services, or
7 a financial transaction between the consumer
8 and that person during the 18-month period
9 immediately preceding the date on which the
10 consumer receives the notice required under
11 this section; or

12 “(B) an inquiry or application by the con-
13 sumer regarding a product or service offered by
14 that person, during the 3-month period imme-
15 diately preceding the date on which the con-
16 sumer receives the notice required under this
17 section.

18 “(5) SCOPE.—This section shall not apply to a
19 person—

20 “(A) using information to make a sollicita-
21 tion for marketing purposes to a consumer with
22 whom the person has a pre-existing business re-
23 lationship;

24 “(B) using information to perform services
25 on behalf of another person related by common

1 ownership or affiliated by corporate control, ex-
2 cept that this subparagraph shall not permit a
3 person to send solicitations on behalf of another
4 person if such other person would not be per-
5 mitted to send the solicitation on its own behalf
6 as a result of the election of the consumer to
7 prohibit solicitations under paragraph (1)(B);

8 “(C) using information in direct response
9 to a communication initiated by the consumer
10 in which the consumer has requested informa-
11 tion about a product or service; or

12 “(D) using information to directly respond
13 to solicitations authorized or requested by the
14 consumer.

15 “(b) NOTICE FOR OTHER PURPOSES PERMISS-
16 SIBLE.—A notice or other disclosure that is equivalent to
17 the notice required by subsection (a), and that is provided
18 by a person described in subsection (a) to a consumer to-
19 gether with disclosures required by any other provision of
20 law shall satisfy the requirements of subsection (a).”.

21 (b) RULEMAKING REQUIRED.—

22 (1) IN GENERAL.—The Federal banking agen-
23 cies, the National Credit Union Administration, and
24 the Federal Trade Commission shall, with respect to
25 the entities that are subject to their respective en-

1 enforcement authority under section 621 of the Fair
2 Credit Reporting Act, and in coordination as de-
3 scribed in paragraph (2), prescribe regulations to
4 implement section 624 of the Fair Credit Reporting
5 Act, as added by this section.

6 (2) COORDINATION.—Each agency required to
7 prescribe regulations under paragraph (1) shall con-
8 sult and coordinate with each other such agency so
9 that, to the extent possible, the regulations pre-
10 scribed by each such entity are consistent and com-
11 parable with the regulations prescribed by each
12 other such agency.

13 (3) CONSIDERATIONS.—In promulgating regu-
14 lations under this subsection, the Federal Trade
15 Commission shall—

16 (A) ensure that affiliate sharing notifica-
17 tion methods provide a simple means for con-
18 sumers to make determinations and choices
19 under section 624 of the Fair Credit Reporting
20 Act, as added by this section; and

21 (B) consider the affiliate sharing notifica-
22 tion practices employed on the date of enact-
23 ment of this Act by persons that will be subject
24 to that section 624.

1 (4) TIMING.—Regulations required by this sub-
2 section shall—

3 (A) be issued in final form not later than
4 6 months after the date of enactment of this
5 Act; and

6 (B) become effective not later than 3
7 months after the date on which they are issued
8 in final form.

9 (c) CONFORMING AMENDMENT.—Section
10 603(d)(2)(A) of the Fair Credit Reporting Act (15 U.S.C.
11 1681a(d)(2)(A)) is amended by inserting “subject to sec-
12 tion 624,” after “(A)”.

13 (d) CLERICAL AMENDMENT.—The Fair Credit Re-
14 porting Act (15 U.S.C. 1681 et seq.) is amended in the
15 table of sections, by striking the items following the item
16 relating to section 623 and inserting the following:

“624. Affiliate sharing.

“625. Relation to State laws.

“626. Disclosures to FBI for counterintelligence purposes.”.

17 (e) STUDIES OF INFORMATION SHARING PRAC-
18 TICES.—

19 (1) IN GENERAL.—The Federal banking agen-
20 cies, the National Credit Union Administration, and
21 the Federal Trade Commission shall jointly conduct
22 regular studies of the consumer information sharing
23 practices by financial institutions and other persons

1 that are creditors or users of consumer reports with
2 their affiliates.

3 (2) MATTERS FOR STUDY.—In conducting the
4 studies required by paragraph (1), the agencies de-
5 scribed in paragraph (1) shall—

6 (A) identify—

7 (i) the purposes for which financial in-
8 stitutions and other creditors and users of
9 consumer reports share consumer informa-
10 tion;

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

13 (iii) the number of choices provided to
14 consumers with respect to the control of
15 such sharing, and the degree to and man-
16 ner in which consumers exercise such
17 choices, if at all; and

18 (iv) whether such entities share or
19 may share personally identifiable trans-
20 action or experience information with affili-
21 ates for purposes—

22 (I) that are related to employ-
23 ment or hiring, including whether the
24 person that is the subject of such in-
25 formation is given notice of such shar-

1 ing, and the specific uses of such
2 shared information; or

3 (II) of general publication of
4 such information; and

5 (B) specifically examine the information
6 sharing practices that financial institutions and
7 other creditors and users of consumer reports
8 and their affiliates employ for the purpose of
9 making underwriting decisions or credit evalua-
10 tions of consumers.

11 (3) REPORTS.—

12 (A) INITIAL REPORT.—Not later than 3
13 years after the date of enactment of this Act,
14 the Federal banking agencies, the National
15 Credit Union Administration, and the Federal
16 Trade Commission shall jointly submit a report
17 to the Congress on the results of the initial
18 study conducted in accordance with this sub-
19 section, together with any recommendations for
20 legislative or regulatory action.

21 (B) FOLLOWUP REPORTS.—The Federal
22 banking agencies, the National Credit Union
23 Administration, and the Federal Trade Com-
24 mission shall, not less frequently than once
25 every 3 years following the date of submission

1 of the initial report under subparagraph (A),
2 jointly submit a report to the Congress that, to-
3 gether with any recommendations for legislative
4 or regulatory action—

5 (i) documents any changes in the
6 areas of study referred to in paragraph
7 (2)(A) occurring since the date of submis-
8 sion of the previous report;

9 (ii) identifies any changes in the prac-
10 tices of financial institutions and other
11 creditors and users of consumer reports in
12 sharing consumer information with their
13 affiliates for the purpose of making under-
14 writing decisions or credit evaluations of
15 consumers occurring since the date of sub-
16 mission of the previous report; and

17 (iii) examines the effects that changes
18 described in clause (ii) have had, if any, on
19 the degree to which such affiliate sharing
20 practices reduce the need for financial in-
21 stitutions, creditors, and other users of
22 consumer reports to rely on credit reports
23 for such decisions.

