

In the House of Representatives, U. S.,

September 27, 1994.

Resolved, That the bill from the Senate (S. 783) entitled “An Act to amend the Fair Credit Reporting Act, and for other purposes”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause, and insert:

1 SECTION 1. TABLE OF CONTENTS.

2 *The table of contents for this Act is as follows:*

Sec. 1. Table of contents.

TITLE I—AMENDMENTS TO FAIR CREDIT REPORTING ACT

Sec. 101. Short title.

Sec. 102. Definitions.

Sec. 103. Furnishing consumer reports; use for employment purposes.

Sec. 104. Amendments relating to use of consumer reports for prescreening; prohibition on unauthorized or uncertified use of information.

Sec. 105. Consumer consent required to furnish consumer report containing medical information.

Sec. 106. Amendments relating to obsolete information and information contained in consumer reports.

Sec. 107. Amendments relating to compliance procedures.

Sec. 108. Amendments relating to consumer disclosures.

Sec. 109. Amendments relating to procedures in case of the disputed accuracy of any information in a consumer's file.

Sec. 110. Amendment relating to charges for disclosure.

Sec. 111. Amendments relating to duties of users of consumer reports and duties of affiliates sharing certain information.

Sec. 112. Amendments relating to civil liability.

Sec. 113. Amendments relating to responsibilities of persons who furnish information to consumer reporting agencies.

Sec. 114. Investigative consumer reports.

Sec. 115. Increased criminal penalties for obtaining information under false pretenses.

Sec. 116. Administrative enforcement.

Sec. 117. State enforcement of Fair Credit Reporting Act.

Sec. 118. Federal Reserve Board authority.

Sec. 119. Preemption of State law.

Sec. 120. Action by FTC.

Sec. 121. Amendment to Fair Debt Collection Practices Act.

Sec. 122. Furnishing consumer reports for purposes relating to child support.

Sec. 123. Disclosure of information and consumer reports to FBI for counterintelligence purposes.

Sec. 124. Effective dates.

Sec. 125. Relationship to other law.

Sec. 126. Sense of Senate.

Sec. 127. Technical correction to Depository Institutions Management Interlocks Act.

TITLE II—CREDIT REPAIR ORGANIZATIONS

Sec. 201. Regulation of credit repair organizations.

1 **TITLE I—AMENDMENTS TO FAIR**
 2 **CREDIT REPORTING ACT**

3 **SEC. 101. SHORT TITLE.**

4 *This title may be cited as the “Consumer Reporting*
 5 *Reform Act of 1994”.*

6 **SEC. 102. DEFINITIONS.**

7 *(a) ADVERSE ACTION.—Section 603 of the Fair Credit*
 8 *Reporting Act (15 U.S.C. 1681a) is amended by adding at*
 9 *the end the following new subsection:*

10 *“(k)(1) The term ‘adverse action’ means the following:*

11 *“(A) A denial or revocation of credit, a denial*
 12 *of an application for an increase of an existing credit*
 13 *limit, an unfavorable change in the terms of an exist-*
 14 *ing credit arrangement, or a refusal to grant credit*
 15 *in substantially the amount or on substantially the*
 16 *terms requested; except that the term ‘adverse action’*
 17 *does not include—*

18 *“(i) a refusal to extend additional credit*
 19 *under an existing credit arrangement if the ap-*

1 *plicant is delinquent or otherwise in default as*
2 *to that account, or*

3 *“(ii) a refusal or failure to authorize an ac-*
4 *count transaction at a point of sale which would*
5 *exceed a previously established credit limit.*

6 *“(B) A denial or cancellation of, an increase in*
7 *any charge for, or a reduction or other adverse or un-*
8 *favorable change in the terms of coverage or amount*
9 *of, any insurance, existing or applied for, in connec-*
10 *tion with the underwriting of insurance.*

11 *“(C) A denial of employment or any other deci-*
12 *sion for employment purposes which adversely affects*
13 *any current or prospective employee.*

14 *“(D) A denial or cancellation of, an increase in*
15 *any charge for, or any other adverse or unfavorable*
16 *change in the terms of, any license or benefit de-*
17 *scribed in section 604(a)(3)(D).*

18 *“(E) An action taken or determination made—*

19 *“(i) in connection with an application*
20 *which was made by, or a transaction which was*
21 *initiated by, any consumer, or in connection*
22 *with a review of account information under sec-*
23 *tion 604(a)(3)(E)(ii); and*

24 *“(ii) which is adverse to the interest of the*
25 *consumer.*

1 “(2) For purposes of any determination of whether an
2 action is an adverse action under paragraph (1)(A), all ap-
3 propriate final findings, decisions, commentary, and orders
4 issued under section 701(d)(6) of the Equal Credit Oppor-
5 tunity Act by the Board of Governors of the Federal Reserve
6 System or any court shall apply.”.

7 (b) *FIRM OFFER OF CREDIT*.—Section 603 of the Fair
8 Credit Reporting Act (15 U.S.C. 1681a) is further amended
9 by adding after subsection (k) (as added by subsection (a)
10 of this section) the following:

11 “(l) The term ‘firm offer of credit’ means any offer of
12 credit to a consumer that will be honored if the consumer
13 is determined, based on information in a consumer report
14 on the consumer, to meet the specific criteria used to select
15 the consumer for the offer, except that the offer may be fur-
16 ther conditioned solely on any combination of the following:

17 “(1) The consumer being determined, based on
18 information in the consumer’s application for the
19 credit, to meet specific criteria bearing on credit-
20 worthiness that are established—

21 “(A) before selection of the consumer for the
22 offer; and

23 “(B) for the purpose of determining whether
24 to extend credit pursuant to the offer.

25 “(2) Verification—

1 “(A) that the consumer continues to meet
2 the specific criteria used to select the consumer
3 for the offer, by using information in a consumer
4 report on the consumer, information in the con-
5 sumer’s application for the credit, or other infor-
6 mation bearing on the creditworthiness of the
7 consumer; or

8 “(B) of the information in the consumer’s
9 application for the credit, to determine that the
10 consumer meets the specific criteria bearing on
11 creditworthiness.

12 “(3) The consumer furnishing any collateral that
13 is a requirement for the extension of the credit that
14 was—

15 “(A) established before selection of the
16 consumer for the offer of credit; and

17 “(B) described to the consumer in the offer
18 of credit.”.

19 (c) CREDIT TRANSACTION WHICH IS NOT INITIATED
20 BY THE CONSUMER.—Section 603 of the Fair Credit Re-
21 porting Act (15 U.S.C. 1681a) is further amended by add-
22 ing after subsection (l) (as added by subsection (b) of this
23 section) the following:

24 “(m) The term ‘credit transaction which is not initi-
25 ated by the consumer’ does not include the use of a consumer

1 *report by a person with which the consumer has an account,*
2 *for purposes of—*

3 *“(1) reviewing the account; or*

4 *“(2) collecting the account.”.*

5 *(d) STATE.—Section 603 of the Fair Credit Reporting*
6 *Act (15 U.S.C. 1681a) is further amended by adding after*
7 *subsection (m) (as added by subsection (c) of this section)*
8 *the following:*

9 *“(n) The term ‘State’ means any State, the Common-*
10 *wealth of Puerto Rico, the District of Columbia, and any*
11 *territory or possession of the United States.”.*

12 *(e) EXCLUSIONS FROM DEFINITION OF CONSUMER RE-*
13 *PORT.—Section 603(d) of the Fair Credit Reporting Act (15*
14 *U.S.C. 1681a(d)) is amended in the second sentence in*
15 *clause (A)—*

16 *(1) by inserting “(i)” after “(A)”;*

17 *(2) by inserting before the semicolon at the end*
18 *the following: “; (ii) any communication of that in-*
19 *formation among persons related by common owner-*
20 *ship or affiliated by corporate control, or (iii) any*
21 *communication of information from a credit applica-*
22 *tion by a consumer among persons related by common*
23 *ownership or affiliated by corporate control if it is*
24 *clearly and conspicuously disclosed that the informa-*
25 *tion may be communicated among such persons and*

1 *the consumer is given the opportunity, prior to the*
2 *time that the information is initially communicated,*
3 *to direct that such information not be communicated*
4 *among such persons”;*

5 *(3) in clause (B) by striking “or” after the semi-*
6 *colon at the end;*

7 *(4) in clause (C) by striking the period and in-*
8 *serting a semicolon; and*

9 *(5) by adding at the end the following: “or (D)*
10 *any communication of information about a consumer*
11 *between persons who are affiliated by common owner-*
12 *ship or common corporate control and in connection*
13 *with a credit transaction which is not initiated by*
14 *the consumer, or an insurance transaction which is*
15 *not initiated by the consumer, if either of those per-*
16 *sons has complied with section 615(d)(4)(B) with re-*
17 *spect to a consumer report from which the informa-*
18 *tion is taken and the consumer has consented to use*
19 *of the report for the transaction, or with respect to ex-*
20 *isting customers, the consumer has not directed in*
21 *writing that the report may not be used for the trans-*
22 *action, in accordance with section 615(d)(4)(C).”.*

23 *(f) EXCLUSION OF CERTAIN COMMUNICATIONS BY EM-*
24 *PLOYMENT AGENCIES FROM DEFINITION OF CONSUMER*

1 *REPORT.—Section 603 of the Fair Credit Reporting Act (15*
2 *U.S.C. 1681(a)) is further amended—*

3 *(1) in subsection (d), as amended by subsection*
4 *(e) of this section, by adding at the end the following:*
5 *“The term also does not include a communication de-*
6 *scribed in subsection (o).”;* and

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

8 *“(o) A communication is described in this subsection*
9 *if it is a communication—*

10 *“(1) that, but for the 3rd sentence of subsection*
11 *(d), would be an investigative consumer report;*

12 *“(2) that is made to a prospective employer for*
13 *the purpose of—*

14 *“(A) procuring an employee for the em-*
15 *ployer, or*

16 *“(B) procuring an opportunity for a natu-*
17 *ral person to work for the employer;*

18 *“(3) that is made by a person that regularly per-*
19 *forms such procurement;*

20 *“(4) that is not used by any person for any pur-*
21 *pose other than a purpose described in paragraph (2)*

22 *(A) or (B);*

23 *“(5) with respect to which—*

24 *“(A) the consumer who is the subject of the*
25 *communication—*

1 “(i) consents orally or in writing to
2 the nature and scope of the communication,
3 before the collection of any information for
4 the purpose of making the communication;

5 “(ii) consents orally or in writing to
6 the making of the communication to a pro-
7 spective employer, before the making of the
8 communication; and

9 “(iii) in the case of consent under
10 clause (i) or (ii) given orally, is provided
11 written confirmation of that consent by the
12 person making the communication, within
13 3 business days after the receipt of the con-
14 sent by that person;

15 “(B) the person that makes the communica-
16 tion does not, for the purpose of making the com-
17 munication, make any inquiry that if made by
18 a prospective employer of the consumer who is
19 the subject of the communication would violate
20 any applicable Federal or State equal employ-
21 ment opportunity law or regulation; and

22 “(C) the person that makes the communica-
23 tion—

24 “(i) discloses in writing to the
25 consumer who is the subject of the commu-

1 *nication, within 5 business days after re-*
2 *ceiving any request from the consumer for*
3 *such disclosure, the nature and substance of*
4 *all information in the consumer's file at the*
5 *time of the request, except that the sources*
6 *of information that is acquired solely for*
7 *use in making the communication and ac-*
8 *tually used for no other purpose need not be*
9 *disclosed other than under appropriate dis-*
10 *covery procedures in the court in which an*
11 *action is brought; and*

12 *“(ii) notifies the consumer that is the*
13 *subject of the communication, in writing, of*
14 *the consumer's right to request the informa-*
15 *tion described in clause (i).”.*

16 *(g) CONSUMER REPORTING AGENCY THAT COMPILES*
17 *AND MAINTAINS FILES ON A NATIONWIDE BASIS.—Section*
18 *603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)*
19 *is further amended by adding after subsection (o) (as added*
20 *by subsection (f) of this section) the following:*

21 *“(p) The term ‘consumer reporting agency that com-*
22 *piles and maintains files on consumers on a nationwide*
23 *basis’ means a consumer reporting agency that regularly*
24 *engages in the practice of assembling or evaluating, and*
25 *maintaining, for the purpose of furnishing consumer re-*

1 *ports to third parties bearing on a consumer's creditworthi-*
2 *ness, credit standing, or credit capacity, each of the follow-*
3 *ing regarding consumers residing nationwide:*

4 “(1) *Public record information.*

5 “(2) *Credit account information from persons*
6 *who furnish that information regularly and in the or-*
7 *dinary course of business.”.*

8 (h) *CLERICAL AMENDMENT.*—*Section 603(d) of the*
9 *Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended*
10 *in the first sentence—*

11 (1) *by inserting “(1)” after “in whole or in part*
12 *for”;* and

13 (2) *by striking “(1)” before “credit or insur-*
14 *ance”.*

15 ***SEC. 103. FURNISHING CONSUMER REPORTS; USE FOR EM-***
16 ***PLOYMENT PURPOSES.***

17 (a) *FURNISHING CONSUMER REPORTS FOR BUSINESS*
18 *TRANSACTIONS.*—*Section 604 of the Fair Credit Reporting*
19 *Act (15 U.S.C. 1681b) is amended—*

20 (1) *by inserting “(a) IN GENERAL.—” before “A*
21 *consumer reporting agency”;* and

22 (2) *in subsection (a)(3) (as designated by para-*
23 *graph (1) of this subsection) by striking subparagraph*
24 *(E) and inserting the following:*

1 “(E) otherwise has a legitimate business need for
2 the information—

3 “(i) in connection with a business trans-
4 action that is initiated by the consumer; or

5 “(ii) to review an account to determine
6 whether the consumer continues to meet the
7 terms of the account.”.

8 (b) FURNISHING AND USING CONSUMER REPORTS FOR
9 EMPLOYMENT PURPOSES.—Section 604 of the Fair Credit
10 Reporting Act (15 U.S.C. 1681b) is further amended by
11 adding at the end the following new subsection:

12 “(b) CONDITIONS FOR FURNISHING AND USING
13 CONSUMER REPORTS FOR EMPLOYMENT PURPOSES.—

14 “(1) CERTIFICATION FROM USER.—A consumer
15 reporting agency may furnish a consumer report for
16 employment purposes only if—

17 “(A) the person who obtains such report
18 from the agency certifies to the agency that—

19 “(i) the person has complied with
20 paragraph (2) with respect to the consumer
21 report, and the person will comply with
22 paragraph (3) with respect to the consumer
23 report if paragraph (3) becomes applicable;
24 and

1 “(ii) information from the consumer
2 report will not be used in violation of any
3 applicable Federal or State equal employ-
4 ment opportunity law or regulation; and

5 “(B) the consumer reporting agency pro-
6 vides with the report a summary of the consum-
7 er’s rights under this title, as prescribed by the
8 Federal Trade Commission under section
9 609(c)(3).

10 “(2) *DISCLOSURE TO CONSUMER.*—A person
11 may not procure a consumer report, or cause a
12 consumer report to be procured, for employment pur-
13 poses with respect to any consumer unless—

14 “(A) a clear and conspicuous disclosure has
15 been made in writing to the consumer at any
16 time before the report is procured or caused to be
17 procured, in a document that consists solely of
18 the disclosure, that a consumer report may be ob-
19 tained for employment purposes; and

20 “(B) the consumer has authorized in writ-
21 ing the procurement of the report by that person.

