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108TH CONGRESS
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S. 1753

[Report No. 108–166]

To amend the Fair Credit Reporting Act in order to prevent identity theft, to improve the use of and consumer access to consumer reports, to enhance the accuracy of consumer reports, to limit the sharing of certain consumer information, to improve financial education and literacy, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 17, 2003

Mr. SHELBY, from the Committee on Banking, Housing, and Urban Affairs, reported the following original bill; which was read twice and placed on the calendar

A BILL

To amend the Fair Credit Reporting Act in order to prevent identity theft, to improve the use of and consumer access to consumer reports, to enhance the accuracy of consumer reports, to limit the sharing of certain consumer information, to improve financial education and literacy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

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

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

Sec. 1. Short title; table of contents.

TITLE I—IDENTITY THEFT PREVENTION AND CREDIT HISTORY
RESTORATION

Subtitle A—Identity Theft Prevention

Sec. 111. Definitions.

Sec. 112. Fraud alerts and active duty alerts.

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

Sec. 114. Establishment of procedures for the identification of possible in-
stances of identity theft.

Sec. 115. Amendments to existing identity theft prohibition.

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

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

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

Sec. 153. Coordination of identity theft complaint investigations.

Sec. 154. Prevention of repollution of consumer reports.

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

Sec. 156. Statute of limitations.

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

Sec. 211. Free credit reports.

Sec. 212. Credit scores.

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

Sec. 214. Affiliate sharing.

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

TITLE III—ENHANCING THE ACCURACY OF CONSUMER REPORT
INFORMATION

Sec. 311. Notice with respect to counter offers.

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

Sec. 313. Federal Trade Commission and consumer reporting agency action
concerning complaints.

Sec. 314. Ongoing audits of the accuracy of consumer reports.

- Sec. 315. Improved disclosure of the results of reinvestigation.
 Sec. 316. Reconciling addresses.
 Sec. 317. FTC study of issues relating to the Fair Credit Reporting Act.

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

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

TITLE V—FINANCIAL LITERACY AND EDUCATION IMPROVEMENT

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

TITLE VI—RELATION TO STATE LAW

- Sec. 611. Relation to State law.

TITLE VII—MISCELLANEOUS

- Sec. 711. Clerical amendments.

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

4 Subtitle A—Identity Theft 5 Prevention

6 SEC. 111. DEFINITIONS.

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

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

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

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

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

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

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

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

1 “(C) is presented in a manner that facili-
2 tates a clear and conspicuous view of the state-
3 ment by any person requesting such file, or any
4 portion thereof.

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

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

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

18 “(u) CREDITOR.—The terms ‘credit’ and ‘creditor’
19 have the same meanings as in section 103 of the Truth
20 in Lending Act.

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

24 “(w) FINANCIAL INSTITUTION.—The term ‘financial
25 institution’ means a State or National bank, a State or

1 Federal savings and loan association, a mutual savings
 2 bank, a State or Federal credit union, or any other person
 3 that, directly or indirectly, holds an account belonging to
 4 a consumer.

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

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

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

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

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

21 “(A) the term ‘credit score’—

22 “(i) means a numerical value or cat-
 23 egorization derived from a statistical tool
 24 or modeling system used to predict the

1 likelihood of certain credit behaviors, in-
2 cluding default; and

3 “(ii) does not include—

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

11 “(II) other elements of the un-
12 derwriting process or underwriting de-
13 cision; and

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

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

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

24 “(1) that alleges an identity theft;

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

5 “(3) the filing of which subjects the person fil-
 6 ing the report to criminal penalties relating to the
 7 filing of false information if, in fact, the information
 8 in the report is false.”.

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

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

13 **“§ 605A. Identity theft prevention; fraud alerts and**
 14 **active duty alerts**

15 “(a) ONE-CALL FRAUD ALERTS.—

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

24 “(A) include a fraud alert in the file
 25 of that consumer for a period of not less

1 than 90 days, beginning on the date of
2 such request, unless the consumer requests
3 that such fraud alert be removed before
4 the end of such period, and the agency has
5 received appropriate proof of the identity
6 of the requester for such purpose; and

7 “(B) refer the information regarding
8 the fraud alert under this paragraph to
9 each of the other consumer reporting agen-
10 cies described in section 603(p), in accord-
11 ance with procedures developed under sec-
12 tion 621(f).

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

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

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

25 “(b) EXTENDED ALERTS.—

1 “(1) IN GENERAL.—Upon the request of a con-
2 sumer who submits an identity theft report to a con-
3 sumer reporting agency described in section 603(p)
4 that maintains a file on the consumer, if the agency
5 has received appropriate proof of the identity of the
6 requester, the agency shall—

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

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

23 “(C) refer the information regarding the
24 extended fraud alert under this paragraph to
25 each of the other consumer reporting agencies

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

3 “(2) VERIFICATION OF IDENTITY THEFT
4 CLAIM.—For purposes of paragraph (1), a consumer
5 reporting agency shall accept as proof of a claim of
6 identity theft, in lieu of an identity theft report—

7 “(A) a properly completed copy of a stand-
8 ardized affidavit of identity theft developed and
9 made available by the Federal Trade Commis-
10 sion; or

11 “(B) any affidavit of fact that is accept-
12 able to the consumer reporting agency for that
13 purpose.

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

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

24 “(B) provide to the consumer all disclo-
25 sures required to be made under section 609,

1 without charge to the consumer, not later than
2 3 business days after any request described in
3 subparagraph (A).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 “(1) IN GENERAL.—Except as otherwise specifi-
25 cally provided in this subsection, no person that ac-

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

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

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

14 “(A) 3 years after the date of enactment
15 of this subsection, with respect to any cash reg-
16 ister or other machine or device that electroni-
17 cally prints receipts for credit card or debit
18 card transactions that is in use before January
19 1, 2005; and

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

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

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

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

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

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

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

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

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

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

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

12 “(3) CRITERIA.—In developing the guidelines
13 required by paragraph (1)(A), the agencies described
14 in paragraph (1) shall identify patterns, practices,
15 and specific forms of activity that indicate the pos-
16 sible existence of identity theft.