24 (f) DEFINITIONS.—As used in this section—

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

6 (2) the term “affiliates” means persons that are
7 related by common ownership or affiliated by cor-
8 porate control.

9 **SEC. 215. STUDY OF EFFECTS OF CREDIT SCORES AND**
10 **CREDIT-BASED INSURANCE SCORES ON**
11 **AVAILABILITY AND AFFORDABILITY OF FI-**
12 **NANCIAL PRODUCTS.**

13 (a) **DEFINED TERM.**—As used in this section, the
14 term “credit score” means a numerical value or a cat-
15 egorization derived from a statistical tool or modeling sys-
16 tem used to predict the likelihood of certain credit or in-
17 surance behaviors, including default.

18 (b) **STUDY REQUIRED.**—The Federal Trade Commis-
19 sion shall conduct a study of—

20 (1) the effects of the use of credit scores and
21 credit-based insurance scores on the availability and
22 affordability of financial products and services, in-
23 cluding credit cards, mortgages, auto loans, and
24 property and casualty insurance;

1 (2) the degree of correlation between the factors
2 considered by credit score systems and the quantifi-
3 able risks and actual losses experienced by busi-
4 nesses, including the extent to which each of the fac-
5 tors considered or otherwise taken into account by
6 such systems correlated to risk or loss;

7 (3) the extent to which the use of credit scoring
8 models, credit scores and credit-based insurance
9 scores benefit or negatively impact persons based on
10 geography, income, ethnicity, race, color, religion,
11 national origin, age, sex, marital status, or creed;
12 and

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

17 (c) PUBLIC PARTICIPATION.—The Federal Trade
18 Commission shall seek public input about the prescribed
19 methodology and research design of the study required by
20 subsection (b).

21 (d) REPORT.—

22 (1) IN GENERAL.—Before the end of the 18-
23 month period beginning on the date of enactment of
24 this Act, the Federal Trade Commission shall sub-
25 mit a detailed report on the study conducted under

1 this section to the Committee on Financial Services
2 of the House of Representatives and the Committee
3 on Banking, Housing, and Urban Affairs of the Sen-
4 ate.

5 (2) CONTENTS.—The report submitted under
6 paragraph (1) shall include—

7 (A) the findings and conclusions of the
8 Commission;

9 (B) recommendations to address specific
10 areas of concern that were identified in the
11 study; and

12 (C) recommendations for legislative or ad-
13 ministrative action that the Commission may
14 determine to be necessary to ensure that credit
15 and credit-based insurances score are used ap-
16 propriately and fairly.

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

19 (a) IN GENERAL.—The Fair Credit Reporting Act
20 (15 U.S.C. 1681m) is amended by adding at the end the
21 following:

22 **“§ 627. Disposal of records**

23 **“(a) REGULATIONS.—**

24 **“(1) IN GENERAL.—**Not later than 1 year after
25 the date of enactment of this section, the Federal

1 Trade Commission shall issue final regulations re-
2 quiring any person that maintains or otherwise pos-
3 sesses consumer information or any compilation of
4 consumer information derived from consumer re-
5 ports for a business purpose to properly dispose of
6 any such information or compilation.

7 “(2) EXEMPTION AUTHORITY.—In issuing regu-
8 lations under this section, the Federal Trade Com-
9 mission may exempt any person or class of persons
10 from application of those regulations, as the Com-
11 mission deems appropriate to carry out the purpose
12 of this section.

13 “(b) RULE OF CONSTRUCTION.—Nothing in this sec-
14 tion may be construed to alter or affect any requirement
15 imposed under any other provision of law to maintain any
16 record.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for the Fair Credit Reporting Act (15 U.S.C. 1681 et
19 seq.), as amended by this Act, is amended by adding at
20 the end the following:

“627. Disposal of records.”.

1 **TITLE III—ENHANCING THE AC-**
2 **CURACY OF CONSUMER RE-**
3 **PORT INFORMATION**

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

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

8 “(j) DUTIES OF USERS IN CERTAIN CREDIT TRANS-
9 ACTIONS.—

10 “(1) IN GENERAL.—Subject to rules prescribed
11 as provided in paragraph (5), if any person uses a
12 consumer report in connection with a grant, exten-
13 sion, or other provision of credit on material terms
14 that are materially less favorable than the most fa-
15 vorable terms available to a substantial proportion of
16 consumers from or through that person, based in
17 whole or in part on a consumer report, the person
18 shall provide a notice to the consumer in the form
19 and manner required by regulations prescribed in
20 accordance with this subsection.

21 “(2) EXCEPTIONS.—No notice shall be required
22 from a person under this subsection if—

23 “(A) the consumer applied for specific ma-
24 terial terms and was granted those terms, un-
25 less those terms were initially specified by the

1 person after the transaction was initiated by
2 the consumer and after the person obtained a
3 consumer report; or

4 “(B) the person has provided or will pro-
5 vide a notice to the consumer under subsection
6 (a) in connection with the transaction.

7 “(3) OTHER NOTICE NOT SUFFICIENT.—A per-
8 son that is required to provide a notice under sub-
9 section (a) cannot meet that requirement by pro-
10 viding a notice under this subsection.

11 “(4) CONTENT AND DELIVERY OF NOTICE.—A
12 notice under this subsection shall include, at a
13 minimum—

14 “(A) a statement informing the consumer
15 that the terms offered to the consumer were set
16 based on information from a consumer report;

17 “(B) identification of the consumer report-
18 ing agency that furnished that report;

19 “(C) a statement informing the consumer
20 that the consumer may obtain a copy of a con-
21 sumer report from that consumer reporting
22 agency without charge; and

23 “(D) the contact information specified by
24 that consumer reporting agency for obtaining
25 such consumer reports (including a toll-free

1 telephone number established by the agency in
2 the case of a consumer reporting agency de-
3 scribed in section 603(p)).

4 “(5) RULEMAKING.—

5 “(A) RULES REQUIRED.—The Federal
6 Trade Commission and the Board of Governors
7 of the Federal Reserve System shall jointly pre-
8 scribe rules, in accordance with section 553 of
9 title 5, United States Code, to carry out this
10 subsection.