22 “(3) *CONDITIONS ON USE FOR ADVERSE AC-*
23 *TIONS.*—In using a consumer report for employment
24 purposes, before taking any adverse action based in

1 *whole or in part on the report a person shall provide*
2 *to the consumer to whom the report relates—*

3 *“(A) a copy of the report;*

4 *“(B) a description in writing of the con-*
5 *sumer’s rights under this title, as prescribed by*
6 *the Federal Trade Commission under section*
7 *609(c)(3); and*

8 *“(C) a reasonable period (not required to*
9 *exceed 5 business days following receipt of the re-*
10 *port by the consumer) to respond to any infor-*
11 *mation in the report that is disputed by the*
12 *consumer and notice in writing of the oppor-*
13 *tunity for the consumer to respond in that pe-*
14 *riod, except that such an opportunity to respond*
15 *and notice are not required if the person takes*
16 *the adverse action based on a reasonable belief*
17 *that the consumer has engaged in fraudulent or*
18 *criminal activity that is related to, or that could*
19 *affect, the consumer’s employment.*

20 *“(4) LIMITATION ON PURPOSES.—Subject to*
21 *paragraph (1), a consumer reporting agency may fur-*
22 *nish information bearing on the creditworthiness of a*
23 *consumer, and a person may use such information,*
24 *for employment purposes that do not relate to employ-*

1 *ment of an individual in an executive or administra-*
2 *tive position, only if—*

3 *“(A) the employment requires or is expected*
4 *to require a security clearance issued by an*
5 *agency of the United States or any State as a*
6 *condition for employment;*

7 *“(B) the employment requires or is expected*
8 *to require the individual to be covered by a fidel-*
9 *ity bond; or*

10 *“(C) the employment requires or is expected*
11 *to require the individual, on a regular basis and*
12 *as part of the normal duties of employment—*

13 *“(i) to handle or otherwise have access*
14 *to substantial amounts of cash or other*
15 *things of value of the employer: or*

16 *“(ii) to engage in any conduct or ac-*
17 *tivity with respect to which the employee*
18 *has a fiduciary duty.*

19 *“(5) EXECUTIVE OR ADMINISTRATIVE POSITION*
20 *DEFINED.—*

21 *“(A) IN GENERAL.—For purposes of para-*
22 *graph (4), the term ‘executive or administrative*
23 *position’ means any position—*

24 *“(i) for which compensation is on a*
25 *salary basis and not an hourly basis; and*

1 “(ii) having policy making, manage-
2 rial, professional, or supervisory respon-
3 sibilities.

4 “(B) APPLICATION OF EXISTING FINDINGS,
5 ETC.—For purposes of determining under sub-
6 paragraph (A)(ii) whether a position has policy
7 making, managerial, professional, or supervisory
8 responsibilities, all appropriate final adminis-
9 trative and judicial findings, decisions, com-
10 mentary, and orders issued under the Federal
11 Election Campaign Act of 1971, or the regula-
12 tions issued under that Act, shall apply.”.

13 **SEC. 104. AMENDMENTS RELATING TO USE OF CONSUMER**
14 **REPORTS FOR PRESCREENING; PROHIBITION**
15 **ON UNAUTHORIZED OR UNCERTIFIED USE OF**
16 **INFORMATION.**

17 (a) *IN GENERAL.*—Section 604 of the Fair Credit Re-
18 porting Act (15 U.S.C. 1681b), as amended by section 103,
19 is further amended—

20 (1) in subsection (a) by striking “A consumer re-
21 porting agency” and inserting “Subject to subsection
22 (c), any consumer reporting agency”; and

23 (2) by adding after subsection (b) (as added by
24 section 103(b)) the following new subsections:

1 “(c) *FURNISHING REPORTS IN CONNECTION WITH*
2 *CREDIT TRANSACTIONS NOT INITIATED BY THE*
3 *CONSUMER.*—

4 “(1) *IN GENERAL.*—A consumer reporting agen-
5 cy may furnish a consumer report relating to any
6 consumer pursuant to subsection (a)(3)(A) in connec-
7 tion with any credit transaction which is not initi-
8 ated by the consumer only if—

9 “(A) the consumer authorizes the agency to
10 provide such report to such person; or

11 “(B)(i) the transaction consists of a firm
12 offer of credit;

13 “(ii) the consumer reporting agency has
14 complied with subsection (d); and

15 “(iii) there is not in effect an election by the
16 consumer, made in accordance with subsection
17 (d), to have the consumer’s name and address ex-
18 cluded from lists of names provided by the agen-
19 cy pursuant to this paragraph.

20 “(2) *LIMITS ON INFORMATION RECEIVED UNDER*
21 *PARAGRAPH (1)(B).*—A person may receive pursuant
22 *to paragraph (1)(B) only—*

23 “(A) the name and address of a consumer;

24 “(B) an identifier that is not unique to the
25 consumer and is used by the person solely for the

1 *purpose of verifying the identity of the consumer;*
2 *and*

3 *“(C) information pertaining to a consumer*
4 *that is not identified or identifiable with the*
5 *consumer.*

6 *“(3) INFORMATION REGARDING INQUIRIES.—Ex-*
7 *cept as provided in section 609(a)(5), a consumer re-*
8 *porting agency shall not furnish to any person a*
9 *record of inquiries in connection with credit trans-*
10 *actions which are not initiated by a consumer.*

11 *“(d) ELECTION OF CONSUMER TO BE EXCLUDED*
12 *FROM LISTS.—*

13 *“(1) IN GENERAL.—A consumer may elect to*
14 *have the consumer’s name and address excluded from*
15 *any list provided by a consumer reporting agency in*
16 *connection with a credit transaction which is not ini-*
17 *tiated by the consumer, by notifying the agency in ac-*
18 *cordance with paragraph (2) that the consumer does*
19 *not consent to any use of consumer reports relating*
20 *to the consumer in connection with any credit trans-*
21 *action which is not initiated by the consumer.*

22 *“(2) MANNER OF NOTIFICATION.—A consumer*
23 *shall notify a consumer reporting agency under para-*
24 *graph (1)—*

1 “(A) through the notification system main-
2 tained by the agency under paragraph (5), or

3 “(B) by submitting to the agency a signed
4 notice of election form issued by the agency for
5 purposes of this subparagraph.

6 “(3) *RESPONSE OF AGENCY AFTER NOTIFICATION*
7 *THROUGH SYSTEM.*—Upon receipt of notification of
8 the election of a consumer under paragraph (1)
9 through the notification system maintained by the
10 agency under paragraph (5), a consumer reporting
11 agency shall—

12 “(A) inform the consumer that the election
13 is effective only for a 2-year period if the
14 consumer does not submit to the agency a signed
15 notice of election form issued by the agency for
16 purposes of paragraph (2)(B); and

17 “(B) provide to the consumer such a form
18 if requested by the consumer, by not later than
19 5 business days after receiving the notification
20 through the system in the case of a request made
21 at the time the consumer provides notification
22 through the system.

23 “(4) *EFFECTIVENESS OF ELECTION.*—An election
24 of a consumer under paragraph (1)—

1 “(A) shall be effective with respect to a
2 consumer reporting agency beginning on the date
3 the consumer notifies the agency in accordance
4 with paragraph (2);

5 “(B) shall be effective with respect to a
6 consumer reporting agency—

7 “(i) subject to subparagraph (C), for
8 the 2-year period beginning on the date the
9 consumer notifies the agency of the election,
10 in the case of an election for which a
11 consumer notifies the agency only in ac-
12 cordance with paragraph (2)(A); or

13 “(ii) until the consumer notifies the
14 agency under subparagraph (C), in the case
15 of an election for which a consumer notifies
16 the agency in accordance with paragraph
17 (2)(B);

18 “(C) shall not be effective after the date on
19 which the consumer notifies the agency, through
20 the notification system established by the agency
21 under paragraph (5), that the election is no
22 longer effective; and

23 “(D) shall be effective with respect to each
24 affiliate of the agency.

1 “(5) *NOTIFICATION SYSTEM, GENERALLY.*—Each
2 *consumer reporting agency which furnishes a*
3 *consumer report in connection with any credit trans-*
4 *action which is not initiated by a consumer, shall—*

5 “(A) *establish and maintain a notification*
6 *system, including a toll-free telephone number,*
7 *which permits any consumer whose consumer re-*
8 *port is maintained by the agency to notify the*
9 *agency, with appropriate identification, of the*
10 *consumer’s election to have the consumer’s name*
11 *and address excluded from any list of names and*
12 *addresses provided by the agency for such a*
13 *transaction; and*

14 “(B) *publish by not later than 365 days*
15 *after the date of the enactment of the Consumer*
16 *Reporting Reform Act of 1994, and at least an-*
17 *nually thereafter, in a publication of general cir-*
18 *culatation in the area served by the agency—*

19 “(i) *a notification that information in*
20 *consumer files maintained by the agency*
21 *may be used in connection with such trans-*
22 *actions; and*

23 “(ii) *the address and toll-free telephone*
24 *number for consumers to use to notify the*

1 *agency of the consumer's election under sub-*
2 *paragraph (A).*

3 *Establishment and maintenance of a notification sys-*
4 *tem (including a toll-free telephone number) and pub-*
5 *lication by a consumer reporting agency on its own*
6 *behalf and on behalf of any of its affiliates in accord-*
7 *ance with this paragraph is deemed to be compliance*
8 *with this paragraph by each of those affiliates.*

9 “(6) *NOTIFICATION SYSTEM BY AGENCIES WHICH*
10 *OPERATE NATIONWIDE.—Each consumer reporting*
11 *agency which compiles and maintains files on con-*
12 *sumers on a nationwide basis shall establish and*
13 *maintain a notification system for purposes of para-*
14 *graph (5) jointly with other such consumer reporting*
15 *agencies.”.*

16 **(b) *USE OF INFORMATION OBTAINED FROM RE-***
17 ***PORTS.—Section 604 of the Fair Credit Reporting Act (15***
18 ***U.S.C. 1681b) is further amended by adding after sub-***
19 ***section (d) (as added by subsection (a) of this section) the***
20 ***following new subsection:***

21 “(e) *CERTAIN USE OR OBTAINING OF INFORMATION*
22 ***PROHIBITED.—A person shall not use or obtain a consumer***
23 ***report for any purpose unless—***

1 “(1) it is obtained for a purpose for which the
2 consumer report is authorized to be furnished under
3 subsection (a); and

4 “(2) the purpose is certified in accordance with
5 section 607 by a prospective user of the report through
6 a general or specific certification.”.

7 **SEC. 105. CONSUMER CONSENT REQUIRED TO FURNISH**
8 **CONSUMER REPORT CONTAINING MEDICAL**
9 **INFORMATION.**

10 Section 604 of the Fair Credit Reporting Act (15
11 U.S.C. 1681b), as amended by sections 103 and 104, is fur-
12 ther amended by adding at the end the following:

13 “(f) *FURNISHING REPORTS CONTAINING MEDICAL IN-*
14 *FORMATION.*—A consumer reporting agency shall not fur-
15 nish for employment purposes, or in connection with a cred-
16 it transaction, a consumer report which contains medical
17 information about a consumer, unless the consumer con-
18 sents to the furnishing of the report.”.

19 **SEC. 106. AMENDMENTS RELATING TO OBSOLETE INFORMA-**
20 **TION AND INFORMATION CONTAINED IN**
21 **CONSUMER REPORTS.**

22 (a) *REPEAL LARGE-DOLLAR EXCEPTIONS.*—Section
23 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c)
24 is amended—

1 (1) in subsection (a) by striking “(a) Except as
2 authorized under subsection (b), no” and inserting

3 “(a) INFORMATION EXCLUDED FROM CONSUMER RE-
4 PORTS.—No”; and

5 (2) by striking subsection (b).

6 (b) CLARIFICATION OF REPORTING PERIOD.—Section
7 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c),
8 as amended by subsection (a), is further amended by adding
9 at the end the following new subsection:

10 “(b) RUNNING OF REPORTING PERIOD.—(1) The 7-
11 year period referred to in paragraphs (4) and (6) of sub-
12 section (a) shall begin, with respect to any delinquent ac-
13 count which is placed for collection (internally or by refer-
14 ral to a 3d party, whichever is earlier), charged to profit
15 and loss, or subjected to any similar action, upon the expi-
16 ration of the 180-day period beginning on the date of the
17 commencement of the delinquency which immediately pre-
18 ceded the collection activity, charge to profit and loss, or
19 similar action.

20 “(2) Paragraph (1) applies only to items of informa-
21 tion added to a consumer report on or after the date that
22 is 455 days after the date of the enactment of the Consumer
23 Reporting Reform Act of 1994.”.

24 (c) ADDITIONAL INFORMATION ON BANKRUPTCY FIL-
25 INGS REQUIRED.—Section 605 of the Fair Credit Reporting

1 Act (15 U.S.C. 1681c) is further amended by adding after
2 subsection (b) (as added by subsection (b) of this section)
3 the following new subsection:

4 “(c) *INFORMATION REQUIRED TO BE DISCLOSED.*—
5 Any consumer reporting agency which furnishes a consumer
6 report which contains information regarding any case in-
7 volving the consumer which arises under title 11, United
8 States Code, shall include in the report an identification
9 of the chapter of such title 11 under which such case arises
10 if provided by the source of the information. If any case
11 arising or filed under title 11, United States Code, is with-
12 drawn by the consumer prior to a final judgment, the
13 consumer reporting agency shall include in the report that
14 such case or filing was withdrawn upon receipt of docu-
15 mentation certifying such withdrawal.”.

16 (d) *INDICATION OF CLOSURE OF ACCOUNT; INDICA-*
17 *TION OF DISPUTE BY CONSUMER.*—Section 605 of the Fair
18 Credit Reporting Act (15 U.S.C. 1681c) is further amended
19 by adding after subsection (c) (as added by subsection (c)
20 of this section) the following new subsections:

21 “(d) *INDICATION OF CLOSURE OF ACCOUNT BY*
22 *CONSUMER.*—If a consumer reporting agency is notified
23 pursuant to section 623(a)(4) that a credit account of a
24 consumer was voluntarily closed by the consumer, the agen-

1 *cy shall indicate that fact in any consumer report that in-*
2 *cludes information related to the account.*

3 “(e) *INDICATION OF DISPUTE BY CONSUMER.*—If a
4 *consumer reporting agency is notified pursuant to section*
5 *623(a)(3) that information regarding a consumer that was*
6 *furnished to the agency is disputed by the consumer, the*
7 *agency shall indicate that fact in each consumer report that*
8 *includes the disputed information.”*

9 (e) *NOTATION ON CONSUMER REPORT.*—Section 605
10 *of the Fair Credit Reporting Act (15 U.S.C. 1681c) is fur-*
11 *ther amended by adding at the end the following new sub-*
12 *section:*

13 “(f) *CERTAIN ACCOUNT INFORMATION.*—A consumer
14 *reporting agency, upon the written request of a consumer,*
15 *and subject to the submission of appropriate documentation*
16 *by the consumer, shall include with any information re-*
17 *garding a failure of the consumer to make any payment*
18 *on an account of the consumer, a statement (in such form*
19 *as the Federal Trade Commission shall prescribe) that dur-*
20 *ing the period when the account in question became due,*
21 *the consumer was receiving assistance pursuant to a dec-*
22 *laration of a disaster by the President under the Robert*
23 *T. Stafford Disaster Relief and Emergency Assistance Act,*
24 *or unemployment compensation under the laws of any State*

1 *(or, but for the exhaustion of benefits, would be entitled to*
 2 *receive such compensation).”.*

3 *(f) CLERICAL AMENDMENTS.—*

4 *3(1) The heading for section 605 of the Fair Credit*
 5 *Reporting Act (15 U.S.C. 1681c) is amended by strik-*
 6 *ing “**Obsolete information**” and inserting “**Re-***
 7 ***quirements relating to information con-***
 8 ***tained in consumer reports”.***

9 *(2) The table of sections at the beginning of the*
 10 *Fair Credit Reporting Act (15 U.S.C. 1681a et seq.)*
 11 *is amended by striking the item relating to section*
 12 *605 and inserting the following:*

“605. Requirements relating to information contained in consumer reports.”.