17 “(4) CONSISTENCY WITH VERIFICATION RE-
18 QUIREMENTS.—Policies and procedures established
19 pursuant to paragraph (1) shall not be inconsistent
20 with, or duplicative of, the policies and procedures
21 required under section 5318(l) of title 31, United
22 States Code.

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

24 “(1) IN GENERAL.—The Federal banking agen-
25 cies, the National Credit Union Administration, and

1 the Federal Trade Commission, in carrying out the
2 responsibilities of such agencies under subsection (e)
3 shall, with respect to the entities that are subject to
4 their respective enforcement authority under section
5 621, and in coordination as described in paragraph
6 (2), prescribe regulations applicable to card issuers
7 to ensure that, if any such card issuer receives a re-
8 quest for an additional or replacement card for an
9 existing account not later than 30 days after the
10 card issuer has received notification of a change of
11 address for the same account, the card issuer will
12 follow reasonable policies and procedures that pro-
13 hibit, as appropriate, the card issuer from issuing
14 the additional or replacement card, unless the card
15 issuer—

16 “(A) notifies the cardholder of the request
17 at the former address of the cardholder and
18 provides to the cardholder a means of promptly
19 reporting incorrect address changes;

20 “(B) notifies the cardholder of the request
21 by such other means of communication as the
22 cardholder and the card issuer previously
23 agreed to; or

24 “(C) uses other means of assessing the va-
25 lidity of the change of address, in accordance

1 with reasonable policies and procedures estab-
 2 lished by the card issuer in accordance with the
 3 regulations prescribed under subsection (e).

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

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

14 “(A) any person who issues a credit card,
 15 or the agent of such person with respect to such
 16 card; and

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

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

21 **SEC. 115. AMENDMENTS TO EXISTING IDENTITY THEFT**
 22 **PROHIBITION.**

23 Section 1028 of title 18, United States Code, is
 24 amended—

25 (1) in subsection (a)(7)—

1 (A) by striking “transfers” and inserting
 2 “transfers, possesses,”; and

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

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

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

9 **Subtitle B—Protection and Res-**
 10 **toration of Identity Theft Victim**
 11 **Credit History**

12 **SEC. 151. SUMMARY OF RIGHTS OF IDENTITY THEFT VIC-**
 13 **TIMS.**

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

17 “(d) SUMMARY OF RIGHTS OF IDENTITY THEFT VIC-
 18 TIMS.—

19 “(1) IN GENERAL.—The Federal Trade Com-
 20 mission, in consultation with the Federal banking
 21 agencies and the National Credit Union Administra-
 22 tion, shall prepare a model summary of the rights of
 23 consumers under this title with respect to the proce-
 24 dures for remedying the effects of fraud or identity
 25 theft involving credit, electronic fund transfers, or

1 accounts or transactions at or with a financial insti-
2 tution.

3 “(2) SUMMARY OF RIGHTS AND CONTACT IN-
4 FORMATION.—If any consumer contacts a consumer
5 reporting agency and expresses a belief that the con-
6 sumer is a victim of fraud or identity theft involving
7 credit, an electronic fund transfer, or an account or
8 transaction at or with a financial institution, the
9 consumer reporting agency shall, in addition to any
10 other action that the agency may take, provide the
11 consumer with the model summary of rights pre-
12 pared by the Commission under paragraph (1) and
13 information on how to contact the Commission to
14 obtain more detailed information.”.

15 (b) PUBLIC CAMPAIGN TO PREVENT IDENTITY
16 THEFT.—Not later than 2 years after the date of enact-
17 ment of this Act, the Federal Trade Commission shall es-
18 tablish and implement a media and distribution campaign
19 to teach the public how to prevent identity theft. Such
20 campaign shall include existing Federal Trade Commis-
21 sion education materials, as well as radio, television, and
22 print public service announcements, video cassettes, inter-
23 active digital video discs (DVD’s) or compact audio discs
24 (CD’s), and Internet resources.

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

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

8 (a) IN GENERAL.—The Fair Credit Reporting Act
 9 (15 U.S.C. 1681 et seq.) is amended by inserting after
 10 section 605A, as added by this Act, the following:

11 **“§ 605B. Block of information resulting from identity**
 12 **theft**

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

19 “(1) appropriate proof of the identity of the
 20 consumer;

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

22 “(3) the identification of such information by
 23 the consumer.

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

4 “(1) that the information may be a result of
5 identity theft;

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

7 “(3) that a block has been requested under this
8 section; and

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

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

11 “(1) IN GENERAL.—A consumer reporting
12 agency may decline to block, or may rescind any
13 block, of information relating to a consumer under
14 this section, if the consumer reporting agency rea-
15 sonably determines that—

16 “(A) the information was blocked in error
17 or a block was requested by the consumer in
18 error;

19 “(B) the information was blocked, or a
20 block was requested by the consumer, on the
21 basis of a material misrepresentation of fact
22 relevant to the request to block; or

23 “(C) the consumer obtained possession of
24 goods, services, or money as a result of the
25 blocked transaction or transactions.

1 “(2) NOTIFICATION TO CONSUMER.—If a block
 2 of information is declined or rescinded under this
 3 subsection, the affected consumer shall be notified
 4 promptly, in the same manner as consumers are no-
 5 tified of the reinsertion of information under section
 6 611(a)(5)(B).

7 “(3) SIGNIFICANCE OF BLOCK.—For purposes
 8 of this subsection, if a consumer reporting agency
 9 rescinds a block, the presence of information in the
 10 file of a consumer prior to the blocking of such in-
 11 formation is not evidence of whether the consumer
 12 knew or should have known that the consumer ob-
 13 tained possession of any goods, services, or money as
 14 a result of the block.

15 “(d) EXCEPTION FOR RESELLERS.—

16 “(1) NO RESELLER FILE.—This section shall
 17 not apply to a consumer reporting agency, if the
 18 consumer reporting agency—

19 “(A) is a reseller;

20 “(B) is not, at the time of the request of
 21 the consumer under subsection (a), otherwise
 22 furnishing or reselling a consumer report con-
 23 cerning the information identified by the con-
 24 sumer; and

1 “(C) informs the consumer, by any means,
2 that the consumer may report the identity theft
3 to the Commission to obtain consumer informa-
4 tion regarding identity theft.