11 “(B) CONTENT.—Rules required by sub-
12 paragraph (A) shall address, but are not limited
13 to—

14 “(i) the form, content, time, and man-
15 ner of delivery of any notice under this
16 subsection;

17 “(ii) clarification of the meaning of
18 terms used in this subsection, including
19 what credit terms are material, and when
20 credit terms are materially less favorable;

21 “(iii) exceptions to the notice require-
22 ment under this subsection for classes of
23 persons or transactions regarding which
24 the agencies determine that notice would
25 not significantly benefit consumers; and

1 “(iv) a model notice that may be used
2 to comply with this subsection.”.

3 (b) **RELATION TO STATE LAWS.**—Section 625(b)(1)
4 of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1),
5 regarding relation to State laws), as so designated and
6 amended by this Act, is amended by adding at the end
7 the following:

8 “(I) section 615(j), relating to the duties
9 of users of consumer reports to provide notice
10 with respect to terms in certain credit trans-
11 actions;”.

12 **SEC. 312. PROCEDURES TO ENHANCE THE ACCURACY AND**
13 **COMPLETENESS OF INFORMATION FUR-**
14 **NISHED TO CONSUMER REPORTING AGEN-**
15 **CIES.**

16 (a) **ACCURACY GUIDELINES AND REGULATIONS.**—
17 Section 623 of the Fair Credit Reporting Act (15 U.S.C.
18 15 U.S.C. 1681s–2) is amended by adding at the end the
19 following:

20 “(e) **ACCURACY GUIDELINES AND REGULATIONS RE-**
21 **QUIRED.**—

22 “(1) **GUIDELINES.**—The Federal banking agen-
23 cies, the National Credit Union Administration, and
24 the Federal Trade Commission shall, with respect to
25 the entities that are subject to their respective en-

1 enforcement authority under section 621, and in co-
2 ordination as described in paragraph (2)—

3 “(A) establish and maintain guidelines for
4 use by each person that furnishes information
5 to a consumer reporting agency regarding the
6 accuracy and completeness of the information
7 relating to consumers that such entities furnish
8 to consumer reporting agencies, and update
9 such guidelines as often as necessary; and

10 “(B) prescribe regulations requiring each
11 person that furnishes information to a con-
12 sumer reporting agency to establish reasonable
13 policies and procedures for implementing the
14 guidelines established pursuant to subpara-
15 graph (A).

16 “(2) COORDINATION.—Each agency required to
17 prescribe regulations under paragraph (1) shall con-
18 sult and coordinate with each other such agency so
19 that, to the extent possible, the regulations pre-
20 scribed by each such entity are consistent and com-
21 parable with the regulations prescribed by each
22 other such agency.

23 “(3) CRITERIA.—In developing the guidelines
24 required by paragraph (1)(A), the agencies described
25 in paragraph (1) shall—

1 “(A) identify patterns, practices, and spe-
2 cific forms of activity that can compromise the
3 accuracy and completeness of information fur-
4 nished to consumer reporting agencies;

5 “(B) review the methods (including techno-
6 logical means) used to furnish information re-
7 lating to consumers to consumer reporting
8 agencies;

9 “(C) determine whether persons that fur-
10 nish information to consumer reporting agen-
11 cies maintain and enforce policies to provide
12 complete and accurate information to consumer
13 reporting agencies; and

14 “(D) examine the policies and processes
15 that persons that furnish information to con-
16 sumer reporting agencies employ to conduct re-
17 investigations and correct inaccurate informa-
18 tion relating to consumers that has been fur-
19 nished to consumer reporting agencies.”.

20 (b) FURNISHER LIABILITY EXCEPTION.—Section
21 623(a)(5) of the Fair Credit Reporting Act (15 U.S.C.
22 1681s–2(a)(5)) is amended—

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

25 “(A) IN GENERAL.—A person”;

1 (2) by inserting “date of delinquency on the ac-
2 count, which shall be the” before “month”;

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

5 (4) by adding at the end the following:

6 “(B) RULE OF CONSTRUCTION.—For pur-
7 poses of this paragraph only, and provided that
8 the consumer does not dispute the information,
9 a person that furnishes information on a delin-
10 quent account that is placed for collection,
11 charged for profit or loss, or subjected to any
12 similar action, complies with this paragraph,
13 if—

14 “(i) the person reports the same date
15 of delinquency as that provided by the
16 creditor to which the account was owed at
17 the time at which the commencement of
18 the delinquency occurred, if the creditor
19 previously reported that date of delin-
20 quency to a consumer reporting agency;

21 “(ii) the creditor did not previously
22 report the date of delinquency to a con-
23 sumer reporting agency, and the person es-
24 tablishes and follows reasonable procedures
25 to obtain the date of delinquency from the

1 creditor or another reliable source and re-
2 ports that date as the date of delinquency;
3 or

4 “(iii) the creditor did not previously
5 report the date of delinquency to a con-
6 sumer reporting agency and the date of de-
7 linquency cannot be reasonably obtained as
8 provided in clause (ii), the person estab-
9 lishes and follows reasonable procedures to
10 ensure the date reported as the date of de-
11 linquency precedes the date on which the
12 account is placed for collection, charged to
13 profit or loss, or subjected to any similar
14 action, and reports such date to the credit
15 reporting agency.”.

16 (c) LIABILITY AND ENFORCEMENT.—

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

21 “(c) LIMITATION ON LIABILITY.—Except as provided
22 in section 621(c)(1)(B), sections 616 and 617 do not apply
23 to any violation of—

24 “(1) subsection (a) of this section;

1 “(2) subsection (e) of this section, except that
2 nothing in this paragraph shall limit, expand, or oth-
3 erwise affect liability under section 616 or 617, as
4 applicable, for violations of subsection (b) of this
5 section;

6 “(3) subsection (e) or (f) of section 615; or

7 “(4) subparagraph (A) of subsection (b)(2) of
8 this section that is based on the development of pro-
9 cedures required by that subparagraph, except that
10 refurnishing information otherwise in violation of
11 subsection (b) shall be subject to liability under sec-
12 tions 616 and 617, as applicable, to the same extent
13 as such a refurnishing violation was subject to such
14 liability on the day before the date of enactment of
15 the National Consumer Credit Reporting System
16 Improvement Act of 2003.

17 “(d) LIMITATION ON ENFORCEMENT.—The provi-
18 sions of law described in paragraphs (1) through (4) of
19 subsection (c) (other than with respect to the exceptions
20 described in paragraphs (2) and (4) of subsection (e))
21 shall be enforced exclusively as provided under section 621
22 by the Federal agencies and officials and the State offi-
23 cials identified in section 621.”.