13 **SEC. 107. AMENDMENTS RELATING TO COMPLIANCE PRO-**
 14 **CEDURES.**

15 *(a) DISCLOSURE OF CONSUMER REPORTS BY*
 16 *USERS.—Section 607 of the Fair Credit Reporting Act (15*
 17 *U.S.C. 1681e) is amended by adding at the end the follow-*
 18 *ing new subsection:*

19 *“(c) DISCLOSURE OF CONSUMER REPORTS BY USERS*
 20 *ALLOWED.—A consumer reporting agency may not prohibit*
 21 *a user of a consumer report furnished by the agency on a*
 22 *consumer from disclosing the contents of the report to the*
 23 *consumer, if adverse action against the consumer has been*
 24 *taken, or is contemplated, by the user based in whole or*
 25 *in part on the report.”.*

1 (b) *NOTICE TO USERS AND PROVIDERS OF INFORMA-*
2 *TION TO ENSURE COMPLIANCE.*—Section 607 of the Fair
3 *Credit Reporting Act (15 U.S.C. 1681e)* is further amended
4 *by adding after subsection (c) (as added by subsection (a)*
5 *of this section) the following new subsection:*

6 “(d) *NOTICE TO USERS AND FURNISHERS OF INFOR-*
7 *MATION.*—

8 “(1) *NOTICE REQUIREMENT.*—A consumer re-
9 *porting agency shall provide to any person—*

10 “(A) *who regularly and in the ordinary*
11 *course of business furnishes information to the*
12 *agency with respect to any consumer; or*

13 “(B) *to whom a consumer report is pro-*
14 *vided by the agency;*

15 *a notice of such person’s responsibilities under this*
16 *title.*

17 “(2) *CONTENT OF NOTICE.*—The Federal Trade
18 *Commission shall prescribe the content of notices*
19 *under paragraph (1).”.*

20 (c) *RECORD OF IDENTITY OF USERS AND PURPOSES*
21 *CERTIFIED BY USERS OF REPORTS.*—Section 607 of the
22 *Fair Credit Reporting Act (15 U.S.C. 1681e)* is further
23 *amended by adding after subsection (d) (as added by sub-*
24 *section (b) of this section) the following new subsection:*

1 “(e) *PROCUREMENT OF CONSUMER REPORT FOR RE-*
2 *SALE.*—

3 “(1) *DISCLOSURE.*—A person may not procure a
4 *consumer report for purposes of reselling the report*
5 *(or any information in the report) unless the person*
6 *discloses to the consumer reporting agency which*
7 *originally furnishes the report—*

8 “(A) *the identity of the end-user of the re-*
9 *port (or information), and*

10 “(B) *each permissible purpose under section*
11 *604 for which the report is furnished to the end-*
12 *user of the report (or information).*

13 “(2) *RESPONSIBILITIES OF PROCURERS FOR RE-*
14 *SALE.*—A person which procures a consumer report
15 *for purposes of reselling the report (or any informa-*
16 *tion in the report) shall—*

17 “(A) *establish and comply with reasonable*
18 *procedures designed to ensure that the report (or*
19 *information) is resold by the person only for a*
20 *purpose for which the report may be furnished*
21 *under section 604, including by requiring that*
22 *each person to which the report (or information)*
23 *is resold and which resells or provides the report*
24 *(or information) to any other person—*

1 “(i) identifies each end user of the re-
2 sold report (or information);

3 “(ii) certifies each purpose for which
4 the report (or information) will be used;
5 and

6 “(iii) certifies that the report (or infor-
7 mation) will be used for no other purpose;
8 and

9 “(B) before reselling the report, make
10 reasonable efforts to verify the identifications
11 and certifications made under subparagraph
12 (A).”.

13 **SEC. 108. AMENDMENTS RELATING TO CONSUMER DISCLO-**
14 **SURES.**

15 (a) *ALL INFORMATION IN CONSUMER’S FILE RE-*
16 *QUIRED TO BE DISCLOSED.*—Section 609(a)(1) of the Fair
17 *Credit Reporting Act (15 U.S.C. 1681g(a)(1)) is amended*
18 *to read as follows:*

19 “(1) All information in the consumer’s file at the
20 time of the request.”.

21 (b) *MORE INFORMATION CONCERNING RECIPIENTS OF*
22 *REPORTS REQUIRED.*—Section 609(a)(3) of the Fair Credit
23 *Reporting Act (15 U.S.C. 1681g(a)) is amended to read as*
24 *follows:*

1 “(3)(A) Identification of each person (including
2 each end-user identified under section 607(e)(1)) who
3 procured a consumer report—

4 “(i) for employment purposes within the 2-
5 year period preceding the request; or

6 “(ii) for any other purpose within the 1-
7 year period preceding the request.

8 “(B) An identification of a person under sub-
9 paragraph (A) shall include—

10 “(i) the name of the person or, if applicable,
11 the trade name (written in full) under which
12 such person conducts business; and

13 “(ii) upon request of the consumer, the ad-
14 dress and telephone number of the person.”.

15 (c) DISCLOSURE OF PERMISSIBLE PURPOSES.—Sec-
16 tion 609(a) of the Fair Credit Reporting Act (15 U.S.C.
17 1681g(a)) is further amended by adding at the end the fol-
18 lowing:

19 “(4) The permissible purpose under section 604,
20 by category, for which each person identified under
21 paragraph (3) procured a consumer report.”.

22 (d) INFORMATION REGARDING INQUIRIES.—Section
23 609(a) of the Fair Credit Reporting Act (15 U.S.C.
24 1681g(a)) is amended by adding after paragraph (4) (as
25 added by subsection (c) of this section) the following:

1 “(5) A record of all inquiries received by the
2 agency in the 1-year period preceding the request that
3 identified the consumer in connection with a credit
4 transaction which was not initiated by the
5 consumer.”.

6 (e) *SUMMARY OF RIGHTS REQUIRED TO BE INCLUDED*
7 *WITH DISCLOSURE.*—

8 (1) *IN GENERAL.*—Section 609 of the Fair Credit
9 Reporting Act (15 U.S.C. 1681g) is amended by add-
10 ing at the end the following new subsection:

11 “(c) *SUMMARY OF RIGHTS REQUIRED TO BE IN-*
12 *CLUDED WITH DISCLOSURE.*—

13 “(1) *SUMMARY OF RIGHTS.*—A consumer report-
14 ing agency shall provide to a consumer, with each
15 written disclosure by the agency to the consumer
16 under this section—

17 “(A) a written summary of all rights the
18 consumer has under this title; and

19 “(B) in the case of a consumer reporting
20 agency that compiles and maintains files on con-
21 sumers on a nationwide basis, a toll-free tele-
22 phone number established by the agency at which
23 personnel are accessible to consumers during nor-
24 mal business hours.

1 “(2) *SPECIFIC ITEMS REQUIRED TO BE IN-*
2 *CLUDED.—The summary of rights required under*
3 *paragraph (1) shall include—*

4 “(A) *a brief description of this title and all*
5 *rights of consumers under this title;*

6 “(B) *an explanation of how the consumer*
7 *may exercise the rights of the consumer under*
8 *this title;*

9 “(C) *a list of all Federal agencies respon-*
10 *sible for enforcing any provision of this title and*
11 *the address and any appropriate phone number*
12 *of each such agency, in a form that will assist*
13 *the consumer in selecting the appropriate agen-*
14 *cy;*

15 “(D) *a statement that the consumer may*
16 *have additional rights under State law and that*
17 *the consumer may wish to contact a State or*
18 *local consumer protection agency or a State at-*
19 *torney general to learn of those rights; and*

20 “(E) *a statement that a consumer reporting*
21 *agency is not required to remove accurate derog-*
22 *atory information from a consumer’s file, unless*
23 *the information is outdated under section 605 or*
24 *cannot be verified.*

1 “(3) *FORM OF SUMMARY OF RIGHTS.*—For pur-
2 poses of this subsection and any disclosure by a
3 consumer reporting agency required under this title
4 with respect to consumers’ rights, the Federal Trade
5 Commission (after consultation with each Federal
6 agency referred to in section 621(b)) shall prescribe
7 the form and content of any disclosure of the rights
8 of consumers required under this title.”.

9 (2) *TECHNICAL AMENDMENT.*—Section
10 606(a)(1)(B) of the Fair Credit Reporting Act (15
11 U.S.C. 1681d(a)(1)(B)) is amended by inserting “and
12 the written summary of the rights of the consumer
13 prepared pursuant to section 609(c)” before the semi-
14 colon.

15 (i) *FORM OF DISCLOSURES.*—

16 (1) *IN GENERAL.*—Subsections (a) and (b) of sec-
17 tion 610 of the Fair Credit Reporting Act (15 U.S.C.
18 1681h) are amended to read as follows:

19 “(a) *IN GENERAL.*—

20 “(1) *PROPER IDENTIFICATION.*—A consumer re-
21 porting agency shall require, as a condition of mak-
22 ing the disclosures required under section 609, that
23 the consumer furnish proper identification.

24 “(2) *DISCLOSURE IN WRITING.*—Except as pro-
25 vided in subsection (b), the disclosures required to be

1 *made under section 609 shall be provided under that*
2 *section in writing.*

3 “(b) *OTHER FORMS OF DISCLOSURE.*—

4 “(1) *IN GENERAL.*—*If authorized by a consumer,*
5 *a consumer reporting agency may make the disclo-*
6 *sure required under 609—*

7 “(A) *other than in writing; and*

8 “(B) *in such form as may be—*

9 “(i) *specified by the consumer in ac-*
10 *cordance with paragraph (2); and*

11 “(ii) *available from the agency.*

12 “(2) *FORM.*—*A consumer may specify pursuant*
13 *to paragraph (1) that disclosures under section 609*
14 *shall be made—*

15 “(A) *in person, upon the appearance of the*
16 *consumer at the place of business of the consumer*
17 *reporting agency where disclosures are regularly*
18 *provided, during normal business hours, and on*
19 *reasonable notice;*

20 “(B) *by telephone, if the consumer has made*
21 *a written request for disclosure by telephone;*

22 “(C) *by electronic means, if available from*
23 *the agency; or*

24 “(D) *by any other reasonable means that is*
25 *available from the agency.”.*

1 (2) *SIMPLIFIED DISCLOSURE.*—Not later than 90
2 days after the date of enactment of this Act, each
3 consumer reporting agency shall develop a form on
4 which such consumer reporting agency shall make the
5 disclosures required under section 609(a) of the Fair
6 Credit Reporting Act, for the purpose of maximizing
7 the comprehensibility and standardization of such
8 disclosures.

9 (3) *GOALS.*—The Federal Trade Commission
10 shall take appropriate action to assure that the goals
11 of comprehensibility and standardization are achieved
12 in accordance with paragraph (2).

13 (4) *CONFORMING AMENDMENTS.*—

14 (A) Section 609(a) of the Fair Credit Re-
15 porting Act (15 U.S.C. 1681h(a)) is amended in
16 the matter preceding paragraph (1) by striking
17 “and proper identification of any consumer”
18 and inserting “and subject to section 610(a)(1)”.

19 (B) Section 610 of the Fair Credit Report-
20 ing Act (15 U.S.C. 1681h) is amended in the
21 heading for the section by inserting “**and**
22 **form**” after “**Conditions**”.

23 (C) The table of sections at the beginning of
24 the Fair Credit Reporting Act (15 U.S.C. 1681a
25 et seq.) is amended in the item relating to sec-

1 tion 610 by inserting “and form” after “Condi-
2 tions”.

3 **SEC. 109. AMENDMENTS RELATING TO PROCEDURES IN**
4 **CASE OF THE DISPUTED ACCURACY OF ANY**
5 **INFORMATION IN A CONSUMER’S FILE.**

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

9 “(a) *REINVESTIGATIONS OF DISPUTED INFORMA-*
10 *TION.*—

11 “(1) *REINVESTIGATION REQUIRED.*—

12 “(A) *IN GENERAL.*—If the completeness or
13 accuracy of any item of information contained
14 in a consumer’s file at a consumer reporting
15 agency is disputed by the consumer and the
16 consumer notifies the agency directly of such dis-
17 pute, the agency shall reinvestigate free of charge
18 and record the current status of the disputed in-
19 formation, or delete the item from the file in ac-
20 cordance with paragraph (5), before the end of
21 the 30-day period beginning on the date the
22 agency receives the notice of the dispute from the
23 consumer.

24 “(B) *EXTENSION OF PERIOD TO*
25 *REINVESTIGATE.*—Except as provided in sub-

1 *paragraph (C), the 30-day period described in*
2 *subparagraph (A) may be extended for up to, but*
3 *for no more than, 15 additional days if the*
4 *consumer reporting agency receives information*
5 *from the consumer within that 30-day period*
6 *that is relevant to the reinvestigation.*

7 “(C) *LIMITATIONS ON EXTENSION OF PE-*
8 *RIOD TO REINVESTIGATE.*—*Subparagraph (B)*
9 *shall not apply to any reinvestigation in which,*
10 *in the 30-day period described in subparagraph*
11 *(A), the information that is the subject of the*
12 *reinvestigation is found to be inaccurate or in-*
13 *complete or the consumer reporting agency deter-*
14 *mines that the information cannot be verified.*

15 “(2) *PROMPT NOTICE OF DISPUTE TO FUR-*
16 *NISHER OF INFORMATION.*—

17 “(A) *IN GENERAL.*—*Before the end of the 5-*
18 *business-day period beginning on the date a*
19 *consumer reporting agency receives notice of a*
20 *dispute from any consumer in accordance with*
21 *paragraph (1), the agency shall provide notifica-*
22 *tion of the dispute to any person that provided*
23 *any item of information in dispute, at the ad-*
24 *dress and in the manner established with the*
25 *person. The notice shall include all relevant in-*

1 *formation regarding the dispute that the agency*
2 *has received from the consumer.*

3 “(B) *PROVISION OF OTHER INFORMATION*
4 *FROM CONSUMER.—The consumer reporting*
5 *agency shall promptly provide to the person that*
6 *provided the information in dispute all relevant*
7 *information regarding the dispute that is re-*
8 *ceived by the agency from the consumer after the*
9 *period referred to in subparagraph (A) and be-*
10 *fore the end of the period referred to in para-*
11 *graph (1)(A).*

12 “(3) *DETERMINATION THAT DISPUTE IS FRIVO-*
13 *LOUS OR IRRELEVANT.—*

14 “(A) *IN GENERAL.—Notwithstanding para-*
15 *graph (1), a consumer reporting agency may ter-*
16 *minate a reinvestigation of information disputed*
17 *by a consumer under that paragraph if the agen-*
18 *cy reasonably determines that the dispute by the*
19 *consumer is frivolous or irrelevant, including by*
20 *reason of a failure by a consumer to provide suf-*
21 *ficient information to investigate the disputed*
22 *information.*

23 “(B) *NOTICE OF DETERMINATION.—Upon*
24 *making any determination in accordance with*
25 *subparagraph (A) that a dispute is frivolous or*

1 *irrelevant, a consumer reporting agency shall no-*
2 *tify the consumer within 5 business days of such*
3 *determination, by mail or, if authorized by the*
4 *consumer for that purpose, by any other means*
5 *available to the agency.*

6 “(C) *CONTENTS OF NOTICE.*—A notice
7 *under subparagraph (B) shall include—*

8 *“(i) the reasons for the determination*
9 *under subparagraph (A); and*

10 *“(ii) identification of any information*
11 *required to investigate the disputed infor-*
12 *mation, which may consist of a standard-*
13 *ized form describing the general nature of*
14 *such information.*

15 “(4) *CONSIDERATION OF CONSUMER INFORMA-*
16 *TION.*—*In conducting any reinvestigation under*
17 *paragraph (1) with respect to disputed information*
18 *in the file of any consumer, the consumer reporting*
19 *agency shall review and consider all relevant infor-*
20 *mation submitted by the consumer in the period de-*
21 *scribed in paragraph (1)(A) with respect to such dis-*
22 *puted information.*

23 “(5) *TREATMENT OF INACCURATE OR UNVERIFI-*
24 *ABLE INFORMATION.*—

1 “(A) *IN GENERAL.*—If, after any
2 reinvestigation under paragraph (1) of any in-
3 formation disputed by a consumer, an item of
4 the information is found to be inaccurate or in-
5 complete or cannot be verified, the consumer re-
6 porting agency shall promptly delete that item of
7 information from the consumer’s file. The infor-
8 mation deleted shall consist solely of the informa-
9 tion that was disputed by the consumer and
10 shall not include any portion of the same item
11 that was not disputed.