5 “(2) RESELLER WITH FILE.—The sole obliga-
6 tion of the consumer reporting agency under this
7 section, with regard to any request of a consumer
8 under this section, shall be to block the consumer re-
9 port maintained by the consumer reporting agency
10 from any subsequent use, if—

11 “(A) the consumer, in accordance with the
12 provisions of subsection (a), identifies, to a con-
13 sumer reporting agency, information in the file
14 of the consumer that resulted from identity
15 theft; and

16 “(B) the consumer reporting agency is a
17 reseller of the identified information.

18 “(3) NOTICE.—In carrying out its obligation
19 under paragraph (2), the reseller shall promptly pro-
20 vide a notice to the consumer of the decision to
21 block the file. Such notice shall contain the name,
22 address, and telephone number of each consumer re-
23 porting agency from which the consumer information
24 was obtained for resale.

1 “(e) EXCEPTION FOR VERIFICATION COMPANIES.—

2 The provisions of this section do not apply to a check serv-
 3 ices company, acting as such, which issues authorizations
 4 for the purpose of approving or processing negotiable in-
 5 struments, electronic fund transfers, or similar methods
 6 of payments, except that, beginning 3 business days after
 7 receipt of information described in paragraphs (1) through
 8 (3) of subsection (a), a check services company shall not
 9 report to a national consumer reporting agency described
 10 in section 603(p), any information identified in the subject
 11 identity theft report as resulting from identity theft.

12 “(f) ACCESS TO BLOCKED INFORMATION BY LAW
 13 ENFORCEMENT AGENCIES.—No provision of this section
 14 shall be construed as requiring a consumer reporting agen-
 15 cy to prevent a Federal, State, or local law enforcement
 16 agency from accessing blocked information in a consumer
 17 file to which the agency could otherwise obtain access
 18 under this title.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
 20 for the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)
 21 is amended by inserting after the item relating to section
 22 605 the following new items:

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

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

1 **SEC. 153. COORDINATION OF IDENTITY THEFT COMPLAINT**
2 **INVESTIGATIONS.**

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

6 “(f) COORDINATION OF CONSUMER COMPLAINT IN-
7 VESTIGATIONS.—

8 “(1) IN GENERAL.—Each consumer reporting
9 agency described in section 603(p) shall develop and
10 maintain procedures for the referral to each other
11 such agency of any consumer complaint received by
12 the agency alleging identity theft, or requesting a
13 fraud alert under section 605A or a block under sec-
14 tion 605B.

15 “(2) MODEL FORM AND PROCEDURE FOR RE-
16 PORTING IDENTITY THEFT.—The Federal Trade
17 Commission, in consultation with the Federal bank-
18 ing agencies and the National Credit Union Admin-
19 istration, shall develop a model form and model pro-
20 cedures to be used by consumers who are victims of
21 identity theft for contacting and informing creditors
22 and consumer reporting agencies of the fraud.

23 “(3) ANNUAL SUMMARY REPORTS.—Each con-
24 sumer reporting agency described in section 603(p)
25 shall submit an annual summary report to the Com-

1 mission on consumer complaints received by the
 2 agency on identity theft or fraud alerts.”.

3 **SEC. 154. PREVENTION OF REPOLLUTION OF CONSUMER**
 4 **REPORTS.**

5 (a) PREVENTION OF REINSERTION OF ERRONEOUS
 6 INFORMATION.—

7 (1) DUTIES OF FURNISHERS UPON NOTICE OF
 8 IDENTITY THEFT-RELATED DISPUTES.—Section
 9 623(b) of the Fair Credit Reporting Act (15 U.S.C.
 10 1681s-2(b)) is amended—

11 (A) by redesignating paragraph (2) as
 12 paragraph (3);

13 (B) by inserting after paragraph (1) the
 14 following:

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

19 “(A) have in place reasonable procedures
 20 to respond to any notification from a consumer
 21 reporting agency under section 605B relating to
 22 information resulting from identity theft, to
 23 prevent that person from refurnishing such in-
 24 formation; and

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

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

(2) CONFORMING AMENDMENTS RELATING TO NOTICE OF IDENTITY THEFT DIRECTLY FROM CONSUMERS.—Section 623(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(b)(1)) is amended—

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

(B) subparagraph (B), by inserting before the semicolon the following: “, and by the consumer, and other documentation reasonably available to the person that is necessary to conduct a reasonable investigation”; and

(C) in subparagraph (C), by inserting before the semicolon at the end the following:

1 “, and to the consumer, if notice of the dispute
 2 was received directly from the consumer, as de-
 3 scribed in paragraph (2)(B)”.

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

10 “(1) IN GENERAL.—No person shall sell, trans-
 11 fer for consideration, or place for collection a debt
 12 that such person has been notified under section
 13 605B has resulted from identity theft.

14 “(2) APPLICABILITY.—The prohibitions of this
 15 subsection shall apply to all persons collecting a debt
 16 described in paragraph (1) after the date of a notifi-
 17 cation under paragraph (1).

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

20 “(A) the repurchase of a debt in any case
 21 in which the assignee of the debt requires such
 22 repurchase because the debt has resulted from
 23 identity theft;

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

1 “(C) the transfer of debt as a result of a
 2 merger, acquisition, purchase and assumption
 3 transaction, or transfer of substantially all of
 4 the assets of an entity.”.

5 **SEC. 155. NOTICE BY DEBT COLLECTORS WITH RESPECT TO**
 6 **FRAUDULENT INFORMATION.**

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

10 “(h) DEBT COLLECTOR COMMUNICATIONS CON-
 11 CERNING IDENTITY THEFT.—If a person acting as a debt
 12 collector (as that term is defined in title VIII) on behalf
 13 of a third party that is a creditor or other user of a con-
 14 sumer report is notified that any information relating to
 15 a debt that the person is attempting to collect may be
 16 fraudulent or may be the result of identity theft, that per-
 17 son shall—

18 “(1) notify the third party that the information
 19 may be fraudulent or may be the result of identity
 20 theft; and

21 “(2) upon request of the consumer to whom the
 22 debt purportedly relates, provide to the consumer all
 23 information to which the consumer would otherwise
 24 be entitled if the consumer were not a victim of

1 identity theft, but wished to dispute the debt under
 2 provisions of law applicable to that person.”.