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

4 (A) in paragraph (1)(B)(ii), by striking “of
5 section 623(a)” and inserting “described in any
6 of paragraphs (1) through (4) of section 623(c)
7 (other than with respect to the exception de-
8 scribed in paragraph (4) of section 623(c))”;
9 and

10 (B) in paragraph (5)—

11 (i) in each of subparagraphs (A) and
12 (B), by inserting after “section 623(a)(1)”
13 each place that term appears the following:
14 “or a violation described in any of para-
15 graphs (2) through (4) of section 623(c)
16 (other than with respect to the exception
17 described in paragraph (4) of section
18 623(c))”; and

19 (ii) by amending the paragraph head-
20 ing to read as follows:

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

23 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
24 tion, the amendments made by this section, or any other
25 provision of this Act shall be construed to affect any liabil-

1 ity under section 616 or 617 of the Fair Credit Reporting
2 Act (15 U.S.C. 1681n, 1681o) that existed on the day be-
3 fore the date of enactment of this Act.

4 **SEC. 313. FEDERAL TRADE COMMISSION AND CONSUMER**
5 **REPORTING AGENCY ACTION CONCERNING**
6 **COMPLAINTS.**

7 Section 611 of the Fair Credit Reporting Act (15
8 U.S.C. 1681i) is amended by adding at the end the fol-
9 lowing:

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

12 “(1) IN GENERAL.—The Federal Trade Com-
13 mission shall—

14 “(A) compile all complaints that it receives
15 that a file of a consumer that is maintained by
16 a consumer reporting agency described in sec-
17 tion 603(p) contains incomplete or inaccurate
18 information, with respect to which, the con-
19 sumer appears to have disputed the complete-
20 ness or accuracy with the consumer reporting
21 agency or otherwise utilized the procedures pro-
22 vided by subsection (a); and

23 “(B) transmit each such complaint to each
24 consumer reporting agency involved.

1 “(2) EXCLUSION.—Complaints received or ob-
2 tained by the Federal Trade Commission pursuant
3 to its investigative authority under the Federal
4 Trade Commission Act shall not be subject to this
5 paragraph (1).

6 “(3) AGENCY RESPONSIBILITIES.—Each con-
7 sumer reporting agency described in section 603(p)
8 that receives a complaint transmitted by the Federal
9 Trade Commission pursuant to paragraph (1)
10 shall—

11 “(A) review each such complaint to deter-
12 mine whether all legal obligations imposed on
13 the consumer reporting agency under this title
14 (including any obligation imposed by an appli-
15 cable court or administrative order) have been
16 met with respect to the subject matter of the
17 complaint;

18 “(B) provide reports on a regular basis to
19 the Commission regarding the determinations of
20 and actions taken by the consumer reporting
21 agency, if any, in connection with its review of
22 such complaints; and

23 “(C) maintain, for a reasonable time pe-
24 riod, records regarding the disposition of each

1 such complaint that is sufficient to demonstrate
2 compliance with this subsection.

3 “(4) RULEMAKING AUTHORITY.—The Federal
4 Trade Commission may prescribe regulations in ac-
5 cordance with the requirements of section 553 of
6 title 5, United States Code, as appropriate to imple-
7 ment this subsection.

8 “(5) ANNUAL REPORT.—The Federal Trade
9 Commission shall submit to the Committee on Bank-
10 ing, Housing, and Urban Affairs of the Senate and
11 the Committee on Financial Services of the House of
12 Representatives an annual report regarding informa-
13 tion gathered by the Commission under this sub-
14 section.”.

15 **SEC. 314. ONGOING AUDITS OF THE ACCURACY OF CON-**
16 **SUMER REPORTS.**

17 (a) AUDITS REQUIRED.—The Board of Governors of
18 the Federal Reserve System (in this section referred to
19 as “the Board”) shall conduct ongoing audits of the accu-
20 racy and completeness of information contained in con-
21 sumer reports prepared or maintained by consumer re-
22 porting agencies. The Board shall independently verify the
23 accuracy and completeness of information contained in
24 consumer reports by evaluating information and data pro-

1 vided by consumer reporting agencies (as defined in sec-
2 tion 603 of the Fair Credit Reporting Act).

3 (b) SUBJECT MATTERS.—In conducting audits under
4 this section, the Board shall examine—

5 (1) the accuracy and completeness of informa-
6 tion contained in consumer reports, including an
7 analysis of the type of inaccurate or incomplete in-
8 formation, if any, that may have the most significant
9 impact on the availability and terms of various cred-
10 it products offered to borrowers; and

11 (2) the impact, if any, of incomplete and inac-
12 curate information on the credit and credit-based in-
13 surance scores that are most widely used to deter-
14 mine borrower credit worthiness and to make insur-
15 ance underwriting and rating decisions, including an
16 analysis of how, if at all, changes to credit scores re-
17 sulting from inaccurate or incomplete credit report-
18 ing information affect the availability and terms of
19 various credit products offered to borrowers.

20 (c) BIENNIAL REPORTS REQUIRED.—

21 (1) IN GENERAL.—The Board shall submit a
22 report to the Committee on Banking, Housing, and
23 Urban Affairs of the Senate and the Committee on
24 Financial Services of the House of Representatives
25 at the end of the 2-year period beginning on the

1 date of enactment of this Act. Thereafter, the Board
2 shall conduct additional audits and submit addi-
3 tional reports once every 2 years.

4 (2) CONTENTS.—Each report submitted under
5 this subsection shall contain a detailed summary of
6 the findings and conclusions of the Board with re-
7 spect to the audits required by this section, and such
8 recommendations for legislative and administrative
9 action as the Board may determine to be appro-
10 priate.

11 (d) PROVISION OF REPORTS TO THE BOARD FOR
12 PURPOSES OF ANALYSIS.—Section 604(d) of the Fair
13 Credit Reporting Act (12 U.S.C. 1681b(d)) is amended
14 to read as follows:

15 “(d) FURNISHING CONSUMER REPORTS FOR ACCU-
16 RACY OR COMPLIANCE AUDITS.—A consumer reporting
17 agency shall provide consumer reports to the Board of
18 Governors of the Federal Reserve System, upon request,
19 for the purpose of conducting an accuracy or compliance
20 audit in accordance with section 314 of the National Con-
21 sumer Credit Reporting System Improvement Act of
22 2003.”.