12 “(B) *REQUIREMENTS RELATING TO*
13 *REINSERTION OF PREVIOUSLY DELETED MATE-*
14 *RIAL.*—

15 “(i) *CERTIFICATION OF ACCURACY OF*
16 *INFORMATION.*—If any information is de-
17 leted from a consumer’s file pursuant to
18 subparagraph (A), the information may not
19 be reinserted in the file by the consumer re-
20 porting agency unless the person who fur-
21 nishes the information certifies that the in-
22 formation is complete and accurate.

23 “(ii) *NOTICE TO CONSUMER.*—If any
24 information which has been deleted from a
25 consumer’s file pursuant to subparagraph

1 (A) is reinserted in the file, the consumer
2 reporting agency shall notify the consumer
3 of the reinsertion in writing within 5 busi-
4 ness days after the reinsertion or, if author-
5 ized by the consumer for that purpose, by
6 any other means available to the agency.

7 “(iii) *ADDITIONAL INFORMATION.*—As
8 part of or in addition to the notice under
9 clause (ii), a consumer reporting agency
10 shall provide to a consumer in writing
11 within 5 business days after the date of the
12 reinsertion—

13 “(I) a statement that the disputed
14 information has been reinserted;

15 “(II) the name, business address,
16 and telephone number of any furnisher
17 of information contacted, or of any
18 furnisher of information which con-
19 tacted the consumer reporting agency,
20 in connection with the reinsertion of
21 such information; and

22 “(III) a notice that the consumer
23 has the right to add a statement to the
24 consumer’s file disputing the accuracy

1 or completeness of the disputed infor-
2 mation.

3 “(C) *PROCEDURES TO PREVENT REAPPEAR-*
4 *ANCE.*—A consumer reporting agency shall
5 maintain reasonable procedures designed to pre-
6 vent the reappearance in a consumer’s file, and
7 in consumer reports on the consumer, of infor-
8 mation that is deleted pursuant to this para-
9 graph (other than information that is reinserted
10 in accordance with subparagraph (B)(i)).

11 “(D) *FREE CONSUMER REPORT DURING 12-*
12 *MONTH PERIOD AFTER DELETION OF INFORMA-*
13 *TION.*—Upon the request of a consumer, a
14 consumer reporting agency shall make all disclo-
15 sures pursuant to section 609 without charge to
16 that consumer at least once during the 12-month
17 period after the consumer receives a notification
18 under paragraph (6) or paragraph (8) of the de-
19 letion of information that is found to be inac-
20 curate or cannot be verified.

21 “(E) *AUTOMATED REINVESTIGATION SYS-*
22 *TEM.*—

23 “(i) *IN GENERAL.*—Any consumer re-
24 porting agency that compiles and main-
25 tains files on consumers on a nationwide

1 *basis shall implement an automated system*
2 *through which furnishers of information to*
3 *that consumer reporting agency may report*
4 *the results of a reinvestigation that finds in-*
5 *complete or inaccurate information in a*
6 *consumer's file to other such consumer re-*
7 *porting agencies.*

8 “(ii) *NATIONWIDE CONSUMER REPORT-*
9 *ING AGENCIES.—A consumer reporting*
10 *agency that compiles and maintains files on*
11 *consumers on a nationwide basis shall re-*
12 *port the results of a reinvestigation initi-*
13 *ated by a consumer under section 611 that*
14 *finds in the consumer's file information*
15 *that is incomplete or inaccurate or informa-*
16 *tion that cannot be verified, to any other*
17 *consumer reporting agency that compiles*
18 *and maintains files on consumers on a na-*
19 *tionwide basis and—*

20 “(I) *to which a consumer report*
21 *on the consumer was provided within*
22 *the preceding 2-year period for pur-*
23 *poses of resale by that other agency; or*

24 “(II) *to which a consumer report*
25 *on the consumer was provided within*

1 *the preceding 7-year period for pur-*
2 *poses of merging that report to that*
3 *other agency's proprietary files.*

4 *“(iii) ACTION REQUIRED UPON RE-*
5 *CEIPT OF REPORT.—If a consumer report-*
6 *ing agency receives a report under clause*
7 *(ii), the agency shall—*

8 *“(I) change the data in its files in*
9 *accordance with the report;*

10 *“(II) delete data from its propri-*
11 *etary files in accordance with the re-*
12 *port; or*

13 *“(III) reinvestigate the disputed*
14 *data that is the subject of the report in*
15 *accordance with section 611, with the*
16 *source of that data.*

17 *“(6) NOTICE OF RESULTS OF*
18 *REINVESTIGATION.—*

19 *“(A) IN GENERAL.—A consumer reporting*
20 *agency shall provide written notice to a*
21 *consumer of the results of a reinvestigation under*
22 *this subsection within 5 business days after the*
23 *completion of the reinvestigation, by mail or, if*
24 *authorized by the consumer for that purpose, by*
25 *other means available to the agency.*

1 “(B) *CONTENTS.*—As part of or in addition
2 to the notice under subparagraph (A), a
3 consumer reporting agency shall provide to a
4 consumer in writing within the 5-day period
5 referred to in subparagraph (A)—

6 “(i) a statement that the reinves-
7 tigation is completed;

8 “(ii) a consumer report that is based
9 upon the consumer’s file as that file is re-
10 vised as a result of the reinvestigation;

11 “(iii) a description or indication of
12 any changes made in the consumer report
13 as a result of those revisions to the consum-
14 er’s file;

15 “(iv) a notice that, if requested by the
16 consumer, a description of the procedure
17 used to determine the accuracy and com-
18 pleteness of the information shall be pro-
19 vided to the consumer by the agency, in-
20 cluding the name, business address, and
21 telephone number of any furnisher of infor-
22 mation contacted in connection with such
23 information;

24 “(v) a notice that the consumer has the
25 right to add a statement to the consumer’s

1 file disputing the accuracy or completeness
2 of the information; and

3 “(vi) a notice that the consumer has
4 the right to request under subsection (d)
5 that the consumer reporting agency furnish
6 notifications under that subsection.

7 “(7) DESCRIPTION OF REINVESTIGATION PROCE-
8 DURE.—A consumer reporting agency shall provide to
9 a consumer a description referred to in paragraph
10 (6)(B)(iv) by not later than 15 days after receiving
11 a request from the consumer for that description.

12 “(8) EXPEDITED DISPUTE RESOLUTION.—If a
13 dispute regarding an item of information in a con-
14 sumer’s file at a consumer reporting agency is re-
15 solved in accordance with paragraph (5)(A) by the
16 deletion of the disputed information by not later than
17 3 business days after the date on which the agency re-
18 ceives notice of the dispute from the consumer in ac-
19 cordance with paragraph (1)(A), then the agency
20 shall not be required to comply with paragraphs (2),
21 (6), and (7) with respect to that dispute if the agen-
22 cy—

23 “(A) provides prompt notice of the deletion
24 to the consumer by telephone;

1 “(B) includes in that notice, or in a written
2 notice that accompanies a confirmation and
3 consumer report provided in accordance with
4 subparagraph (C), a statement of the consumer’s
5 right to request under subsection (d) that the
6 agency furnish notifications under that sub-
7 section; and

8 “(C) provides written confirmation of the
9 deletion and a copy of a consumer report on the
10 consumer which is based on the consumer’s file
11 after the deletion, within 5 business days after
12 making the deletion.”.

13 (b) *CONFORMING AMENDMENT.*—Subsection (d) of sec-
14 tion 611 of the Fair Credit Reporting Act (15 U.S.C.
15 1681i(d)) is amended by striking “The consumer reporting
16 agency shall clearly” and all that follows through the end
17 of the subsection.

18 **SEC. 110. AMENDMENT RELATING TO CHARGES FOR DIS-**
19 **CLOSURE.**

20 Section 612 of the Fair Credit Reporting Act (15
21 U.S.C. 1681j) is amended to read as follows:

22 **“§612. Charges for certain disclosures**

23 “(a) *REASONABLE CHARGES ALLOWED FOR CERTAIN*
24 *DISCLOSURES.*—Except as provided in subsections (b), (c),

1 (d), and (e), a consumer reporting agency may impose a
2 reasonable charge on a consumer—

3 “(1) for making a disclosure to the consumer
4 pursuant to section 609, which—

5 “(A) shall not exceed \$8; and

6 “(B) shall be indicated to the consumer
7 prior to making disclosure; and

8 “(2) for furnishing pursuant to section 611(d),
9 following a reinvestigation under section 611(a), a
10 statement, codification, or summary to a person des-
11 ignated by the consumer under that section after the
12 30-day period beginning on the date of notification of
13 the consumer under section 611(a)(6) or (8) with re-
14 spect to the reinvestigation, which—

15 “(A) shall not exceed the charge that the
16 agency would impose on each designated recipi-
17 ent for a consumer report; and

18 “(B) shall be indicated to the consumer
19 prior to furnishing such information.

20 “(b) *FREE CONSUMER REPORT AFTER ADVERSE NO-*
21 *TICE TO CONSUMER.*—Each consumer reporting agency
22 that maintains a file on a consumer shall make all disclo-
23 sures pursuant to section 609 without charge to the
24 consumer if, within 60 days after receipt by such consumer
25 of a notification pursuant to section 615 or of a notification

1 *from a debt collection agency affiliated with that consumer*
2 *reporting agency stating that the consumer's credit rating*
3 *may be or has been adversely affected, the consumer makes*
4 *a request under section 609.*

5 “(c) *FREE CONSUMER REPORT UNDER CERTAIN*
6 *OTHER CIRCUMSTANCES.—Upon the request of the*
7 *consumer, a consumer reporting agency shall make all dis-*
8 *closures pursuant to section 609 without charge to that*
9 *consumer if the consumer certifies in writing that the*
10 *consumer—*

11 “(1) *is unemployed and intends to apply for em-*
12 *ployment in the 60-day period beginning on the date*
13 *the certification is made;*

14 “(2) *is a recipient of public welfare assistance;*
15 *or*

16 “(3) *has reason to believe that the file on the*
17 *consumer at the agency contains inaccurate informa-*
18 *tion due to fraud.*

19 “(d) *OTHER CHARGES PROHIBITED.—A consumer re-*
20 *porting agency shall not impose any charge on a consumer*
21 *for providing any notification required by this Act or mak-*
22 *ing any disclosure required by this Act, except as authorized*
23 *by subsection (a).*

24 “(e) *ANNUAL CONSUMER REPORT UPON REQUEST AT*
25 *SPECIFIED CHARGE.—*

1 “(1) *IN GENERAL.*—Upon the written request of
2 a consumer, a consumer reporting agency that main-
3 tains a file on the consumer shall make all disclosures
4 pursuant to section 609 once in any 12-month period,
5 at the charge specified in paragraph (2).

6 “(2) *CHARGE SPECIFIED.*—The charge for disclo-
7 sures under paragraph (1) shall be an amount that
8 does not exceed the lesser of—

9 “(A) the total cost incurred by the consumer
10 reporting agency in making the disclosures; or

11 “(B) \$3.”

12 **SEC. 111. AMENDMENTS RELATING TO DUTIES OF USERS**
13 **OF CONSUMER REPORTS AND DUTIES OF AF-**
14 **FILIATES SHARING CERTAIN INFORMATION.**

15 (a) *DUTIES OF USERS TAKING ADVERSE ACTIONS.*—
16 Section 615(a) of the Fair Credit Reporting Act (15 U.S.C.
17 1681m(a)) is amended to read as follows:

18 “(a) *DUTIES OF USERS TAKING ADVERSE ACTIONS ON*
19 *THE BASIS OF INFORMATION CONTAINED IN CONSUMER*
20 *REPORTS.*—If any person takes any adverse action with re-
21 spect to any consumer which is based in whole or in part
22 on any information contained in a consumer report, the
23 person shall—

24 “(1) provide written notice of the adverse action
25 to the consumer;

1 “(2) provide to the consumer in writing—

2 “(A) the name, address, and telephone num-
3 ber of the consumer reporting agency (including
4 a toll-free telephone number established by the
5 agency if the agency compiles and maintains
6 files on consumers on a nationwide basis) which
7 furnished the report to the person; and

8 “(B) a statement that the consumer report-
9 ing agency did not make the decision to take the
10 adverse action and is unable to provide the
11 consumer the specific reasons why the adverse ac-
12 tion was taken; and

13 “(3) provide to the consumer a written notice of
14 the consumer’s right—

15 “(A) to obtain, under section 612, a free
16 copy of a consumer report on the consumer from
17 the consumer reporting agency referred to in
18 paragraph (2), which notice shall include an in-
19 dication of the 60-day period under that section
20 for obtaining such a copy; and

21 “(B) to dispute, under section 611, with a
22 consumer reporting agency the accuracy or com-
23 pleteness of any information in a consumer re-
24 port furnished by the agency.”.

1 **(b) DUTIES OF USERS WHO MAKE CERTAIN CREDIT**
2 *SOLICITATIONS.*—Section 615 of the Fair Credit Reporting
3 Act (15 U.S.C. 1681m) is amended by adding at the end
4 *the following new subsection:*

5 **“(d) DUTIES OF USERS WHO MAKE WRITTEN CREDIT**
6 *SOLICITATIONS ON THE BASIS OF INFORMATION CON-*
7 *TAINED IN CONSUMER FILES.*—

8 **“(1) IN GENERAL.**—Any person who uses a
9 *consumer report on any consumer in connection with*
10 *any credit transaction which is not initiated by the*
11 *consumer and which consists of a firm offer of credit*
12 *shall provide with any written solicitation made to*
13 *the consumer regarding the transaction a clear and*
14 *conspicuous statement that—*

15 **“(A)** *information contained in the consum-*
16 *er’s consumer report was used in connection with*
17 *the transaction;*

18 **“(B)** *the consumer received the offer of cred-*
19 *it because the consumer satisfied the criteria for*
20 *creditworthiness under which the consumer was*
21 *selected for the offer;*

22 **“(C)** *if applicable, the credit may not be ex-*
23 *tended if, after the consumer responds to the*
24 *offer, the consumer does not meet the criteria*
25 *used to select the consumer for the offer or any*

1 *applicable criteria bearing on creditworthiness*
2 *or does not furnish any required collateral;*

3 “(D) *the consumer has a right to prohibit*
4 *information contained in the consumer’s file*
5 *with any consumer reporting agency from being*
6 *used in connection with any credit transaction*
7 *which is not initiated by the consumer; and*

8 “(E) *the consumer may exercise the right*
9 *referred to in subparagraph (D) by notifying a*
10 *notification system established under section*
11 *604(d).*

12 “(2) *DISCLOSURE OF ADDRESS AND TELEPHONE*
13 *NUMBER.—A statement under paragraph (1) shall in-*
14 *clude the address and toll-free telephone number of the*
15 *appropriate notification system established under sec-*
16 *tion 604(d).*

17 “(3) *MAINTAINING CRITERIA ON FILE.—A person*
18 *who makes an offer of credit to a consumer under a*
19 *credit transaction described in paragraph (1) shall*
20 *maintain on file the criteria used to select the*
21 *consumer to receive the offer, all criteria bearing on*
22 *creditworthiness that are the basis for determining*
23 *whether or not to extend credit pursuant to the offer,*
24 *and any requirement for the furnishing of collateral*
25 *as a condition of the extension of credit, until the end*

1 of the 3-year period beginning on the date on which
2 the offer is made to the consumer.