3 **SEC. 156. STATUTE OF LIMITATIONS.**

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

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

7 “An action to enforce any liability created under this
 8 title may be brought in any appropriate United States dis-
 9 trict court, without regard to the amount in controversy,
 10 or in any other court of competent jurisdiction, not later
 11 than the earlier of—

12 “(1) 2 years after the date of discovery by the
 13 plaintiff of the violation that is the basis for such li-
 14 ability; or

15 “(2) 7 years after the date on which the viola-
 16 tion that is the basis for such liability occurs.”.

17 **TITLE II—IMPROVEMENTS IN**
 18 **USE OF AND CONSUMER AC-**
 19 **CESS TO CREDIT INFORMA-**
 20 **TION**

21 **SEC. 211. FREE CREDIT REPORTS.**

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

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

4 (2) by inserting before subsection (b) the fol-
5 lowing:

6 “(a) FREE ANNUAL DISCLOSURE.—

7 “(1) IN GENERAL.—A consumer reporting
8 agency described in section 603(p) shall make all
9 disclosures pursuant to section 609 once during any
10 12-month period upon request of the consumer and
11 without charge to the consumer, only if the request
12 is made by mail or through an Internet website
13 using the centralized system and the standardized
14 form established for such requests in accordance
15 with section 211(c) of the National Consumer Credit
16 Reporting System Improvement Act of 2003.

17 “(2) TIMING.—A consumer reporting agency
18 shall provide a consumer report under paragraph (1)
19 not later than 15 days after the date on which the
20 request is received under paragraph (1).

21 “(3) REINVESTIGATIONS.—Notwithstanding the
22 time periods specified in section 611(a)(1), a re-
23 investigation under that section by a consumer re-
24 porting agency upon a request of a consumer that
25 is made after receiving a consumer report under this

1 subsection shall be completed not later than 45 days
 2 after the date on which the request is received.”;

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

5 (4) by inserting before subsection (e), as redes-
 6 ignated, the following:

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

13 (5) in subsection (e), as redesignated, by strik-
 14 ing “subsection (a)” and inserting “subsection (f)”;
 15 and

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

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

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

4 “(1) COMMISSION SUMMARY OF RIGHTS RE-
5 QUIRED.—

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

9 “(B) CONTENT OF SUMMARY.—The sum-
10 mary of rights prepared under subparagraph
11 (A) shall include a description of—

12 “(i) the right of a consumer to obtain
13 a copy of a consumer report under sub-
14 section (a) from each consumer reporting
15 agency;

16 “(ii) the frequency and circumstances
17 under which a consumer is entitled to re-
18 ceive a consumer report without charge
19 under section 612;

20 “(iii) the right of a consumer to dis-
21 pute information in the file of the con-
22 sumer under section 611;

23 “(iv) the right of a consumer to ob-
24 tain a credit score from a consumer report-

1 ing agency, and a description of how to ob-
2 tain a credit score; and

3 “(v) the method by which a consumer
4 can contact, and obtain a consumer report
5 from, a consumer reporting agency without
6 charge, as provided in the regulations of
7 the Commission prescribed under section
8 211(c) of the National Consumer Credit
9 Reporting System Improvement Act of
10 2003.

11 “(C) AVAILABILITY OF SUMMARY OF
12 RIGHTS.—The Federal Trade Commission
13 shall—

14 “(i) actively publicize the availability
15 of the summary of rights prepared under
16 this paragraph;

17 “(ii) conspicuously post on its Inter-
18 net website the availability of such sum-
19 mary of rights; and

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

22 “(2) SUMMARY OF RIGHTS REQUIRED TO BE IN-
23 CLUDED WITH AGENCY DISCLOSURES.—A consumer
24 reporting agency shall provide to a consumer, with

1 each written disclosure by the agency to the con-
2 sumer under this section—

3 “(A) the summary of rights prepared by
4 the Federal Trade Commission under para-
5 graph (1);

6 “(B) in the case of a consumer reporting
7 agency described in section 603(p), a toll-free
8 telephone number established by the agency, at
9 which personnel are accessible to consumers
10 during normal business hours;

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

17 “(D) a statement that the consumer may
18 have additional rights under State law, and that
19 the consumer may wish to contact a State or
20 local consumer protection agency or a State at-
21 torney general (or the equivalent thereof) to
22 learn of those rights; and

23 “(E) a statement that a consumer report-
24 ing agency is not required to remove accurate
25 derogatory information from the file of a con-

1 sumer, unless the information is outdated under
2 section 605 or cannot be verified.”.

3 (c) RULEMAKING REQUIRED.—

4 (1) IN GENERAL.—The Federal Trade Commis-
5 sion shall prescribe regulations applicable to con-
6 sumer reporting agencies described in section 603(p)
7 of the Fair Credit Reporting Act to require the es-
8 tablishment of—

9 (A) a centralized source, through which
10 consumers may obtain a consumer report from
11 each consumer reporting agency described in
12 that section 603(p) using a single request and
13 without charge to the consumer, as provided in
14 section 612(a) of the Fair Credit Reporting Act
15 (as amended by this Act);

16 (B) a standardized form for a consumer to
17 make such a request for a consumer report by
18 mail or through an Internet website; and

19 (C) streamlined methods by which such a
20 consumer reporting agency shall provide such
21 consumer reports, after consideration of—

22 (i) the significant demands that may
23 be placed on consumer reporting agencies
24 in providing such consumer reports;

1 (ii) appropriate means to ensure that
2 consumer reporting agencies can satisfac-
3 torily meet those demands, including the
4 efficacy of a system of staggering the
5 availability to consumers of such consumer
6 reports using a quarterly method based on
7 the birth month of the consumer; and

8 (iii) the ease by which consumers
9 should be able to contact consumer report-
10 ing agencies with respect to access to such
11 consumer reports.

12 (2) TIMING.—Regulations required by this sub-
13 section shall—

14 (A) be issued in final form not later than
15 6 months after the date of enactment of this
16 Act; and

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

20 (d) EFFECTIVE DATE.—The amendments made by
21 subsections (a) and (b) shall become effective on the effec-
22 tive date of the regulations prescribed by the Commission
23 in accordance with subsection (c).