1 **SEC. 315. IMPROVED DISCLOSURE OF THE RESULTS OF RE-**
2 **INVESTIGATION.**

3 (a) IN GENERAL.—Section 611(a)(5)(A) of the Fair
4 Credit Reporting Act (15 U.S.C. 1681i) is amended by
5 striking “shall” and all that follows through the end of
6 the subparagraph, and inserting the following: “shall—

7 “(i) promptly delete that item of in-
8 formation from the file of the consumer, or
9 modify that item of information, as appro-
10 priate, based on the results of the reinves-
11 tigation; and

12 “(ii) promptly notify the furnisher of
13 that information that the information has
14 been modified or deleted from the file of
15 the consumer.”.

16 (b) FURNISHER REQUIREMENTS RELATING TO INAC-
17 CURATE, INCOMPLETE, OR UNVERIFIABLE INFORMA-
18 TION.—Section 623(b)(1) of the Fair Credit Reporting
19 Act (15 U.S.C. 1681s–2(b)(1)) is amended—

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

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

24 “(E) if an item of any information dis-
25 puted by a consumer is found to be inaccurate
26 or incomplete or cannot be verified after any re-

1 investigation under paragraph (1), promptly de-
2 lete that item of information from the fur-
3 nisher's records or modify that item of informa-
4 tion, as appropriate, based on the results of the
5 reinvestigation.”.

6 **SEC. 316. RECONCILING ADDRESSES.**

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

10 “(h) NOTICE OF DISCREPANCY IN ADDRESS.—

11 “(1) IN GENERAL.—If a person has requested
12 a consumer report relating to a consumer from a
13 consumer reporting agency described in section
14 603(p), the request includes an address for the con-
15 sumer that substantially differs from the addresses
16 in the file of the consumer, and the agency provides
17 a consumer report in response to the request, the
18 consumer reporting agency shall notify the requester
19 of the existence of the discrepancy.

20 “(2) REGULATIONS.—

21 “(A) REGULATIONS REQUIRED.—The Fed-
22 eral banking agencies, the National Credit
23 Union Administration, and the Federal Trade
24 Commission shall, with respect to the entities
25 that are subject to their respective enforcement

1 authority under section 621, and in coordina-
2 tion as described in subparagraph (B), pre-
3 scribe regulations providing guidance regarding
4 reasonable policies and procedures that a user
5 of a consumer report should employ when such
6 user has received a notice of discrepancy under
7 paragraph (1).

8 “(B) COORDINATION.—Each agency re-
9 quired to prescribe regulations under subpara-
10 graph (A) shall consult and coordinate with
11 each other such agency so that, to the extent
12 possible, the regulations prescribed by each
13 such entity are consistent and comparable with
14 the regulations prescribed by each other such
15 agency.

16 “(C) POLICIES AND PROCEDURES TO BE
17 INCLUDED.—The regulations prescribed under
18 subparagraph (A) shall describe reasonable poli-
19 cies and procedures for use by a user of a con-
20 sumer report—

21 “(i) to form a reasonable belief that
22 the user knows the identity of the person
23 to whom the consumer report pertains; and

24 “(ii) if the user establishes a con-
25 tinuing relationship with the consumer,

1 and the user regularly and in the ordinary
2 course of business furnishes information to
3 the consumer reporting agency from which
4 the notice of discrepancy pertaining to the
5 consumer was obtained, to reconcile the
6 address of the consumer with the consumer
7 reporting agency by furnishing such ad-
8 dress to such consumer reporting agency
9 as part of information regularly furnished
10 by the user for the period in which the re-
11 lationship is established.”.

12 **SEC. 317. FTC STUDY OF ISSUES RELATING TO THE FAIR**
13 **CREDIT REPORTING ACT.**

14 (a) STUDY REQUIRED.—

15 (1) IN GENERAL.—The Federal Trade Commis-
16 sion shall conduct a study on ways to improve the
17 operation of the Fair Credit Reporting Act.

18 (2) AREAS FOR STUDY.—In conducting the
19 study under paragraph (1), the Federal Trade Com-
20 mission shall review—

21 (A) the efficacy of increasing the number
22 of points of identifying information that a cred-
23 it reporting agency is required to match to en-
24 sure that a consumer is the correct individual
25 to whom a consumer report relates before re-

1 leasing a consumer report to a user,
2 including—

3 (i) the extent to which requiring addi-
4 tional points of such identifying informa-
5 tion to match would—

6 (I) enhance the accuracy of cred-
7 it reports; and

8 (II) combat the provision of in-
9 correct consumer reports to users;

10 (ii) the extent to which requiring an
11 exact match of the first and last name, so-
12 cial security number, and address and ZIP
13 Code of the consumer would enhance the
14 likelihood of increasing credit report accu-
15 racy; and

16 (iii) the effects of allowing consumer
17 reporting agencies to use partial matches
18 of social security numbers and name rec-
19 ognition software on the accuracy of credit
20 reports;

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

1 (i) the potential impact of such notifi-
2 cation on the ability of consumers to iden-
3 tify errors on their credit reports; and

4 (ii) the potential impact of such notifi-
5 cation on the ability of consumers to re-
6 move fraudulent information from their
7 credit reports;

8 (C) the effects of requiring that a con-
9 sumer who has experienced an adverse action
10 based on a credit report receives a copy of the
11 same credit report that the creditor relied on in
12 taking the adverse action, including—

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

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

21 (D) any common financial transactions
22 that are not generally reported to the consumer
23 reporting agencies, but would provide useful in-
24 formation in determining the credit worthiness
25 of consumers; and

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

5 (3) COSTS AND BENEFITS.—With respect to
6 each area of study described in paragraph (2), the
7 Federal Trade Commission shall consider the extent
8 to which such requirements would benefit con-
9 sumers, balanced against the cost of implementing
10 such provisions.

11 (b) REPORT REQUIRED.—Not later than 270 days
12 after the date of enactment of this Act, the chairman of
13 the Federal Trade Commission shall submit a report to
14 the Committee on Banking, Housing, and Urban Affairs
15 of the Senate and the Committee on Financial Services
16 of the House of Representatives containing a detailed
17 summary of the findings and conclusions of the study
18 under this section, together with such recommendations
19 for legislative or administrative actions as may be appro-
20 priate.