3 “(4) *LIMITATION ON APPLICATION.*—Paragraph
4 (1) does not apply to the use of a consumer report by
5 a person if—

6 “(A) *the person is affiliated by common*
7 *ownership or by common corporate control with*
8 *the person who procured the report;*

9 “(B) *the person who procured the report*
10 *clearly and conspicuously disclosed to the*
11 *consumer to whom the report relates, before the*
12 *report is provided to the person using the report,*
13 *that the report might be provided to and used by*
14 *other persons who are affiliated in the manner*
15 *described in subparagraph (A) to the person who*
16 *procured the report; and*

17 “(C) *the provision and use of the report*
18 *is—*

19 “(i) *consented to by the consumer in*
20 *writing, or*

21 “(ii) *with respect to existing customers,*
22 *the consumer has been afforded the oppor-*
23 *tunity to direct in writing that the report*
24 *may not be provided to or used by persons*

1 *who are affiliated in the manner described*
2 *in subparagraph (A) and has not done so.*

3 “(5) *AUTHORITY OF FEDERAL AGENCIES RE-*
4 *GARDING UNFAIR OR DECEPTIVE ACTS OR PRACTICES*
5 *NOT AFFECTED.—This title is not intended to affect*
6 *the authority of any Federal agency to enforce a pro-*
7 *hibition against unfair or deceptive acts or practices,*
8 *including the making of false or misleading state-*
9 *ments in connection with credit transactions not ini-*
10 *tiated by the consumer.”.*

11 *(c) DUTIES OF PERSON TAKING CERTAIN ACTIONS*
12 *BASED ON INFORMATION PROVIDED BY AFFILIATE.—Sec-*
13 *tion 615 of the Fair Credit Reporting Act (15 U.S.C.*
14 *1681m) is further amended by adding after subsection (d),*
15 *as added by subsection (b) of this section, the following new*
16 *subsection:*

17 “(e) *DUTIES OF PERSON TAKING CERTAIN ACTIONS*
18 *BASED ON INFORMATION PROVIDED BY AFFILIATE.—*

19 “(1) *DUTIES, GENERALLY.—If a person takes an*
20 *action described in paragraph (2) with respect to a*
21 *consumer based in whole or in part on information*
22 *described in paragraph (3), the person shall—*

23 “(A) *notify the consumer in writing of the*
24 *action, including a statement that the consumer*
25 *may obtain the information in accordance with*

1 subparagraph (B) and may contact the toll-free
2 telephone number required by subparagraph (C);

3 “(B) upon a written request from the
4 consumer received within 60 days after trans-
5 mittal of the notice required by subparagraph
6 (A), disclose to the consumer in writing the na-
7 ture of the information upon which the action is
8 based by not later than 30 days after receipt of
9 the request; and

10 “(C) make available a toll-free telephone
11 number at which personnel are available to com-
12 municate with the consumer regarding the action
13 during normal business hours.

14 “(2) ACTION DESCRIBED.—An action referred to
15 in paragraph (1) is—

16 “(A) an adverse action described in section
17 603(k)(1)(A) taken in connection with a trans-
18 action initiated by the consumer, or any adverse
19 action described in section 603(k)(1) (B) or (C);

20 “(B) a denial of any other transaction ini-
21 tiated by the consumer for personal, family, or
22 household purposes; or

23 “(C) an increase in any charge for a trans-
24 action described in subparagraph (B).

1 “(3) *INFORMATION DESCRIBED.*—Information re-
2 ferred to in paragraph (1)—

3 “(A) except as provided in subparagraph
4 (B), is information that—

5 “(i) is furnished to the person taking
6 the action by a person related by common
7 ownership or affiliated by common cor-
8 porate control to the person taking the ac-
9 tion; and

10 “(ii) bears on the consumer’s credit
11 worthiness, credit standing, credit capacity,
12 character, general reputation, personal
13 characteristics, or mode of living; and

14 “(B) does not include—

15 “(i) information solely as to trans-
16 actions or experiences between the consumer
17 and the person furnishing the information;
18 or

19 “(ii) information in a consumer re-
20 port.”.

21 (d) *CONFORMING AMENDMENT.*—Section 615(c) of the
22 *Fair Credit Reporting Act (15 U.S.C. 1681m(c))* is amend-
23 ed by striking “subsections (a) and (b)” and inserting “this
24 section”.

1 **SEC. 112. AMENDMENTS RELATING TO CIVIL LIABILITY.**

2 (a) *CIVIL LIABILITY FOR WILLFUL NONCOMPLIANCE,*
3 *GENERALLY.*—Section 616 of the Fair Credit Reporting Act
4 (15 U.S.C. 1681n) is amended by striking “Any consumer
5 reporting agency or user of information which” and insert-
6 ing “(a) *IN GENERAL.*—Any person who”.

7 (b) *MINIMUM CIVIL LIABILITY FOR WILLFUL NON-*
8 *COMPLIANCE.*—Section 616(1) of the Fair Credit Reporting
9 Act (15 U.S.C. 1681n(1)) is amended to read as follows:

10 “(1)(A) any actual damages sustained by the
11 consumer as a result of the failure or damages of no
12 less than \$100 and no more than \$1,000; or

13 “(B) in the case of liability of a natural person
14 for obtaining a consumer report under false pretenses
15 or knowingly without a permissible purpose, actual
16 damages sustained by the consumer as a result of the
17 failure or \$1,000, whichever is greater;”.

18 (c) *CIVIL LIABILITY FOR NEGLIGENT NONCOMPLI-*
19 *ANCE.*—Section 617 of the Fair Credit Reporting Act
20 (15 U.S.C. 1681o) is amended by striking “Any consumer
21 reporting agency or user of information which” and insert-
22 ing “(a) *IN GENERAL.*—Any person who”.

23 (d) *ATTORNEY’S FEES.*—

24 (1) *WILLFUL NONCOMPLIANCE.*—Section 616 of
25 the Fair Credit Reporting Act (15 U.S.C. 1681n) is
26 amended by adding at the end the following:

1 “(b) *ATTORNEY’S FEES.*—On a finding by the court
2 that an unsuccessful pleading, motion, or other paper filed
3 in connection with an action under this section was filed
4 in bad faith or for purposes of harassment, the court shall
5 award to the prevailing party attorney’s fees reasonable in
6 relation to the work expended in responding to the pleading,
7 motion, or other paper.”.

8 (2) *NEGLIGENT NONCOMPLIANCE.*—Section 617
9 of the Fair Credit Reporting Act (15 U.S.C. 1681o)
10 is amended by adding at the end the following:

11 “(b) *ATTORNEY’S FEES.*—On a finding by the court
12 that an unsuccessful pleading, motion, or other paper filed
13 in connection with an action under this section was filed
14 in bad faith or for purposes of harassment, the court shall
15 award to the prevailing party attorney’s fees reasonable in
16 relation to the work expended in responding to the pleading,
17 motion, or other paper.”.

18 **SEC. 113. AMENDMENTS RELATING TO RESPONSIBILITIES**
19 **OF PERSONS WHO FURNISH INFORMATION**
20 **TO CONSUMER REPORTING AGENCIES.**

21 (a) *IN GENERAL.*—The Fair Credit Reporting Act (15
22 U.S.C. 1681 et seq.) is amended by redesignating section
23 623 as section 624 and inserting after section 622 the fol-
24 lowing new section:

1 **“§ 623. Responsibilities of furnishers of information to**
2 **consumer reporting agencies**

3 *“(a) DUTY OF FURNISHERS OF INFORMATION TO PRO-*
4 *VIDE COMPLETE AND ACCURATE INFORMATION.—*

5 *“(1) PROHIBITIONS.—A person shall not furnish*
6 *any information to any consumer reporting agency if*
7 *the person knows or should have known the informa-*
8 *tion is incomplete or inaccurate.*

9 *“(2) DUTY TO CORRECT AND UPDATE INFORMA-*
10 *TION.—A person who—*

11 *“(A) regularly and in the ordinary course*
12 *of business furnishes information to one or more*
13 *consumer reporting agencies about the person’s*
14 *transactions or experiences with any consumer;*
15 *and*

16 *“(B) has furnished to a consumer reporting*
17 *agency information that the person determines is*
18 *not complete or accurate;*

19 *shall promptly notify the consumer reporting agency*
20 *of that determination and provide to the agency any*
21 *corrections to that information, or any additional in-*
22 *formation, that is necessary to make the information*
23 *provided by the person to the agency complete and ac-*
24 *curate, and shall not thereafter furnish to the agency*
25 *any of the information that remains not complete or*
26 *accurate.*

1 “(3) *DUTY TO PROVIDE NOTICE OF DISPUTE.—*
2 *If the completeness or accuracy of any information*
3 *furnished by any person to any consumer reporting*
4 *agency is disputed to such person by a consumer, the*
5 *person may not furnish the information to any*
6 *consumer reporting agency without notice that such*
7 *information is disputed by the consumer.*

8 “(4) *DUTY TO PROVIDE NOTICE OF CLOSED AC-*
9 *COUNTS.—A person who regularly and in the ordi-*
10 *nary course of business furnishes information to a*
11 *consumer reporting agency regarding a consumer who*
12 *has a credit account with that person shall notify the*
13 *agency of the voluntary closure of the account by the*
14 *consumer, in information regularly furnished for the*
15 *period in which the account is closed.*

16 “(5) *DUTY TO PROVIDE NOTICE OF DELINQUENCY*
17 *OF ACCOUNTS.—A person who furnishes information*
18 *to a consumer reporting agency regarding a delin-*
19 *quent account being placed for collection, charged to*
20 *profit or loss, or subjected to any similar action shall,*
21 *by not later than 90 days after furnishing the infor-*
22 *mation, notify the agency of the month and year of*
23 *the commencement of the delinquency which imme-*
24 *diately preceded the action.*

1 “(b) *DUTIES OF FURNISHERS OF INFORMATION UPON*
2 *NOTICE OF DISPUTE.*—

3 “(1) *IN GENERAL.*—After receiving notice pursu-
4 *ant to section 611(a)(2) of a dispute with regard to*
5 *the completeness or accuracy of any information pro-*
6 *vided by a person to a consumer reporting agency, the*
7 *person shall—*

8 “(A) *complete an investigation with respect*
9 *to the disputed information;*

10 “(B) *review all relevant information pro-*
11 *vided by the consumer reporting agency pursu-*
12 *ant to section 611(a)(2);*

13 “(C) *report the results of the investigation*
14 *to the consumer reporting agency; and*

15 “(D) *if the investigation finds that the in-*
16 *formation is incomplete or inaccurate, report*
17 *those results to all other consumer reporting*
18 *agencies to which the person furnished the infor-*
19 *mation and that compile and maintain files on*
20 *consumers on a nationwide basis.*

21 “(2) *DEADLINE.*—A person shall complete all in-
22 *vestigations, reviews, and reports required under*
23 *paragraph (1) regarding information provided by the*
24 *person to a consumer reporting agency, before the end*
25 *of the period under section 611(a)(1) within which*

1 *the consumer reporting agency is required to complete*
 2 *actions required by that section regarding that infor-*
 3 *mation.*

4 *“(c) LIMITATION ON LIABILITY.—Sections 616 and*
 5 *617 do not apply to any failure to comply with subsection*
 6 *(a), except as provided in section 621(c)(1)(B).*

7 *“(d) LIMITATION ON ENFORCEMENT.—Subsection (a)*
 8 *may be enforced exclusively under section 621 by the Fed-*
 9 *eral agencies and officials and the State officials identified*
 10 *in that section.”.*

11 *(b) CLERICAL AMENDMENT.—The table of sections at*
 12 *the beginning of the Fair Credit Reporting Act (15 U.S.C.*
 13 *1681a et seq.) is amended by striking the item relating to*
 14 *section 623 and inserting the following:*

“623. Responsibilities of furnishers of information to consumer reporting agencies.
“624. Relation to State laws.”.

15 **SEC. 114. INVESTIGATIVE CONSUMER REPORTS.**

16 *Section 606 of the Fair Credit Reporting Act (15*
 17 *U.S.C. 1681d) is amended—*

18 *(1) in subsection (a)(1) by striking “or” after the*
 19 *semicolon at the end and inserting “and”;*

20 *(2) by striking subsection (a)(2) and inserting*
 21 *the following:*

22 *“(2) the person certifies or has certified to the*
 23 *consumer reporting agency that—*

1 “(A) the person has made the disclosures to
2 the consumer required by paragraph (1); and

3 “(B) the person will comply with subsection
4 (b).”;

5 (3) in subsection (b) by striking “shall” the sec-
6 ond place it appears; and

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

8 “(d) PROHIBITIONS.—

9 “(1) CERTIFICATION.—A consumer reporting
10 agency shall not prepare or furnish an investigative
11 consumer report unless the agency has received a cer-
12 tification under subsection (a)(2) from the person who
13 requested the report.

14 “(2) INQUIRIES.—A consumer reporting agency
15 shall not make an inquiry for the purpose of prepar-
16 ing an investigative consumer report on a consumer
17 for employment purposes if the making of the inquiry
18 by an employer or prospective employer of the
19 consumer would violate any applicable Federal or
20 State equal employment opportunity law or regula-
21 tion.

22 “(3) CERTAIN PUBLIC RECORD INFORMATION.—
23 Except as otherwise provided in section 613, a
24 consumer reporting agency shall not furnish an inves-
25 tigative consumer report which includes information

1 *which is a matter of public record and which relates*
2 *to an arrest, indictment, conviction, civil judicial ac-*
3 *tion, tax lien, or outstanding judgment, unless the*
4 *agency has verified the accuracy of the information*
5 *within the 30-day period ending on the date the re-*
6 *port is furnished.*

7 “(4) *CERTAIN ADVERSE INFORMATION.—A*
8 *consumer reporting agency shall not prepare or fur-*
9 *nish an investigative consumer report on a consumer*
10 *that contains information that is adverse to the inter-*
11 *est of the consumer and that is obtained through a*
12 *personal interview with a neighbor, friend, or associ-*
13 *ate of the consumer or with another person with*
14 *whom the consumer is acquainted or who has knowl-*
15 *edge of such item of information, unless—*

16 “(A) *the agency has followed reasonable pro-*
17 *cedures to obtain confirmation of the informa-*
18 *tion, from an additional source that has inde-*
19 *pendent and direct knowledge of the information;*
20 *or*

21 “(B) *the person interviewed is the best pos-*
22 *sible source of the information.”.*

1 **SEC. 115. INCREASED CRIMINAL PENALTIES FOR OBTAIN-**
2 **ING INFORMATION UNDER FALSE PRE-**
3 **TENSES.**

4 (a) *OBTAINING INFORMATION UNDER FALSE PRE-*
5 *TENSES.*—Section 619 of the Fair Credit Reporting Act (15
6 U.S.C. 1681q) is amended by striking “fined not more than
7 \$5,000 or imprisoned not more than one year, or both” and
8 inserting “fined under title 18, United States Code, impris-
9 oned for not more than 2 years, or both”.

10 (b) *UNAUTHORIZED DISCLOSURES BY OFFICERS OR*
11 *EMPLOYEES.*—Section 620 of the Fair Credit Reporting Act
12 (15 U.S.C. 1681r) is amended by striking “fined not more
13 than \$5,000 or imprisoned not more than one year, or both”
14 and inserting “fined under title 18, United States Code,
15 imprisoned for not more than 2 years, or both”.