1 **SEC. 212. CREDIT SCORES.**

2 (a) DUTIES OF CONSUMER REPORTING AGENCIES
3 To DISCLOSE CREDIT SCORES.—

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

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

10 “(A) the current, or most recent, credit
11 score of the consumer that was previously cal-
12 culated by the agency;

13 “(B) the range of possible credit scores
14 under the model used;

15 “(C) the key factors, if any, not to exceed
16 4, that adversely affected the credit score of the
17 consumer in the model used;

18 “(D) the date on which the credit score
19 was created; and

20 “(E) the name of the person or entity that
21 provided the credit score or the credit file on
22 the basis of which the credit score was cre-
23 ated.”.

24 (2) LIMITATIONS ON REQUIRED PROVISION OF
25 CREDIT SCORE.—Section 609 of the Fair Credit Re-

1 porting Act (15 U.S.C. 1681g), as amended by this
2 Act, is amended by adding at the end the following:

3 “(e) LIMITATIONS ON REQUIRED PROVISION OF
4 CREDIT SCORE.—

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

7 “(A) to compel a consumer reporting agen-
8 cy to develop or disclose a credit score if the
9 agency does not, in the ordinary course of its
10 business—

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

14 “(ii) develop credit scores that assist
15 creditors in understanding the general
16 credit behavior of the consumer and pre-
17 dicting future credit behavior;

18 “(B) to require a consumer reporting
19 agency that distributes credit scores developed
20 by another person or entity to provide a further
21 explanation of those scores, or to process a dis-
22 pute arising pursuant to section 611(a), except
23 that the consumer reporting agency shall be re-
24 quired to provide to the consumer the name and

1 information for contacting the person or entity
2 that developed the score;

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

5 “(D) to compel disclosure of a credit score,
6 except upon specific request of the consumer,
7 except that if a consumer requests the credit
8 file and not the credit score, then the consumer
9 shall be provided with the credit file and a
10 statement that the consumer may request and
11 obtain a credit score.

12 “(2) PROVISION OF SCORING MODEL.—In com-
13 plying with subsection (a)(6) and this subsection, a
14 consumer reporting agency shall supply to the con-
15 sumer—

16 “(A) a credit score that is derived from a
17 credit scoring model that is widely distributed
18 to users of credit scores by that consumer re-
19 porting agency in connection with any extension
20 of credit secured by a dwelling; or

21 “(B) a credit score that assists the con-
22 sumer in understanding the credit scoring as-
23 sessment of the credit behavior of the consumer
24 and predictions about future credit behavior.”.

1 (3) CONFORMING AMENDMENT.—Section
 2 609(a)(1) of the Fair Credit Reporting Act (15
 3 U.S.C. 1681g(a)(1)) is amended by inserting before
 4 the period “, other than as provided in paragraph
 5 (6)”.

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

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

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

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

19 “(A) a copy of the information described in
 20 section 609(a)(6) that was obtained from a con-
 21 sumer reporting agency or that was developed
 22 and used by that user of the credit score infor-
 23 mation; or

24 “(B) if the user of the credit score infor-
 25 mation obtained such information from a third

1 party that developed such information, (other
2 than a consumer reporting agency or the user
3 itself) only—

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

8 “(ii) a notice that generally describes
9 credit scores, their use, and the sources
10 and kinds of data used to generate credit
11 scores.

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

15 “(A) to explain to the consumer the infor-
16 mation provided pursuant to section 609(a)(6),
17 unless that information was developed by the
18 user;

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

22 “(C) to disclose any credit score or related
23 information obtained by the user after a trans-
24 action occurs; or

1 “(D) to provide more than 1 disclosure
2 under this subsection to any 1 consumer per
3 credit transaction.

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

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

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

22 “(d) USE OF CREDIT SCORES.—Any provision of any
23 contract that prohibits the disclosure of a credit score by
24 a consumer reporting agency or a person who makes or
25 arranges extensions of credit to the consumer to whom

1 the credit score relates is void. A user of a credit score
 2 shall not have liability under any such contractual provi-
 3 sion for disclosure of a credit score.”.

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

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

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

10 “(G) subsections (a)(6) and (e) of section
 11 609, relating to the disclosure of credit scores
 12 by consumer reporting agencies in connection
 13 with an application for an extension of credit
 14 that is to be secured by a dwelling; or

15 “(H) section 615(i), relating to the duties
 16 of users of credit scores to disclose credit score
 17 information to consumers in connection with an
 18 application for an extension of credit that is to
 19 be secured by a dwelling;”.

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

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

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

7 “(2) DISCLOSURE OF ADDRESS AND TELE-
 8 PHONE NUMBER; FORMAT.—A statement under
 9 paragraph (1) shall—

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

13 “(B) be presented in such format and in
 14 such type size and manner as is established by
 15 the Federal Trade Commission, by rule, in con-
 16 sultation with the Federal banking agencies and
 17 the National Credit Union Administration.”.

18 (b) RULEMAKING SCHEDULE.—Regulations required
 19 by section 615(d)(2) of the Fair Credit Reporting Act, as
 20 amended by this section, shall be issued in final form not
 21 later than 1 year after the date of enactment of this Act.

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

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

9 **SEC. 214. AFFILIATE SHARING.**

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

12 (1) by redesignating section 624 (regarding re-
 13 lation to State laws), as so designated by section
 14 2413(b) of the Consumer Credit Reporting Reform
 15 Act of 1996 (110 Stat. 3009–447), as section 625;

16 (2) by redesignating section 624 (regarding dis-
 17 closures to FBI for counterintelligence purposes), as
 18 added by section 601(a) of the Intelligence Author-
 19 ization Act for Fiscal Year 1996 (Public Law 104–
 20 93; 109 Stat. 974) (15 U.S.C. 1681u)), as section
 21 626; and

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

23 **“SEC. 624. AFFILIATE SHARING.**

24 “(a) SPECIAL RULE FOR SOLICITATION FOR PUR-
 25 POSES OF MARKETING.—

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

9 “(A) it is clearly and conspicuously dis-
 10 closed to the consumer that the information
 11 may be communicated among such persons for
 12 purposes of making solicitations to the con-
 13 sumer; and

14 “(B) the consumer is provided an oppor-
 15 tunity and a simple method to prohibit the
 16 making of such solicitations to the consumer by
 17 such person.