1 **TITLE IV—LIMITING THE USE**
2 **AND SHARING OF MEDICAL**
3 **INFORMATION IN THE FINAN-**
4 **CIAL SYSTEM**

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

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

10 “(g) PROTECTION OF MEDICAL INFORMATION.—

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

17 “(A) if furnished in connection with an in-
18 surance transaction, the consumer affirmatively
19 consents to the furnishing of the report;

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

22 “(i) the information to be furnished is
23 relevant to process or effect the employ-
24 ment or credit transaction; and

1 “(ii) the consumer provides specific
2 written consent for the furnishing of the
3 report that describes in clear and con-
4 spicuous language the use for which the in-
5 formation will be furnished; or

6 “(C) such information is restricted or re-
7 ported using codes that do not identify, or pro-
8 vide information sufficient to infer, the specific
9 provider or the nature of such services, prod-
10 ucts, or devices to a person other than the con-
11 sumer, unless the report is being provided to an
12 insurance company for a purpose relating to en-
13 gaging in the business of insurance, other than
14 property and casualty insurance.

15 “(2) LIMITATION ON CREDITORS.—Except as
16 permitted pursuant to paragraph (3)(C) or regula-
17 tions prescribed under paragraph (5)(A), a creditor
18 shall not obtain or use medical information per-
19 taining to a consumer in connection with any deter-
20 mination of the consumer’s eligibility, or continued
21 eligibility, for credit.

22 “(3) ACTIONS AUTHORIZED BY FEDERAL LAW,
23 INSURANCE ACTIVITIES AND REGULATORY DETER-
24 MINATIONS.—Section 603(d)(3) shall not be con-
25 strued so as to treat information or any communica-

1 tion of information as a consumer report if the in-
2 formation or communication is disclosed—

3 “(A) in connection with the business of in-
4 surance or annuities, including the activities de-
5 scribed in section 18B of the model Privacy of
6 Consumer Financial and Health Information
7 Regulation issued by the National Association
8 of Insurance Commissioners (as in effect on
9 January 1, 2003);

10 “(B) for any purpose permitted without
11 authorization under the Standards for Individ-
12 ually Identifiable Health Information promul-
13 gated by the Department of Health and Human
14 Services pursuant to the Health Insurance
15 Portability and Accountability Act of 1996, or
16 referred to under section 1179 of such Act, or
17 described in section 502(e) of Public Law 106–
18 102; or

19 “(C) as otherwise determined to be nec-
20 essary and appropriate, by regulation or order
21 and subject to paragraph (6), by the Federal
22 Trade Commission, any Federal banking agency
23 or the National Credit Union Administration
24 (with respect to any financial institution subject
25 to the jurisdiction of such agency or Adminis-

1 tration under paragraph (1), (2), or (3) of sec-
2 tion 621(b), or the applicable State insurance
3 authority (with respect to any person engaged
4 in providing insurance or annuities).

5 “(4) LIMITATION ON REDISCLOSURE OF MED-
6 ICAL INFORMATION.—Any person that receives med-
7 ical information pursuant to paragraph (1) or (3)
8 shall not disclose such information to any other per-
9 son, except as necessary to carry out the purpose for
10 which the information was initially disclosed, or as
11 otherwise permitted by statute, regulation, or order.

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

14 “(A) REGULATIONS REQUIRED.—Each
15 Federal banking agency and the National Cred-
16 it Union Administration shall, subject to para-
17 graph (6) and after notice and opportunity for
18 comment, prescribe regulations that permit
19 transactions under paragraph (2) that are de-
20 termined to be necessary and appropriate to
21 protect legitimate operational, transactional,
22 risk, consumer, and other needs, consistent with
23 the intent of paragraph (2) to restrict the use
24 of medical information for inappropriate pur-
25 poses.

1 “(B) FINAL REGULATIONS REQUIRED.—
2 The Federal banking agencies and the National
3 Credit Union Administration shall issue the
4 regulations required under subparagraph (A) in
5 final form before the end of the 6-month period
6 beginning on the date of enactment of the Na-
7 tional Consumer Credit Reporting System Im-
8 provement Act of 2003.

9 “(6) COORDINATION WITH OTHER LAWS.—No
10 provision of this subsection shall be construed as al-
11 tering, affecting, or superseding the applicability of
12 any other provision of Federal law relating to med-
13 ical confidentiality.”.

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

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

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

22 “(3) RESTRICTION ON SHARING OF MEDICAL
23 INFORMATION.—Except for information or any com-
24 munication of information disclosed as provided in
25 section 604(g)(3), the exclusions in paragraph (2)

1 shall not apply with respect to information disclosed
2 to any person related by common ownership or affili-
3 ated by corporate control, if the information is med-
4 ical information, including information that is an in-
5 dividualized list or description based on the payment
6 transactions of the consumer for medical products or
7 services, or an aggregate list of identified consumers
8 based on payment transactions for medical products
9 or services.

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

13 “(i) MEDICAL INFORMATION.—The term ‘medical in-
14 formation’ means information or data, other than age or
15 gender, whether oral or recorded, in any form or medium,
16 created by or derived from a health care provider or the
17 consumer, that relates to—

18 “(1) the past, present, or future physical, men-
19 tal, or behavioral health or condition of an indi-
20 vidual;

21 “(2) the provision of health care to an indi-
22 vidual; or

23 “(3) the payment for the provision of health
24 care to an individual.”.

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

7 (1) the end of the 90-day period beginning on
8 the date on which the regulations required under
9 paragraph (5)(B) of such section 604(g) (as added
10 by subsection (a) of this section) are issued in final
11 form; or

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

14 **SEC. 412. CONFIDENTIALITY OF MEDICAL CONTACT INFOR-**
15 **MATION IN CONSUMER REPORTS.**

16 (a) DUTIES OF MEDICAL INFORMATION FUR-
17 NISHERS.—Section 623(a) of the Fair Credit Reporting
18 Act (15 U.S.C. 1681s–2(a)) is amended by adding at the
19 end the following:

20 “(6) DUTY TO PROVIDE NOTICE OF STATUS AS
21 MEDICAL INFORMATION FURNISHER.—A person
22 whose primary business is providing medical serv-
23 ices, products, or devices, or the person’s agent or
24 assignee, who furnishes information to a consumer
25 reporting agency on a consumer shall be considered

1 a medical information furnisher for purposes of this
2 title, and shall notify the agency of such status.”.

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

7 “(6) The name, address, and telephone number
8 of any medical information furnisher that has noti-
9 fied the agency of its status, unless—

10 “(A) such name, address, and telephone
11 number are restricted or reported using codes
12 that do not identify, or provide information suf-
13 ficient to infer, the specific provider or the na-
14 ture of such services, products, or devices to a
15 person other than the consumer; or

16 “(B) the report is being provided to an in-
17 surance company for a purpose relating to en-
18 gaging in the business of insurance other than
19 property and casualty insurance.”.