16 **SEC. 116. ADMINISTRATIVE ENFORCEMENT.**

17 (a) *AVAILABLE ENFORCEMENT POWERS.*—Section
18 621(a) of the Fair Credit Reporting Act (15 U.S.C.
19 1681s(a))—

20 (1) is amended in the second sentence by striking
21 “Act and shall be subject to enforcement by the Fed-
22 eral Trade Commission under section 5(b) thereof
23 with respect to any consumer reporting agency or
24 person subject to enforcement by the Federal Trade
25 Commission pursuant to this subsection, irrespective”
26 and inserting “Act. All functions and powers of the

1 *Federal Trade Commission under the Federal Trade*
2 *Commission Act shall be available to the Commission*
3 *to enforce compliance with this title by any person*
4 *subject to enforcement by the Federal Trade Commis-*
5 *sion pursuant to this subsection and not subject to en-*
6 *forcement pursuant to section 8 of the Federal Deposit*
7 *Insurance Act, irrespective”;*

8 (2) *as amended by paragraph (1), is further*
9 *amended by inserting before the 3rd period the follow-*
10 *ing: “, including the power to enforce the provisions*
11 *of this title in the same manner as if the violation*
12 *had been a violation of any Federal Trade Commis-*
13 *sion trade regulation rule”;* and

14 (3) *as amended by paragraph (1), is further*
15 *amended by adding after the 3rd period the following:*
16 *“Notwithstanding the preceding sentence, a court may*
17 *not impose any civil penalty on a person for a viola-*
18 *tion of section 623(a)(1) unless the person has been*
19 *enjoined from committing the violation, or ordered*
20 *not to commit the violation, in an action or proceed-*
21 *ing brought by or on behalf of the Federal Trade*
22 *Commission and has violated the injunction or order,*
23 *and the court may not impose any civil penalty for*
24 *any violation occurring before the date of the viola-*
25 *tion of the injunction or order.”.*

1 *reason to believe that any person has violated or is*
2 *violating this title, the State—*

3 *“(A) may bring an action to enjoin such*
4 *violation in any appropriate United States dis-*
5 *trict court or in any other court of competent ju-*
6 *risdiction;*

7 *“(B) subject to paragraph (5), may bring*
8 *an action on behalf of its residents to recover—*

9 *“(i) damages for which the person is*
10 *liable to such residents under sections 616*
11 *and 617 as a result of the violation;*

12 *“(ii) in the case of a violation of sec-*
13 *tion 623(a), damages for which the person*
14 *would, but for section 623(c), be liable to*
15 *such residents as a result of the violation; or*

16 *“(iii) damages of not more than \$1,000*
17 *for each willful or negligent violation; and*

18 *“(C) in the case of any successful action*
19 *under subparagraph (A) or (B), shall be award-*
20 *ed the costs of the action and reasonable attorney*
21 *fees as determined by the court.*

22 *“(2) RIGHTS OF FEDERAL REGULATORS.—The*
23 *State shall serve prior written notice of any such ac-*
24 *tion upon the Federal Trade Commission or the ap-*
25 *propriate Federal regulator determined under sub-*

1 *section (b) and provide the Commission or appro-*
2 *prate Federal regulator with a copy of its complaint,*
3 *except in any case where such prior notice is not fea-*
4 *sible, in which case the State shall serve such notice*
5 *immediately upon instituting such action. The Fed-*
6 *eral Trade Commission or appropriate Federal regu-*
7 *lator shall have the right (A) to intervene in the ac-*
8 *tion, (B) upon so intervening, to be heard on all mat-*
9 *ters arising therein, (C) to remove the action to the*
10 *appropriate United States district court, and (D) to*
11 *file petitions for appeal.*

12 *“(3) INVESTIGATORY POWERS.—For purposes of*
13 *bringing any action under this subsection, nothing in*
14 *this subsection shall prevent the chief law enforcement*
15 *officer, or an official or agency designated by a State,*
16 *from exercising the powers conferred on the chief law*
17 *enforcement officer or such official by the laws of such*
18 *State to conduct investigations or to administer oaths*
19 *or affirmations or to compel the attendance of wit-*
20 *nesses or the production of documentary and other*
21 *evidence.*

22 *“(4) LIMITATION ON STATE ACTION WHILE FED-*
23 *ERAL ACTION PENDING.—Whenever the Federal Trade*
24 *Commission or the appropriate Federal regulator has*
25 *instituted a civil action or an administrative action*

1 *under section 8 of the Federal Deposit Insurance Act*
2 *for a violation of this title, no State may, during the*
3 *pendency of such action, bring an action under this*
4 *section against any defendant named in the com-*
5 *plaint of the Commission or the appropriate Federal*
6 *regulator for any violation of this title that is alleged*
7 *in that complaint.*

8 “(5) *LIMITATIONS ON STATE ACTIONS FOR VIOLA-*
9 *TION OF SECTION 621(a)(1).—*

10 “(A) *VIOLATION OF INJUNCTION RE-*
11 *QUIRED.—A State may not bring an action*
12 *against a person under paragraph (1)(B) for a*
13 *violation of section 623(a)(1), unless—*

14 “(i) *the person has been enjoined from*
15 *committing the violation, in an action*
16 *brought by the State under paragraph*
17 *(1)(A); and*

18 “(ii) *the person has violated the in-*
19 *junction.*

20 “(B) *LIMITATION ON DAMAGES RECOVER-*
21 *ABLE.—In an action against a person under*
22 *paragraph (1)(B) for a violation of section*
23 *623(a)(1), a State may not recover any damages*
24 *incurred before the date of the violation of an in-*
25 *junction on which the action is based.”.*

1 **SEC. 118. FEDERAL RESERVE BOARD AUTHORITY.**

2 *Section 621 of the Fair Credit Reporting Act (15*
3 *U.S.C. 1681s), is further amended by adding after sub-*
4 *section (d) (as redesignated by section 117) the following*
5 *new subsection:*

6 *“(e) INTERPRETIVE AUTHORITY.—The Board of Gov-*
7 *ernors of the Federal Reserve System may issue interpreta-*
8 *tions of any provision of this title as it may apply to any*
9 *persons identified under paragraph (1), (2), and (3) of sub-*
10 *section (b), or to the holding companies and affiliates of*
11 *such persons, in consultation with Federal agencies identi-*
12 *fied in paragraphs (1), (2), and (3) of subsection (b).”.*

13 **SEC. 119. PREEMPTION OF STATE LAW.**

14 *Section 624 of the Fair Credit Reporting Act, as redес-*
15 *ignated by section 113(a) of this Act, is further amended—*

16 *(1) by striking “This title” and inserting “(a) IN*
17 *GENERAL.—Except as provided in subsections (b) and*
18 *(c), this title”; and*

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

20 *“(b) GENERAL EXCEPTIONS.—No requirement or pro-*
21 *hibition may be imposed under the laws of any State—*

22 *“(1) with respect to any subject matter regulated*
23 *under—*

24 *“(A) subsection (c) or (d) of section 604, re-*
25 *lating to the prescreening of consumer reports;*

1 “(B) section 611, relating to the time by
2 which a consumer reporting agency must take
3 any action, including the provision of notifica-
4 tion to a consumer or other person, in any pro-
5 cedure related to the disputed accuracy of infor-
6 mation in a consumer’s file, except that this sub-
7 paragraph does not apply to any State law in
8 effect on the date of the enactment of the
9 Consumer Reporting Reform Act of 1994;

10 “(C) section 615(a), relating to the duties of
11 a person who takes any adverse action with re-
12 spect to a consumer on the basis of information
13 contained in a consumer report;

14 “(D) section 615(d), relating to the duties of
15 persons who use a consumer report of a
16 consumer in connection with any credit trans-
17 action which is not initiated by the consumer
18 and which consists of a firm offer of credit;

19 “(E) section 605, relating to obsolete infor-
20 mation, except that this subparagraph does not
21 apply to any State law in effect on the date of
22 the enactment of the Consumer Reporting Re-
23 form Act of 1994; or

24 “(F) section 623(b)(2), relating to the time
25 by which a person must take any action required

1 *under section 623(b)(1) with respect to an inves-*
2 *tigation of information furnished by the person*
3 *to a consumer reporting agency, except that this*
4 *subparagraph does not apply to any State law*
5 *in effect on the date of the enactment of the*
6 *Consumer Reporting Reform Act of 1994;*

7 “(2) *with respect to the exchange of information*
8 *among persons affiliated by common ownership or*
9 *common corporate control, except that this paragraph*
10 *does not apply to section 2480e (a) and (c)(1) of title*
11 *9, Vermont Statutes Annotated (as in effect on the*
12 *date of the enactment of the Consumer Reporting Re-*
13 *form Act of 1994); or*

14 “(3) *with respect to the form and content of any*
15 *disclosure required to be made under section 609(c).*

16 “(c) *DEFINITION OF FIRM OFFER OF CREDIT.—Not-*
17 *withstanding any definition of the term ‘firm offer of credit’*
18 *(or any equivalent term) under the laws of any State, the*
19 *definition of that term contained in section 603(l) shall be*
20 *construed to apply in the enforcement and interpretation*
21 *of the laws of any State governing consumer reports.*

22 “(d) *LIMITATIONS.—Subsections (b) and (c)—*

23 “(1) *do not affect any settlement, agreement, or*
24 *consent judgment between any State Attorney General*
25 *and any consumer reporting agency in effect on the*

1 *date of the enactment of the Consumer Reporting Re-*
2 *form Act of 1994; and*

3 “(2) do not apply to any provision of State law
4 *(including any provision of a State constitution)*
5 *that—*

6 “(A) is enacted after January 1, 2003;

7 “(B) states explicitly that the provision is
8 *intended to supplement this Act; and*

9 “(C) gives greater protection to consumers
10 *than is provided under this Act.”.*

11 **SEC. 120. ACTION BY FTC.**

12 (a) *MODIFICATION OF REQUIREMENTS BY FTC AU-*
13 *THORIZED.—*

14 (1) *IN GENERAL.—Section 621 of the Fair Credit*
15 *Reporting Act (15 U.S.C. 1681s), is further amended*
16 *by adding after subsection (e) (as added by section*
17 *118 of this Act) the following:*

18 “(f) *MODIFICATION OF REQUIREMENTS BY FTC AU-*
19 *THORIZED.—If it considers such action necessary for the*
20 *protection of consumers, the Federal Trade Commission*
21 *may, after consultation with each Federal agency referred*
22 *to in section 621(b) and with appropriate State regulatory*
23 *and law enforcement agencies, promulgate regulations in*
24 *accordance with section 553 of title 5, United States Code,*
25 *to impose requirements—*

1 “(1) that are more stringent than those imposed
2 under—

3 “(A) section 611, relating to the time by
4 which a consumer reporting agency must take
5 any action, including the provision of notifica-
6 tion to a consumer or other person, in any pro-
7 cedure related to the disputed accuracy of infor-
8 mation in a consumer’s file;

9 “(B) section 615(a), relating to the duties of
10 a person who takes any adverse action with re-
11 spect to a consumer on the basis of information
12 contained in a consumer report;

13 “(C) section 615(d), relating to the duties of
14 persons who use a consumer report on a
15 consumer in connection with any credit trans-
16 action which is not initiated by the consumer
17 and that consists of a firm offer of credit; or

18 “(D) section 623(b)(2), relating to the time
19 by which a person must take any action required
20 under section 623(b)(1) with respect to an inves-
21 tigation of information furnished by the person
22 to a consumer reporting agency; and

23 “(2) with respect to the form and content of any
24 disclosure required to be made under section 609(c).”.

25 (2) CLERICAL AMENDMENTS.—

1 (A) *The heading for section 621 of the Fair*
 2 *Credit Reporting Act (15 U.S.C. 1681s) is*
 3 *amended to read as follows:*

4 **“§621. Administrative enforcement and authorities;**
 5 **State actions”.**

6 (B) *The table of contents at the beginning*
 7 *of the Fair Credit Reporting Act is amended by*
 8 *striking the item relating to section 621 and in-*
 9 *serting the following:*

“621. Administrative enforcement and authorities; State actions.”.

10 (b) *DEADLINE TO PRESCRIBE MATTERS.—The Federal*
 11 *Trade Commission shall prescribe all matters required by*
 12 *this title (including the amendments made by this title) to*
 13 *be prescribed by that Commission, before the end of the 300-*
 14 *day period beginning on the date of the enactment of this*
 15 *Act.*

16 **SEC. 121. AMENDMENT TO FAIR DEBT COLLECTION PRAC-**
 17 **TICES ACT.**

18 *Section 807(11) of the Fair Debt Collection Practices*
 19 *Act (15 U.S.C. 1692e), relating to certain practices con-*
 20 *stituting prohibited representations, is amended to read as*
 21 *follows:*

22 *“(11) The failure to disclose clearly, in any writ-*
 23 *ten communication made to collect a debt or to obtain*
 24 *information about a consumer, that the debt collector*
 25 *is attempting to collect a debt and that any informa-*

1 *tion obtained will be used for that purpose, except*
 2 *that this paragraph does not apply to a communica-*
 3 *tion—*

4 *“(A) to acquire location information in ac-*
 5 *cordance with section 804;*

6 *“(B) made solely to acknowledge receipt of*
 7 *monies or payments; or*

8 *“(C) that consists solely of information re-*
 9 *quested by the consumer or the consumer’s attor-*
 10 *ney.”.*

11 ***SEC. 122. FURNISHING CONSUMER REPORTS FOR CERTAIN***
 12 ***PURPOSES RELATING TO CHILD SUPPORT.***

13 *Section 604(a) of the Fair Credit Reporting Act (15*
 14 *U.S.C. 1681b) is amended in subsection (a) (as designated*
 15 *by section 103(a)(1) of this Act) by adding at the end the*
 16 *following:*

17 *“(4) In response to a request by the head of a de-*
 18 *partment, agency, or office of any State or any politi-*
 19 *cal subdivision of any State that is responsible under*
 20 *law for enforcing child support orders (or an official*
 21 *authorized by the head of any such department, agen-*
 22 *cy, or office), if the person making the request certifies*
 23 *to the consumer reporting agency that—*

24 *“(A) the consumer report is needed to estab-*
 25 *lish an individual’s capacity to make child sup-*

1 port payments, or to determine the appropriate
2 level of such payments;

3 “(B) the person has provided at least 10
4 days prior written notice to the consumer whose
5 report is requested, by certified or registered mail
6 to the last known address of the consumer, that
7 the report will be requested; and

8 “(C) the consumer report obtained pursuant
9 to this paragraph will be kept confidential, will
10 be used solely for establishing child support pay-
11 ment obligations, and will not be used in connec-
12 tion with any other civil, administrative, or
13 criminal proceeding or for any other purpose.”.

14 **SEC. 123. DISCLOSURE OF INFORMATION AND CONSUMER**
15 **REPORTS TO FBI FOR COUNTERINTEL-**
16 **LIGENCE PURPOSES.**

17 (a) *IN GENERAL.*—The Fair Credit Reporting Act (15
18 U.S.C. 1681 et seq.) is amended by adding after section 624,
19 as redesignated by section 113(a) of this Act, the following
20 new section:

21 **“§ 625. Disclosures to FBI for counterintelligence pur-**
22 **poses**

23 “(a) *IDENTITY OF FINANCIAL INSTITUTIONS.*—Not-
24 withstanding section 604 or any other provision of this
25 title, a consumer reporting agency shall furnish to the Fed-

1 *eral Bureau of Investigation the names and addresses of*
2 *all financial institutions (as that term is defined in section*
3 *1101 of the Right to Financial Privacy Act of 1978) at*
4 *which a consumer maintains or has maintained an ac-*
5 *count, to the extent that information is in the files of the*
6 *agency, when presented with a written request for that in-*
7 *formation, signed by the Director of the Federal Bureau of*
8 *Investigation, or the Director's designee, which certifies*
9 *compliance with this section. The Director or the Director's*
10 *designee may make such a certification only if the Director*
11 *or the Director's designee has determined in writing that—*

12 “(1) *such information is necessary for the con-*
13 *duct of an authorized foreign counterintelligence in-*
14 *vestigation; and*

15 “(2) *there are specific and articulable facts giv-*
16 *ing reason to believe that the consumer—*

17 “(A) *is a foreign power (as defined in sec-*
18 *tion 101 of the Foreign Intelligence Surveillance*
19 *Act of 1978) or a person who is not a United*
20 *States person (as defined in such section 101)*
21 *and is an official of a foreign power; or*

22 “(B) *is an agent of a foreign power and is*
23 *engaging or has engaged in international terror-*
24 *ism (as that term is defined in section 101(c) of*
25 *the Foreign Intelligence Surveillance Act of*

1 1978) or clandestine intelligence activities that
2 involve or may involve a violation of criminal
3 statutes of the United States.