18 “(2) CONSUMER CHOICE.—

19 “(A) IN GENERAL.—The notice required
 20 under paragraph (1) shall allow the consumer
 21 the opportunity to prohibit all solicitation for
 22 marketing purposes, and may allow the con-
 23 sumer to choose from different options when
 24 electing to prohibit the sending of solicitations,
 25 including options regarding the types of entities

1 and information covered, and which methods of
2 delivering solicitations the consumer elects to
3 prohibit.

4 “(B) FORMAT.—Notwithstanding subpara-
5 graph (A), the notice required under paragraph
6 (1) must be clear, conspicuous, and concise, and
7 any method provided under paragraph (1)(B)
8 must be simple. The regulations prescribed to
9 implement this section shall provide specific
10 guidance regarding how to comply with such
11 standards.

12 “(3) DURATION.—The election of the consumer
13 pursuant to paragraph (1)(B) to prohibit the send-
14 ing of solicitations shall be effective for 5 years, be-
15 ginning on the date on which the person receives the
16 election of the consumer, unless the consumer re-
17 quests that such election be revoked before the end
18 of such period. At such time as the election of the
19 consumer pursuant to paragraph (1)(B) is no longer
20 effective, a person may not use information it re-
21 ceives as described in paragraph (1) to make a solici-
22 tation for marketing purposes to such consumer un-
23 less the consumer receives a notice and an oppor-
24 tunity to extend the opt out for another period of 5

1 years, pursuant to the procedure described in para-
2 graph (1).

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

5 “(A) using information to make a solicita-
6 tion for marketing purposes to a consumer with
7 whom the person has a pre-existing business re-
8 lationship;

9 “(B) using information to perform services
10 on behalf of another person related by common
11 ownership or affiliated by corporate control, ex-
12 cept that this subparagraph shall not permit a
13 person to send solicitations on behalf of another
14 person if such other person would not be per-
15 mitted to send the solicitation on its own behalf
16 as a result of the election of the consumer to
17 prohibit solicitations under paragraph (1)(B);

18 “(C) using information in direct response
19 to a communication initiated by the consumer
20 in which the consumer has requested informa-
21 tion about a product or service; or

22 “(D) using information to directly respond
23 to solicitations authorized or requested by the
24 consumer.

1 “(b) NOTICE FOR OTHER PURPOSES PERMIS-
 2 SIBLE.—A notice or other disclosure that is equivalent to
 3 the notice required by subsection (a), and that is provided
 4 by a person described in subsection (a) to a consumer to-
 5 gether with disclosures required by any other provision of
 6 law shall satisfy the requirements of subsection (a).”.

7 (b) RULEMAKING REQUIRED.—

8 (1) IN GENERAL.—The Federal banking agen-
 9 cies, the National Credit Union Administration, and
 10 the Federal Trade Commission shall, with respect to
 11 the entities that are subject to their respective en-
 12 forcement authority under section 621 of the Fair
 13 Credit Reporting Act, and in coordination as de-
 14 scribed in paragraph (2), prescribe regulations to
 15 implement section 624 of the Fair Credit Reporting
 16 Act, as added by this section.

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

1 (3) CONSIDERATIONS.—In promulgating regu-
 2 lations under this subsection, the Commission
 3 shall—

4 (A) ensure that affiliate sharing notifica-
 5 tion methods provide a simple means for con-
 6 sumers to make determinations and choices
 7 under section 624 of the Fair Credit Reporting
 8 Act, as added by this section; and

9 (B) consider the affiliate sharing notifica-
 10 tion practices employed on the date of enact-
 11 ment of this Act by persons that will be subject
 12 to that section 624.

13 (4) TIMING.—Regulations required by this sub-
 14 section shall—

15 (A) be issued in final form not later than
 16 6 months after the date of enactment of this
 17 Act; and

18 (B) become effective not later than 3
 19 months after the date on which they are issued
 20 in final form.

21 (c) CONFORMING AMENDMENT.—Section
 22 603(d)(2)(A) of the Fair Credit Reporting Act (15 U.S.C.
 23 1681a(d)(2)(A)) is amended by inserting “subject to sec-
 24 tion 624,” after “(A)”.

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

“624. Affiliate sharing.

“625. Relation to State laws.

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

5 (e) STUDIES OF INFORMATION SHARING PRAC-
 6 TICES.—

7 (1) IN GENERAL.—The Federal banking agen-
 8 cies, the National Credit Union Administration, and
 9 the Federal Trade Commission shall jointly conduct
 10 regular studies of the consumer information sharing
 11 practices by financial institutions and other persons
 12 that are creditors or users of consumer reports with
 13 their affiliates.

14 (2) MATTERS FOR STUDY.—In conducting the
 15 studies required by paragraph (1), the agencies de-
 16 scribed in paragraph (1) shall—

17 (A) identify—

18 (i) the purposes for which financial in-
 19 stitutions and other creditors and users of
 20 consumer reports share consumer informa-
 21 tion;

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

1 (iii) the number of choices provided to
2 consumers with respect to the control of
3 such sharing, and the degree to and man-
4 ner in which consumers exercise such
5 choices, if at all; and

6 (iv) whether such entities share or
7 may share personally identifiable trans-
8 action or experience information with affili-
9 ates for purposes—

10 (I) that are related to employ-
11 ment or hiring, including whether the
12 person that is the subject of such in-
13 formation is given notice of such shar-
14 ing, and the specific uses of such
15 shared information; or

16 (II) of general publication of
17 such information; and

18 (B) specifically examine the information
19 sharing practices that financial institutions and
20 other creditors and users of consumer reports
21 and their affiliates employ for the purpose of
22 making underwriting decisions or credit evalua-
23 tions of consumers.

24 (3) REPORTS.—

1 (A) INITIAL REPORT.—Not later than 3
2 years after the date of enactment of this Act,
3 the Federal banking agencies, the National
4 Credit Union Administration, and the Federal
5 Trade Commission shall jointly submit a report
6 to the Congress on the results of the initial
7 study conducted in accordance with this sub-
8 section, together with any recommendations for
9 legislative or regulatory action.