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

1 (d) COORDINATION WITH OTHER LAWS.—No provi-
2 sion of any amendment made by this section shall be con-
3 strued as altering, affecting, or superseding the applica-
4 bility of any other provision of Federal law relating to
5 medical confidentiality.

6 (e) FTC REGULATION OF CODING OF TRADE
7 NAMES.—Section 621 of the Fair Credit Reporting Act
8 (15 U.S.C. 1681s), as amended by this Act, is amended
9 by adding at the end the following:

10 “(g) FTC REGULATION OF CODING OF TRADE
11 NAMES.—If the Federal Trade Commission determines
12 that a person described in paragraph (6) of section 623(a)
13 has not met the requirements of such paragraph, the Com-
14 mission shall take action to ensure the person’s compliance
15 with such paragraph, which may include issuing model
16 guidance or prescribing reasonable policies and procedures
17 as necessary to ensure that such person complies with
18 such paragraph.”.

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

23 (1) in paragraph (1), by inserting “(other than
24 medical contact information treated in the manner
25 required under section 605(a)(6))” after “a con-

1 sumer report that contains medical information”;
2 and

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

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

10 **TITLE V—FINANCIAL LITERACY** 11 **AND EDUCATION IMPROVEMENT**

12 **SEC. 511. SHORT TITLE.**

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

15 **SEC. 512. DEFINITIONS.**

16 As used in this title—

17 (1) the term “Chairperson” means the Chair-
18 person of the Financial Literacy and Education
19 Commission; and

20 (2) the term “Commission” means the Finan-
21 cial Literacy and Education Commission established
22 under section 513.

1 **SEC. 513. ESTABLISHMENT OF FINANCIAL LITERACY AND**
2 **EDUCATION COMMISSION.**

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

6 (b) PURPOSE.—The Commission shall serve to im-
7 prove the financial literacy and education of persons in
8 the United States.

9 (c) MEMBERSHIP.—

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

12 (A) the Secretary of the Treasury;

13 (B) the respective head of each of the Fed-
14 eral banking agencies (as defined in section 3
15 of the Federal Deposit Insurance Act), the Na-
16 tional Credit Union Administration, the Securi-
17 ties and Exchange Commission, each of the De-
18 partments of Education, Agriculture, Defense,
19 Health and Human Services, Housing and
20 Urban Development, Labor, and Veterans Af-
21 fairs, the Federal Trade Commission, the Gen-
22 eral Services Administration, the Small Busi-
23 ness Administration, the Social Security Admin-
24 istration, the Commodity Futures Trading
25 Commission, and the Office of Personnel Man-
26 agement; and

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

8 (2) ALTERNATES.—Each member of the Com-
9 mission may designate an alternate if the member is
10 unable to attend a meeting of the Commission. Such
11 alternate shall be an individual who exercises signifi-
12 cant decisionmaking authority.

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

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

21 (f) QUORUM.—A majority of the members of the
22 Commission shall constitute a quorum, but a lesser num-
23 ber of members may hold hearings.

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

4 **SEC. 514. DUTIES OF THE COMMISSION.**

5 (a) DUTIES.—

6 (1) IN GENERAL.—The Commission, through
7 the authority of the members referred to in section
8 513(c), shall take such actions as it deems necessary
9 to streamline, improve, or augment the financial lit-
10 eracy and education programs, grants, and materials
11 of the Federal Government, including curricula for
12 all Americans.

13 (2) AREAS OF EMPHASIS.—To improve finan-
14 cial literacy and education, the Commission shall
15 emphasize, among other elements, basic personal in-
16 come and household money management and plan-
17 ning skills, including how to—

18 (A) create household budgets, initiate sav-
19 ings plans, and make strategic investment deci-
20 sions for education, retirement, home owner-
21 ship, wealth building, or other savings goals;

22 (B) manage spending, credit, and debt, in-
23 cluding credit card debt, effectively;

24 (C) increase awareness of the availability
25 and significance of credit reports and credit

1 scores in obtaining credit, the importance of
2 their accuracy (and how to correct inaccura-
3 cies), their effect on credit terms, and the effect
4 common financial decisions may have on credit
5 scores;

6 (D) ascertain fair and favorable credit
7 terms;

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

10 (F) understand, evaluate, and compare fi-
11 nancial products, services, and opportunities;

12 (G) understand resources that ought to be
13 easily accessible and affordable, and that in-
14 form and educate investors as to their rights
15 and avenues of recourse when an investor be-
16 lieves his or her rights have been violated by
17 unprofessional conduct of market inter-
18 mediaries; and

19 (H) improve financial literacy and edu-
20 cation through all other related skills.

21 (b) WEBSITE.—

22 (1) IN GENERAL.—The Commission shall estab-
23 lish and maintain a website, such as the domain
24 name “FinancialLiteracy.gov”, or a similar domain
25 name.

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

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

6 (B) provide a coordinated entry point for
7 accessing information about all Federal publica-
8 tions, grants, and materials promoting en-
9 hanced financial literacy and education;

10 (C) offer information on all Federal grants
11 to promote financial literacy and education, and
12 on how to target, apply for, and receive a grant
13 that is most appropriate under the cir-
14 cumstances;

15 (D) as the Commission considers appro-
16 priate, feature website links to efforts that have
17 no commercial content and that feature infor-
18 mation about financial literacy and education
19 programs, materials, or campaigns; and

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

23 (c) TOLL-FREE HOTLINE.—The Commission shall
24 establish a toll-free telephone number that shall be made

1 available to members of the public seeking information
2 about issues pertaining to financial literacy and education.

3 (d) DEVELOPMENT AND DISSEMINATION OF MATE-
4 RIALS.—The Commission shall—

5 (1) develop materials to promote financial lit-
6 eracy and education; and

7 (2) disseminate such materials to the general
8 public.

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

15 (f) NATIONAL STRATEGY.—

16 (1) IN GENERAL.—The Commission shall—

17 (A) not later than 18 months after the
18 date of enactment of this Act, develop a na-
19 tional strategy to promote basic financial lit-
20 eracy and education among all American con-
21 sumers; and

22 (B) coordinate Federal efforts to imple-
23 ment the strategy developed under subpara-
24 graph (A).

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

4 (A) participation by State and local gov-
5 ernments and private, nonprofit, and public in-
6 stitutions in the creation and implementation of
7 such strategy;

8 (B) the development of methods—

9 (i) to increase the general financial
10 education level of current and future con-
11 sumers of financial services and products;
12 and

13 (ii) to enhance the general under-
14 standing of financial services and products;

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

19 (D) the identification of areas of overlap
20 and duplication among Federal financial lit-
21 eracy and education activities and proposed
22 means of eliminating any such overlap and du-
23 plication.