4 “(b) *IDENTIFYING INFORMATION.*—Notwithstanding
5 the provisions of section 604 or any other provision of this
6 title, a consumer reporting agency shall furnish identifying
7 information respecting a consumer, limited to name, ad-
8 dress, former addresses, places of employment, or former
9 places of employment, to the Federal Bureau of Investiga-
10 tion when presented with a written request, signed by the
11 Director or the Director’s designee, which certifies compli-
12 ance with this subsection. The Director or the Director’s des-
13 ignee may make such a certification only if the Director
14 or the Director’s designee has determined in writing that—

15 “(A) such information is necessary to the
16 conduct of an authorized counterintelligence in-
17 vestigation; and

18 “(B) there is information giving reason to
19 believe that the consumer has been, or is about
20 to be, in contact with a foreign power or an
21 agent of a foreign power (as defined in section
22 101 of the Foreign Intelligence Surveillance Act
23 of 1978).

24 “(c) *COURT ORDER FOR DISCLOSURE OF CONSUMER*
25 *REPORTS.*—Notwithstanding section 604 or any other pro-

1 *vision of this title, if requested in writing by the Director*
2 *of the Federal Bureau of Investigation, or a designee of the*
3 *Director, a court may issue an order ex parte directing a*
4 *consumer reporting agency to furnish a consumer report to*
5 *the Federal Bureau of Investigation, upon a showing in*
6 *camera that—*

7 “(1) *the consumer report is necessary for the con-*
8 *duct of an authorized foreign counterintelligence in-*
9 *vestigation; and*

10 “(2) *there are specific and articulable facts giv-*
11 *ing reason to believe that the consumer whose*
12 *consumer report is sought—*

13 “(A) *is an agent of a foreign power; and*

14 “(B) *is engaging or has engaged in inter-*
15 *national terrorism (as that term is defined in*
16 *section 101(c) of the Foreign Intelligence Surveil-*
17 *lance Act of 1978) or clandestine intelligence ac-*
18 *tivities that involve or may involve a violation*
19 *of criminal statutes of the United States.*

20 *The terms of an order issued under this subsection shall*
21 *not disclose that the order is issued for purposes of a coun-*
22 *terintelligence investigation.*

23 “(d) *CONFIDENTIALITY.—No consumer reporting agen-*
24 *cy or officer, employee, or agent of a consumer reporting*
25 *agency shall disclose to any person, other than those officers,*

1 *employees, or agents of a consumer reporting agency nec-*
2 *essary to fulfill the requirement to disclose information to*
3 *the Federal Bureau of Investigation under this section, that*
4 *the Federal Bureau of Investigation has sought or obtained*
5 *the identity of financial institutions or a consumer report*
6 *respecting any consumer under subsection (a), (b), or (c)*
7 *and no consumer reporting agency or officer, employee, or*
8 *agent of a consumer reporting agency shall include in any*
9 *consumer report any information that would indicate that*
10 *the Federal Bureau of Investigation has sought or obtained*
11 *such information or a consumer report.*

12 “(e) *PAYMENT OF FEES.*—*The Federal Bureau of In-*
13 *vestigation shall, subject to the availability of appropria-*
14 *tions, pay to the consumer reporting agency assembling or*
15 *providing reports or information in accordance with proce-*
16 *dures established under this section, a fee for reimbursement*
17 *for such costs as are reasonably necessary and which have*
18 *been directly incurred in searching, reproducing, or trans-*
19 *porting books, papers, records, or other data required or re-*
20 *quested to be produced under this section.*

21 “(f) *LIMIT ON DISSEMINATION.*—*The Federal Bureau*
22 *of Investigation may not disseminate information obtained*
23 *pursuant to this section outside of the Federal Bureau of*
24 *Investigation, except to the Department of Justice as may*
25 *be necessary for the approval or conduct of a foreign coun-*

1 *terintelligence investigation, or, where the information con-*
2 *cerns a person subject to the Uniform Code of Military Jus-*
3 *tice, to appropriate investigative authorities within the*
4 *military department concerned as may be necessary for the*
5 *conduct of a joint foreign counterintelligence investigation.*

6 “(g) *RULES OF CONSTRUCTION.*—*Nothing in this sec-*
7 *tion shall be construed to prohibit information from being*
8 *furnished by the Federal Bureau of Investigation pursuant*
9 *to a subpoena or court order, or in connection with a judi-*
10 *cial or administrative proceeding to enforce the provisions*
11 *of this Act. Nothing in this section shall be construed to*
12 *authorize or permit the withholding or information from*
13 *the Congress.*

14 “(h) *REPORTS TO CONGRESS.*—*On a semiannual*
15 *basis, the Attorney General of the United States shall fully*
16 *inform the Permanent Select Committee on Intelligence and*
17 *the Committee on Banking, Finance and Urban Affairs of*
18 *the House of Representatives, and the Select Committee on*
19 *Intelligence and the Committee on Banking, Housing, and*
20 *Urban Affairs of the Senate concerning all requests made*
21 *pursuant to subsections (a), (b), and (c).*

22 “(i) *DAMAGES.*—*Any agency or department of the*
23 *United States obtaining or disclosing any consumer reports,*
24 *records, or information contained therein in violation of*
25 *this section is liable to the consumer to whom such consumer*

1 *reports, records, or information relate in an amount equal*
2 *to the sum of—*

3 “(1) *\$100, without regard to the volume of*
4 *consumer reports, records, or information involved;*

5 “(2) *any actual damages sustained by the*
6 *consumer as a result of the disclosure;*

7 “(3) *if the violation is found to have been willful*
8 *or intentional, such punitive damages as a court may*
9 *allow; and*

10 “(4) *in the case of any successful action to en-*
11 *force liability under this subsection, the costs of the*
12 *action, together with reasonable attorney fees, as de-*
13 *termined by the court.*

14 “(j) *DISCIPLINARY ACTIONS FOR VIOLATIONS.—If a*
15 *court determines that any agency or department of the*
16 *United States has violated any provision of this section and*
17 *the court finds that the circumstances surrounding the vio-*
18 *lation raise questions of whether or not an officer or em-*
19 *ployee of the agency or department acted willfully or inten-*
20 *tionally with respect to the violation, the agency or depart-*
21 *ment shall promptly initiate a proceeding to determine*
22 *whether or not disciplinary action is warranted against the*
23 *officer or employee who was responsible for the violation.*

24 “(k) *GOOD-FAITH EXCEPTION.—Notwithstanding any*
25 *other provision of this title, any consumer reporting agency*

1 or agent or employee thereof making disclosure of consumer
2 reports or identifying information pursuant to this sub-
3 section in good-faith reliance upon a certification of the
4 Federal Bureau of Investigation pursuant to provisions of
5 this section shall not be liable to any person for such disclo-
6 sure under this title, the constitution of any State, or any
7 law or regulation of any State or any political subdivision
8 of any State.

9 “(l) *LIMITATION OF REMEDIES.*—Notwithstanding
10 any other provision of this title, the remedies and sanctions
11 set forth in this section shall be the only judicial remedies
12 and sanctions for violation of this section.

13 “(m) *INJUNCTIVE RELIEF.*—In addition to any other
14 remedy contained in this section, injunctive relief shall be
15 available to require compliance with the procedures of this
16 section. In the event of any successful action under this sub-
17 section, costs together with reasonable attorney fees, as de-
18 termined by the court, may be recovered.”.

19 “(b) *CLERICAL AMENDMENT.*—The table of sections at
20 the beginning of the Fair Credit Reporting Act (15 U.S.C.
21 1681a et seq.), as amended by section 114(b) of this Act,
22 is further amended by adding after the item relating to sec-
23 tion 624 the following:

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

1 (c) *REPEAL OF PROVISIONS.*—The following provisions
2 of the Fair Credit Reporting Act, as amended by this sec-
3 tion, are repealed:

4 (1) *Section 625.*

5 (2) *In the table of contents at the beginning of*
6 *the Fair Credit Reporting Act, the item relating to*
7 *section 625.*

8 **SEC. 124. EFFECTIVE DATES.**

9 (a) *IN GENERAL.*—Except as provided in subsection
10 (b), the amendments and repeals made by this title shall
11 take effect 365 days after the date of the enactment of this
12 Act.

13 (b) *EXCEPTIONS.*—

14 (1) *The amendment made by section 121 shall*
15 *take effect 90 days after the date of the enactment of*
16 *this Act.*

17 (2) *The amendments made by subsections (a)*
18 *and (b) of section 123 shall take effect on the date of*
19 *the enactment of this Act.*

20 (3) *Subsection (c) of section 123 shall take effect*
21 *on the date that is 5 years after the date of the enact-*
22 *ment of this Act.*

23 **SEC. 125. RELATIONSHIP TO OTHER LAW.**

24 *Nothing in this title or the amendments made by this*
25 *Act shall be considered to supersede or otherwise affect sec-*

1 *tion 2721 of title 18, United States Code, with respect to*
2 *motor vehicle records for surveys, marketing, or solicita-*
3 *tions.*

4 **SEC. 126. SENSE OF SENATE.**

5 *It is the sense of the Senate that—*

6 *(1) individuals should generally be judged for*
7 *credit worthiness based on their own credit worthiness*
8 *and not on the zip code or neighborhood in which*
9 *they live; and*

10 *(2) the Federal Trade Commission after con-*
11 *sultation with the appropriate Federal banking agen-*
12 *cies shall report to the Committee on Banking, Hous-*
13 *ing, and Urban Affairs of the Senate within 6 months*
14 *as to whether and how the location of the residence*
15 *of an applicant for unsecured credit is considered by*
16 *many companies and financial institutions in decid-*
17 *ing whether an applicant should be granted credit.*

18 **SEC. 127. TECHNICAL CORRECTION TO DEPOSITORY INSTI-**

19 **TUTIONS MANAGEMENT INTERLOCKS ACT.**

20 *Section 209(c)(1)(C) of the Depository Institution*
21 *Management Interlocks Act (12 U.S.C. 3207(c)(1)(C), as*
22 *added by section 338(b) of the Riegle Community Develop-*
23 *ment and Regulatory Improvement Act of 1994) is amended*
24 *by inserting “or institutions” after “newly chartered insti-*
25 *tutions”.*

1 **TITLE II—CREDIT REPAIR**
 2 **ORGANIZATIONS**

3 **SEC. 201. REGULATION OF CREDIT REPAIR ORGANIZA-**
 4 **TIONS.**

5 *Title IV of the Consumer Credit Protection Act is*
 6 *amended to read as follows:*

7 **“TITLE IV—CREDIT REPAIR**
 8 **ORGANIZATIONS**

“Sec.

“401. Short title.

“402. Findings and purposes.

“403. Definitions.

“404. Prohibited practices.

“405. Disclosures.

“406. Credit repair organizations contracts.

“407. Right to cancel contract.

“408. Noncompliance with this title.

“409. Civil liability.

“410. Administrative enforcement.

“411. Statute of limitations.

“412. Relation to State law.

“413. Effective date.

9 **“SEC. 401. SHORT TITLE.**

10 *“This title may be cited as the ‘Credit Repair Organi-*
 11 *zations Act’.*

12 **“SEC. 402. FINDINGS AND PURPOSES.**

13 *“(a) FINDINGS.—The Congress makes the following*
 14 *findings:*

15 *“(1) Consumers have a vital interest in establish-*
 16 *ing and maintaining their creditworthiness and*
 17 *credit standing in order to obtain and use credit. As*
 18 *a result, consumers who have experienced credit prob-*

1 *lems may seek assistance from credit repair organiza-*
2 *tions which offer to improve the credit standing of*
3 *such consumers.*

4 *“(2) Certain advertising and business practices*
5 *of some companies engaged in the business of credit*
6 *repair services have worked a financial hardship*
7 *upon consumers, particularly those of limited eco-*
8 *nomical means and who are inexperienced in credit*
9 *matters.*

10 *“(b) PURPOSES.—The purposes of this title are as fol-*
11 *lows:*

12 *“(1) To ensure that prospective buyers of the*
13 *services of credit repair organizations are provided*
14 *with the information necessary to make an informed*
15 *decision regarding the purchase of such services.*

16 *“(2) To protect the public from unfair or decep-*
17 *tive advertising and business practices by credit re-*
18 *pair organizations.*

19 **“SEC. 403. DEFINITIONS.**

20 *“For purposes of this title—*

21 *“(1) CONSUMER.—The term ‘consumer’ means*
22 *an individual.*

23 *“(2) CONSUMER CREDIT TRANSACTION.—The*
24 *term ‘consumer credit transaction’ means any trans-*

1 *action in which credit is offered or extended to an in-*
2 *dividual for personal, family, or household purposes.*

3 “(3) *CREDIT REPAIR ORGANIZATION.*—The term
4 *‘credit repair organization’*—

5 “(A) *means any person who uses any in-*
6 *strumentality of interstate commerce or the*
7 *mails to sell, provide, or perform (or represent*
8 *that such person can or will sell, provide, or per-*
9 *form) any service, in return for the payment of*
10 *money or other valuable consideration, for the*
11 *express or implied purpose of—*

12 “(i) *improving any consumer’s credit*
13 *record, credit history, or credit rating; or*

14 “(ii) *providing advice or assistance to*
15 *any consumer with regard to any activity*
16 *or service described in clause (i); and*

17 “(B) *does not include—*

18 “(i) *any nonprofit organization which*
19 *is exempt from taxation under section*
20 *501(c)(3) of the Internal Revenue Code of*
21 *1986;*

22 “(ii) *any attorney-at-law who is a*
23 *member of the bar of the highest court of*
24 *any State or otherwise licensed under the*
25 *laws of any State, with respect to services*

1 *rendered which are within the scope of regu-*
 2 *lations applicable to members of such bar or*
 3 *such licensees; or*

4 “(iii) *any creditor (as defined in sec-*
 5 *tion 103 of the Truth in Lending Act), with*
 6 *respect to any consumer, to the extent the*
 7 *creditor is assisting the consumer to restruc-*
 8 *ture any debt owed by the consumer to the*
 9 *creditor.*

10 “(4) *CREDIT.—The term ‘credit’ has the mean-*
 11 *ing given to such term in section 103(e) of this Act.*

12 **“SEC. 404. PROHIBITED PRACTICES.**

13 “(a) *IN GENERAL.—No person may—*

14 “(1) *make any statement, or counsel or advise*
 15 *any consumer to make any statement, which is un-*
 16 *true or misleading (or which, upon the exercise of rea-*
 17 *sonable care, should be known by the credit repair or-*
 18 *ganization, officer, employee, agent, or other person to*
 19 *be untrue or misleading) with respect to any consum-*
 20 *er’s creditworthiness, credit standing, or credit capac-*
 21 *ity to—*

22 “(A) *any consumer reporting agency (as de-*
 23 *fined in section 603(f) of this Act); or*

24 “(B) *any person—*

1 “(i) who has extended credit to the
2 consumer; or

3 “(ii) to whom the consumer has ap-
4 plied or is applying for an extension of
5 credit;

6 “(2) make any statement, or counsel or advise
7 any consumer to make any statement, the intended ef-
8 fect of which is to alter the consumer’s identification
9 to prevent the display of the consumer’s credit record,
10 history, or rating for the purpose of concealing ad-
11 verse information that is accurate and not obsolete
12 to—