10 (B) FOLLOWUP REPORTS.—The Federal
11 banking agencies, the National Credit Union
12 Administration, and the Federal Trade Com-
13 mission shall, not less frequently than once
14 every 3 years following the date of submission
15 of the initial report under subparagraph (A),
16 jointly submit a report to the Congress that, to-
17 gether with any recommendations for legislative
18 or regulatory action—

19 (i) documents any changes in the
20 areas of study referred to in paragraph
21 (2)(A) occurring since the date of submis-
22 sion of the previous report;

23 (ii) identifies any changes in the prac-
24 tices of financial institutions and other
25 creditors and users of consumer reports in

1 sharing consumer information with their
2 affiliates for the purpose of making under-
3 writing decisions or credit evaluations of
4 consumers occurring since the date of sub-
5 mission of the previous report; and

6 (iii) examines the effects that changes
7 described in clause (ii) have had, if any, on
8 the degree to which such affiliate sharing
9 practices reduce the need for financial in-
10 stitutions, creditors, and other users of
11 consumer reports to rely on credit reports
12 for such decisions.

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

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

19 (2) the term “affiliates” means persons that are
20 related by common ownership or affiliated by cor-
21 porate control.

1 **SEC. 215. STUDY OF EFFECTS OF CREDIT SCORES AND**
2 **CREDIT-BASED INSURANCE SCORES ON**
3 **AVAILABILITY AND AFFORDABILITY OF FI-**
4 **NANCIAL PRODUCTS.**

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

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

12 (1) the effects of the use of credit scores and
13 credit-based insurance scores on the availability and
14 affordability of financial products and services, in-
15 cluding credit cards, mortgages, auto loans, and
16 property and casualty insurance;

17 (2) the degree of correlation between the factors
18 considered by credit score systems and the quantifi-
19 able risks and actual losses experienced by busi-
20 nesses, including the extent to which each of the fac-
21 tors considered or otherwise taken into account by
22 such systems correlated to risk or loss;

23 (3) the extent to which the use of credit scoring
24 models, credit scores and credit-based insurance
25 scores benefit or negatively impact persons based on
26 geography, income, ethnicity, race, color, religion,

1 national origin, age, sex, marital status, or creed;
2 and

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

7 (c) PUBLIC PARTICIPATION.—The Commission shall
8 seek public input about the prescribed methodology and
9 research design of the study required by subsection (b).

10 (d) REPORT.—

11 (1) IN GENERAL.—Before the end of the 18-
12 month period beginning on the date of enactment of
13 this Act, the Federal Trade Commission shall sub-
14 mit a detailed report on the study conducted under
15 this section to the Committee on Financial Services
16 of the House of Representatives and the Committee
17 on Banking, Housing, and Urban Affairs of the Sen-
18 ate.

19 (2) CONTENTS.—The report submitted under
20 paragraph (1) shall include—

21 (A) the findings and conclusions of the
22 Commission;

23 (B) recommendations to address specific
24 areas of concern that were identified in the
25 study; and

(C) recommendations for legislative or administrative action that the Commission may determine to be necessary to ensure that credit and credit-based insurances score are used appropriately and fairly.

TITLE III—ENHANCING THE ACCURACY OF CONSUMER REPORT INFORMATION

SEC. 311. NOTICE WITH RESPECT TO COUNTER OFFERS.

(a) RULEMAKING.—Section 603(k) of the Fair Credit Reporting Act (15 U.S.C. 1681a(k)) is amended—

(1) in paragraph (1)(B)—

(A) in clause (iii), by striking “and” at the end;

(B) in clause (iv), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(v) notwithstanding subparagraph (A), and subject to regulations prescribed by the Federal banking agencies, the National Credit Union Administration, and the Federal Trade Commission with respect to the entities that are subject to their respective enforcement authority under section 621 and in coordination as

1 described in paragraph (3), an extension or
2 grant of credit based on a counter offer by
3 the creditor on material terms, including
4 interest rate, that are materially less favor-
5 able than the terms generally available to
6 consumers from the creditor, based in
7 whole or in part on a consumer report.”;
8 and

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

10 “(3) COORDINATION OF RULEMAKING.—Each
11 agency required to prescribe regulations under para-
12 graph (1)(B)(v) shall consult and coordinate with
13 each other such agency so that, to the extent pos-
14 sible, the regulations prescribed by each such entity
15 are consistent and comparable with the regulations
16 prescribed by each other such agency.”.

17 (b) RULEMAKING.—Regulations required by section
18 603(k)(1)(B)(v) of the Fair Credit Reporting Act, as
19 added by this section, shall be issued in final form not
20 later than 1 year after the date of enactment of this Act.

21 (c) EFFECTIVE DATE.—The amendments made by
22 subsection (a) shall become effective on the effective date
23 of regulations prescribed in accordance with subsection
24 (b).

1 **SEC. 312. PROCEDURES TO ENHANCE THE ACCURACY AND**
2 **COMPLETENESS OF INFORMATION FUR-**
3 **NISHED TO CONSUMER REPORTING AGEN-**
4 **CIES.**

5 (a) ACCURACY GUIDELINES AND REGULATIONS.—
6 Section 623 of the Fair Credit Reporting Act (15 U.S.C.
7 15 U.S.C. 1681s–2) is amended by adding at the end the
8 following:

9 “(e) ACCURACY GUIDELINES AND REGULATIONS RE-
10 QUIRED.—

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

17 “(A) establish and maintain guidelines for
18 use by each person that furnishes information
19 to a consumer reporting agency regarding the
20 accuracy and completeness of the information
21 relating to consumers that such entities furnish
22 to consumer reporting agencies, and update
23 such guidelines as often as necessary; and

24 “(B) prescribe regulations requiring each
25 person that furnishes information to a con-
26 sumer reporting agency to establish reasonable

1 policies and procedures for implementing the
2 guidelines established pursuant to subpara-
3 graph (A).