24 (3) NATIONAL STRATEGY REVIEW.—The Com-
25 mission shall, not less than annually, review the na-

1 tional strategy developed under this subsection and
2 make such changes and recommendations as it
3 deems necessary

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

8 (h) REPORTS.—

9 (1) IN GENERAL.—Not later than 18 months
10 after the date of the first meeting of the Commis-
11 sion, and annually thereafter, the Commission shall
12 issue a report to the Committee on Banking, Hous-
13 ing, and Urban Affairs of the Senate and the Com-
14 mittee on Financial Services of the House of Rep-
15 resentatives on the progress of the Commission in
16 carrying out this title.

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

19 (A) information concerning the implemen-
20 tation of the duties of the Commission under
21 subsections (a) through (g);

22 (B) an assessment of the success of the
23 Commission in implementing the national strat-
24 egy developed under subsection (f);

1 (C) an assessment of the availability, utili-
2 zation, and impact of Federal financial literacy
3 and education materials;

4 (D) information concerning the content
5 and public use of—

6 (i) the website established under sub-
7 section (b); and

8 (ii) the toll-free telephone number es-
9 tablished under subsection (c);

10 (E) a brief survey of the financial literacy
11 and education materials developed under sub-
12 section (d), and data regarding the dissemina-
13 tion and impact of such materials, as measured
14 by improved financial decision making;

15 (F) a brief summary of any hearings con-
16 ducted by the Commission, including a list of
17 witnesses who testified at such hearings;

18 (G) information about the activities of the
19 Commission planned for the next fiscal year;

20 (H) a summary of all Federal financial lit-
21 eracy and education activities targeted to com-
22 munities that have historically lacked access to
23 financial literacy materials and education, and
24 have been underserved by the mainstream fi-
25 nancial systems; and

1 (I) such other materials relating to the du-
2 ties of the Commission as the Commission
3 deems appropriate.

4 (3) INITIAL REPORT.—The initial report under
5 paragraph (1) shall include information regarding all
6 Federal programs, materials, and grants which seek
7 to improve financial literacy, and assess the effec-
8 tiveness of such programs.

9 (i) TESTIMONY.—The Commission shall provide,
10 upon request, testimony by the Chairperson to the Com-
11 mittee on Banking, Housing, and Urban Affairs of the
12 Senate and the Committee on Financial Services of the
13 House of Representatives.

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

15 (a) HEARINGS.—The Commission may hold such
16 hearings, sit and act at such times and places, take such
17 testimony, and receive such evidence as the Commission
18 considers advisable to carry out this title.

19 (b) INFORMATION FROM FEDERAL AGENCIES.—The
20 Commission may secure directly from any Federal depart-
21 ment or agency such information as the Commission con-
22 siders necessary to carry out this title. Upon request of
23 the Chairperson, the head of such department or agency
24 shall furnish such information to the Commission.

1 (c) PERIODIC STUDIES.—The Commission may con-
2 duct periodic studies regarding the state of financial lit-
3 eracy and education in the United States, as the Commis-
4 sion determines appropriate.

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

6 (a) COMPENSATION OF MEMBERS.—Each member of
7 the Commission shall serve without compensation in addi-
8 tion to that received for their service as an officer or em-
9 ployee of the United States.

10 (b) TRAVEL EXPENSES.—The members of the Com-
11 mission shall be allowed travel expenses, including per
12 diem in lieu of subsistence, at rates authorized for employ-
13 ees of agencies under subchapter I of chapter 57 of title
14 5, United States Code, while away from their homes or
15 regular places of business in the performance of services
16 for the Commission.

17 (c) ASSISTANCE.—

18 (1) IN GENERAL.—The Director of the Office of
19 Financial Education of the Department of the
20 Treasury shall provide assistance to the Commission,
21 upon request of the Commission, without reimburse-
22 ment.

23 (2) DETAIL OF GOVERNMENT EMPLOYEES.—
24 Any Federal Government employee may be detailed
25 to the Commission without reimbursement, and such

1 detail shall be without interruption or loss of civil
2 service status or privilege.

3 **SEC. 517. STUDY BY THE COMPTROLLER GENERAL.**

4 Not later than 3 years after the date of enactment
5 of this Act, the Comptroller General of the United States
6 shall submit a report to Congress assessing the effective-
7 ness of the Commission in promoting financial literacy and
8 education.

9 **SEC. 518. AUTHORIZATION OF APPROPRIATIONS.**

10 There are authorized to be appropriated to the Com-
11 mission such sums as may be necessary to carry out this
12 title, including administrative expenses of the Commission.

13 **TITLE VI—RELATION TO STATE**
14 **LAW**

15 **SEC. 611. RELATION TO STATE LAW.**

16 Section 625(d) of the Fair Credit Reporting Act (15
17 U.S.C. 1681t(d), regarding relation to State laws), as so
18 designated by section 214 of this Act, is amended—

19 (1) by striking paragraph (2);

20 (2) by striking “(e)—” and all that follows
21 through “do not affect” and inserting “(e) do not
22 affect”; and

23 (3) by striking “1996; and” and inserting
24 “1996.”.

1 **TITLE VII—MISCELLANEOUS**

2 **SEC. 711. CLERICAL AMENDMENTS.**

3 (a) **SHORT TITLE.**—Section 601 of the Fair Credit
4 Reporting Act (15 U.S.C. 1601 note) is amended by strik-
5 ing “the Fair Credit Reporting Act.” and inserting “the
6 ‘Fair Credit Reporting Act’.”.

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

12 (c) **SECTION 605.**—

13 (1) Section 605(a)(1) of the Fair Credit Re-
14 porting Act (15 U.S.C. 1681e(a)(1)) is amended by
15 striking “(1) cases” and inserting “(1) Cases”.

16 (2)(A) Section 5(1) of Public Law 105–347
17 (112 Stat. 3211) is amended by striking “Judg-
18 ments which” and inserting “judgments which”.

19 (B) The amendment made by subparagraph (A)
20 shall be deemed to have the same effective date as
21 section 5(1) of Public Law 105–347 (112 Stat.
22 3211).

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

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

3 (2) in paragraph (3)(C), by moving the margins
4 2 ems to the left.

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

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

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

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

Attest:

Secretary.

108TH CONGRESS
1ST SESSION

H. R. 2622

AMENDMENT