13 “(A) any consumer reporting agency;

14 “(B) any person—

15 “(i) who has extended credit to the
16 consumer; or

17 “(ii) to whom the consumer has ap-
18 plied or is applying for an extension of
19 credit;

20 “(3) make or use any untrue or misleading rep-
21 resentation of the services of the credit repair organi-
22 zation; or

23 “(4) engage, directly or indirectly, in any act,
24 practice, or course of business that constitutes or re-
25 sults in the commission of, or an attempt to commit,

1 *a fraud or deception on any person in connection*
2 *with the offer or sale of the services of the credit re-*
3 *pair organization.*

4 *“(b) PAYMENT IN ADVANCE.—No credit repair organi-*
5 *zation may charge or receive any money or other valuable*
6 *consideration for the performance of any service which the*
7 *credit repair organization has agreed to perform for any*
8 *consumer before such service is fully performed.*

9 **“SEC. 405. DISCLOSURES.**

10 *“(a) DISCLOSURE REQUIRED.—Any credit repair or-*
11 *ganization shall provide any consumer with the following*
12 *written statement before any contract or agreement between*
13 *the consumer and the credit repair organization is executed:*

14 **“‘Consumer Credit File Rights**
15 **Under State and Federal Law**

16 *“‘You have a right to dispute inaccurate information*
17 *in your credit report by contacting the credit bureau di-*
18 *rectly. However, neither you nor any “credit repair” com-*
19 *pany or credit repair organization has the right to have*
20 *accurate, current, and verifiable information removed from*
21 *your credit report. The credit bureau must remove accurate,*
22 *negative information from your report only if it is over 7*
23 *years old. Bankruptcy information can be reported for 10*
24 *years.*

1 *“You have a right to obtain a copy of your credit*
2 *report from a credit bureau. You may be charged a reason-*
3 *able fee. There is no fee, however, if you have been turned*
4 *down for credit, employment, insurance, or a rental dwell-*
5 *ing because of information in your credit report within the*
6 *preceding 60 days. The credit bureau must provide someone*
7 *to help you interpret the information in your credit file.*
8 *You are entitled to receive a free copy of your credit report*
9 *if you are unemployed and intend to apply for employment*
10 *in the next 60 days, if you are a recipient of public welfare*
11 *assistance, or if you have reason to believe that there is in-*
12 *accurate information in your credit report due to fraud.*

13 *“You have a right to sue a credit repair organization*
14 *that violates the Credit Repair Organization Act. This law*
15 *prohibits deceptive practices by credit repair organizations.*

16 *“You have the right to cancel your contract with any*
17 *credit repair organization for any reason within 3 business*
18 *days from the date you signed it.*

19 *“Credit bureaus are required to follow reasonable pro-*
20 *cedures to ensure that the information they report is accu-*
21 *rate. However, mistakes may occur.*

22 *“You may, on your own, notify a credit bureau in*
23 *writing that you dispute the accuracy of information in*
24 *your credit file. The credit bureau must then reinvestigate*
25 *and modify or remove inaccurate or incomplete informa-*

1 *tion. The credit bureau may not charge any fee for this*
2 *service. Any pertinent information and copies of all docu-*
3 *ments you have concerning an error should be given to the*
4 *credit bureau.*

5 *“If the credit bureau’s reinvestigation does not resolve*
6 *the dispute to your satisfaction, you may send a brief state-*
7 *ment to the credit bureau, to be kept in your file, explaining*
8 *why you think the record is inaccurate. The credit bureau*
9 *must include a summary of your statement about disputed*
10 *information with any report it issues about you.*

11 *“The Federal Trade Commission regulates credit bu-*
12 *reaus and credit repair organizations. For more informa-*
13 *tion contact:*

14 *The Public Reference Branch*
15 *Federal Trade Commission*
16 *Washington, D.C. 20580’.*

17 *“(b) SEPARATE STATEMENT REQUIREMENT.—The*
18 *written statement required under this section shall be pro-*
19 *vided as a document which is separate from any written*
20 *contract or other agreement between the credit repair orga-*
21 *nization and the consumer or any other written material*
22 *provided to the consumer.*

23 *“(c) RETENTION OF COMPLIANCE RECORDS.—*

1 “(1) *IN GENERAL.*—*The credit repair organiza-*
2 *tion shall maintain a copy of the statement signed by*
3 *the consumer acknowledging receipt of the statement.*

4 “(2) *MAINTENANCE FOR 2 YEARS.*—*The copy of*
5 *any consumer’s statement shall be maintained in the*
6 *organization’s files for 2 years after the date on which*
7 *the statement is signed by the consumer.*

8 **“SEC. 406. CREDIT REPAIR ORGANIZATIONS CONTRACTS.**

9 “(a) *WRITTEN CONTRACTS REQUIRED.*—*No services*
10 *may be provided by any credit repair organization for any*
11 *consumer—*

12 “(1) *unless a written and dated contract (for the*
13 *purchase of such services) which meets the require-*
14 *ments of subsection (b) has been signed by the*
15 *consumer; or*

16 “(2) *before the end of the 3-business-day period*
17 *beginning on the date the contract is signed.*

18 “(b) *TERMS AND CONDITIONS OF CONTRACT.*—*No con-*
19 *tract referred to in subsection (a) meets the requirements*
20 *of this subsection unless such contract includes the following*
21 *information (in writing):*

22 “(1) *The terms and conditions of payment, in-*
23 *cluding the total amount of all payments to be made*
24 *by the consumer to the credit repair organization or*
25 *to any other person.*

1 “(2) A full and detailed description of the serv-
2 ices to be performed by the credit repair organization
3 for the consumer, including—

4 “(A) all guarantees of performance; and

5 “(B) an estimate of—

6 “(i) the date by which the performance
7 of the services (to be performed by the credit
8 repair organization or any other person)
9 will be complete; or

10 “(ii) the length of the period necessary
11 to perform such services.

12 “(3) The credit repair organization’s name and
13 principal business address.

14 “(4) A conspicuous statement in bold face type,
15 in immediate proximity to the space reserved for the
16 consumer’s signature on the contract, which reads as
17 follows: ‘You may cancel this contract without pen-
18 alty or obligation at any time before midnight of the
19 3rd business day after the date on which you signed
20 the contract. See the attached notice of cancellation
21 form for an explanation of this right.’

22 **“SEC. 407. RIGHT TO CANCEL CONTRACT.**

23 “(a) *IN GENERAL.*—Any consumer may cancel any
24 contract with any credit repair organization without pen-
25 alty or obligation by notifying the credit repair organiza-

1 *tion of the consumer's intention to do so at any time before*
2 *midnight of the 3rd business day which begins after the date*
3 *on which the contract or agreement between the consumer*
4 *and the credit repair organization is executed or would, but*
5 *for this subsection, become enforceable against the parties.*

6 “(b) *CANCELLATION FORM AND OTHER INFORMA-*
7 *TION.—Each contract shall be accompanied by a form, in*
8 *duplicate, which has the heading ‘Notice of Cancellation’*
9 *and contains in bold face type the following statement:*

10 “*You may cancel this contract, without any*
11 *penalty or obligation, at any time before midnight of*
12 *the 3rd day which begins after the date the contract*
13 *is signed by you.*

14 “*To cancel this contract, mail or deliver a*
15 *signed, dated copy of this cancellation notice, or any*
16 *other written notice to [name of credit repair*
17 *organization] at [address of credit repair*
18 *organization] before midnight on [date]*

19 “*I hereby cancel this transaction,*
20 *[date]*
21 *[purchaser's signature].’*

22 “(c) *CONSUMER COPY OF CONTRACT REQUIRED.—Any*
23 *consumer who enters into any contract with any credit re-*
24 *pair organization shall be given, by the organization—*

1 “(1) a copy of the completed contract and the
2 disclosure statement required under section 405; and

3 “(2) a copy of any other document the credit re-
4 pair organization requires the consumer to sign,
5 at the time the contract or the other document is signed.

6 **“SEC. 408. NONCOMPLIANCE WITH THIS TITLE.**

7 “(a) *CONSUMER WAIVERS INVALID.*—Any waiver by
8 any consumer of any protection provided by or any right
9 of the consumer under this title—

10 “(1) shall be treated as void; and

11 “(2) may not be enforced by any Federal or
12 State court or any other person.

13 “(b) *ATTEMPT TO OBTAIN WAIVER.*—Any attempt by
14 any person to obtain a waiver from any consumer of any
15 protection provided by or any right of the consumer under
16 this title shall be treated as a violation of this title.

17 “(c) *CONTRACTS NOT IN COMPLIANCE.*—Any contract
18 for services which does not comply with the applicable pro-
19 visions of this title—

20 “(1) shall be treated as void; and

21 “(2) may not be enforced by any Federal or
22 State court or any other person.

23 **“SEC. 409. CIVIL LIABILITY.**

24 “(a) *LIABILITY ESTABLISHED.*—Any person who fails
25 to comply with any provision of this title with respect to

1 *any other person shall be liable to such person in an*
2 *amount equal to the sum of the amounts determined under*
3 *each of the following paragraphs:*

4 “(1) *ACTUAL DAMAGES.*—*The greater of—*

5 “(A) *the amount of any actual damage sus-*
6 *tained by such person as a result of such failure;*
7 *or*

8 “(B) *any amount paid by the person to the*
9 *credit repair organization.*

10 “(2) *PUNITIVE DAMAGES.*—

11 “(A) *INDIVIDUAL ACTIONS.*—*In the case of*
12 *any action by an individual, such additional*
13 *amount as the court may allow.*

14 “(B) *CLASS ACTIONS.*—*In the case of a*
15 *class action, the sum of—*

16 “(i) *the aggregate of the amount which*
17 *the court may allow for each named plain-*
18 *tiff; and*

19 “(ii) *the aggregate of the amount which*
20 *the court may allow for each other class*
21 *member, without regard to any minimum*
22 *individual recovery.*

23 “(3) *ATTORNEYS’ FEES.*—*In the case of any suc-*
24 *cessful action to enforce any liability under para-*

1 *graph (1) or (2), the costs of the action, together with*
2 *reasonable attorneys' fees.*

3 *“(b) FACTORS TO BE CONSIDERED IN AWARDING PU-*
4 *NITIVE DAMAGES.—In determining the amount of any li-*
5 *ability of any credit repair organization under subsection*
6 *(a)(2), the court shall consider, among other relevant fac-*
7 *tors—*

8 *“(1) the frequency and persistence of noncompli-*
9 *ance by the credit repair organization;*

10 *“(2) the nature of the noncompliance;*

11 *“(3) the extent to which such noncompliance was*
12 *intentional; and*

13 *“(4) in the case of any class action, the number*
14 *of consumers adversely affected.*

15 **“SEC. 410. ADMINISTRATIVE ENFORCEMENT.**

16 *“(a) IN GENERAL.—Compliance with the requirements*
17 *imposed under this title with respect to credit repair orga-*
18 *nizations shall be enforced under the Federal Trade Com-*
19 *mission Act by the Federal Trade Commission.*

20 *“(b) VIOLATIONS OF THIS TITLE TREATED AS VIOLA-*
21 *TIONS OF FEDERAL TRADE COMMISSION ACT.—*

22 *“(1) IN GENERAL.—For the purpose of the exer-*
23 *cise by the Federal Trade Commission of the Commis-*
24 *sion's functions and powers under the Federal Trade*
25 *Commission Act, any violation of any requirement or*

1 *prohibition imposed under this title with respect to*
2 *credit repair organizations shall constitute an unfair*
3 *or deceptive act or practice in commerce in violation*
4 *of section 5(a) of the Federal Trade Commission Act.*

5 *“(2) ENFORCEMENT AUTHORITY UNDER OTHER*
6 *LAW.—All functions and powers of the Federal Trade*
7 *Commission under the Federal Trade Commission Act*
8 *shall be available to the Commission to enforce com-*
9 *pliance with this title by any person subject to en-*
10 *forcement by the Federal Trade Commission pursuant*
11 *to this subsection, including the power to enforce the*
12 *provisions of this title in the same manner as if the*
13 *violation had been a violation of any Federal Trade*
14 *Commission trade regulation rule, without regard to*
15 *whether the credit repair organization—*

16 *“(A) is engaged in commerce; or*

17 *“(B) meets any other jurisdictional tests in*
18 *the Federal Trade Commission Act.*

19 *“(c) STATE ACTION FOR VIOLATIONS.—*

20 *“(1) AUTHORITY OF STATES.—In addition to*
21 *such other remedies as are provided under State law,*
22 *whenever the chief law enforcement officer of a State,*
23 *or an official or agency designated by a State, has*
24 *reason to believe that any person has violated or is*
25 *violating this title, the State—*

1 “(A) may bring an action to enjoin such
2 violation;

3 “(B) may bring an action on behalf of its
4 residents to recover damages for which the person
5 is liable to such residents under section 409 as
6 a result of the violation; and

7 “(C) in the case of any successful action
8 under subparagraph (A) or (B), shall be award-
9 ed the costs of the action and reasonable attorney
10 fees as determined by the court.

11 “(2) RIGHTS OF COMMISSION.—

12 “(A) NOTICE TO COMMISSION.—The State
13 shall serve prior written notice of any civil ac-
14 tion under paragraph (1) upon the Federal
15 Trade Commission and provide the Commission
16 with a copy of its complaint, except in any case
17 where such prior notice is not feasible, in which
18 case the State shall serve such notice imme-
19 diately upon instituting such action.

20 “(B) INTERVENTION.—The Commission
21 shall have the right—

22 “(i) to intervene in any action referred
23 to in subparagraph (A);

24 “(ii) upon so intervening, to be heard
25 on all matters arising in the action; and

1 “(iii) to file petitions for appeal.

2 “(3) *INVESTIGATORY POWERS.*—For purposes of
3 bringing any action under this subsection, nothing in
4 this subsection shall prevent the chief law enforcement
5 officer, or an official or agency designated by a State,
6 from exercising the powers conferred on the chief law
7 enforcement officer or such official by the laws of such
8 State to conduct investigations or to administer oaths
9 or affirmations or to compel the attendance of wit-
10 nesses or the production of documentary and other
11 evidence.

12 “(4) *LIMITATION.*—Whenever the Federal Trade
13 Commission has instituted a civil action for violation
14 of this title, no State may, during the pendency of
15 such action, bring an action under this section
16 against any defendant named in the complaint of the
17 Commission for any violation of this title that is al-
18 leged in that complaint.

19 **“SEC. 411. STATUTE OF LIMITATIONS.**

20 “Any action to enforce any liability under this title
21 may be brought before the later of—

22 “(1) the end of the 2-year period beginning on
23 the date of the occurrence of the violation involved; or

1 “(2) in any case in which any credit repair or-
2 ganization has materially and willfully misrepre-
3 sented any information which—

4 “(A) the credit repair organization is re-
5 quired, by any provision of this title, to disclose
6 to any consumer; and

7 “(B) is material to the establishment of the
8 credit repair organization’s liability to the
9 consumer under this title,
10 the end of the 2-year period beginning on the date of
11 the discovery by the consumer of the misrepresenta-
12 tion.

13 **“SEC. 412. RELATION TO STATE LAW.**

14 *“This title shall not annul, alter, affect, or exempt any*
15 *person subject to the provisions of this title from complying*
16 *with any law of any State except to the extent that such*
17 *law is inconsistent with any provision of this title, and then*
18 *only to the extent of the inconsistency.*

19 **“SEC. 413. EFFECTIVE DATE.**

20 *“This title shall apply after the end of the 6-month*
21 *period beginning on the date of the enactment of the Credit*
22 *Repair Organizations Act, except with respect to contracts*
23 *entered into by a credit repair organization before the end*
24 *of such period.”.*

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AMENDMENT