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

11 “(3) CRITERIA.—In developing the guidelines
12 required by paragraph (1)(A), the agencies described
13 in paragraph (1) shall—

14 “(A) identify patterns, practices, and spe-
15 cific forms of activity that can compromise the
16 accuracy and completeness of information fur-
17 nished to consumer reporting agencies;

18 “(B) review the methods (including techno-
19 logical means) used to furnish information re-
20 lating to consumers to consumer reporting
21 agencies;

22 “(C) determine whether persons that fur-
23 nish information to consumer reporting agen-
24 cies maintain and enforce policies to provide

1 complete and accurate information to consumer
 2 reporting agencies; and

3 “(D) examine the policies and processes
 4 that persons that furnish information to con-
 5 sumer reporting agencies employ to conduct re-
 6 investigations and correct inaccurate informa-
 7 tion relating to consumers that has been fur-
 8 nished to consumer reporting agencies.”.

9 (b) FURNISHER LIABILITY EXCEPTION.—Section
 10 623(a)(5) of the Fair Credit Reporting Act (15 U.S.C.
 11 1681s–2(a)(5)) is amended by adding at the end the fol-
 12 lowing: “For purposes of this paragraph only, and subject
 13 to the requirements of this section, a person that so noti-
 14 fies the agency may rely on the date provided by the entity
 15 to whom the account was owed at the time that the delin-
 16 quency occurred, provided that the consumer does not dis-
 17 pute the information.”.

18 **SEC. 313. FEDERAL TRADE COMMISSION AND CONSUMER**
 19 **REPORTING AGENCY ACTION CONCERNING**
 20 **COMPLAINTS.**

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

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

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

3 “(A) compile all complaints that it receives
4 that a file of a consumer that is maintained by
5 a consumer reporting agency described in sec-
6 tion 603(p) contains incomplete or inaccurate
7 information, with respect to which, the con-
8 sumer appears to have disputed the complete-
9 ness or accuracy with the consumer reporting
10 agency or otherwise utilized the procedures pro-
11 vided by subsection (a); and

12 “(B) transmit each such complaint to each
13 consumer reporting agency involved.

14 “(2) EXCLUSION.—Complaints received or ob-
15 tained by the Commission pursuant to its investiga-
16 tive authority under the Federal Trade Commission
17 Act shall not be subject to this paragraph (1).

18 “(3) AGENCY RESPONSIBILITIES.—Each con-
19 sumer reporting agency described in section 603(p)
20 that receives a complaint transmitted by the Com-
21 mission pursuant to paragraph (1) shall—

22 “(A) review each such complaint to deter-
23 mine whether all legal obligations imposed on
24 the consumer reporting agency under this title
25 (including any obligation imposed by an appli-

1 cable court or administrative order) have been
 2 met with respect to the subject matter of the
 3 complaint;

4 “(B) provide reports on a regular basis to
 5 the Commission regarding the determinations of
 6 and actions taken by the consumer reporting
 7 agency, if any, in connection with its review of
 8 such complaints; and

9 “(C) maintain, for a reasonable time pe-
 10 riod, records regarding the disposition of each
 11 such complaint that is sufficient to demonstrate
 12 compliance with this subsection.

13 “(4) RULEMAKING AUTHORITY.—The Commis-
 14 sion may prescribe regulations in accordance with
 15 the requirements of section 553 of title 5, United
 16 States Code, as appropriate to implement this sub-
 17 section.

18 “(5) ANNUAL REPORT TO CONGRESS.—The
 19 Commission shall submit to Congress an annual re-
 20 port regarding compliance with this subsection.”.

21 **SEC. 314. ONGOING AUDITS OF THE ACCURACY OF CON-**
 22 **SUMER REPORTS.**

23 (a) AUDITS REQUIRED.—The Board of Governors of
 24 the Federal Reserve System (in this section referred to
 25 as “the Board”) shall conduct ongoing audits of the accu-

1 racy and completeness of information contained in con-
 2 sumer reports prepared or maintained by consumer re-
 3 porting agencies. The Board shall independently verify the
 4 accuracy and completeness of information contained in
 5 consumer reports by evaluating information and data pro-
 6 vided by consumer reporting agencies (as defined in sec-
 7 tion 603 of the Fair Credit Reporting Act).

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

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

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

25 (c) BIENNIAL REPORTS REQUIRED.—

1 (1) IN GENERAL.—The Board shall submit a
2 report to the Committee on Banking, Housing, and
3 Urban Affairs of the Senate and the Committee on
4 Financial Services of the House of Representatives
5 at the end of the 2-year period beginning on the
6 date of enactment of this Act. Thereafter, the Board
7 shall conduct additional audits and submit addi-
8 tional reports once every 2 years.

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

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

20 “(d) FURNISHING CONSUMER REPORTS FOR ACCU-
21 RACY OR COMPLIANCE AUDITS.—A consumer reporting
22 agency shall provide consumer reports to the Board of
23 Governors of the Federal Reserve System, upon request,
24 for the purpose of conducting an accuracy or compliance
25 audit in accordance with section 314 of the National Con-

1 sumer Credit Reporting System Improvement Act of
2 2003.”.

3 **SEC. 315. IMPROVED DISCLOSURE OF THE RESULTS OF RE-**
4 **INVESTIGATION.**

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

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

14 “(ii) promptly notify the furnisher of
15 that information that the information has
16 been deleted from the file of the con-
17 sumer.”.

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

22 (A) in subparagraph (C), by striking
23 “and” at the end; and

1 (B) in subparagraph (D), by striking the
 2 period at the end and inserting the following:

3 “; and

4 “(E) if an item of any information dis-
 5 puted by a consumer is found to be inaccurate
 6 or incomplete or cannot be verified after any re-
 7 investigation under paragraph (1), promptly de-
 8 lete that item of information from the fur-
 9 nisher’s records or modify that item of informa-
 10 tion, as appropriate, based on the results of the
 11 reinvestigation.”.

12 **SEC. 316. RECONCILING ADDRESSES.**

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

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

17 “(1) IN GENERAL.—If a person has requested
 18 a consumer report relating to a consumer from a
 19 consumer reporting agency described in section
 20 603(p), the request includes an address for the con-
 21 sumer that substantially differs from the addresses
 22 in the file of the consumer, and the agency provides
 23 a consumer report in response to the request, the
 24 consumer reporting agency shall notify the requester
 25 of the existence of the discrepancy.

1 “(2) REGULATIONS.—

2 “(A) REGULATIONS REQUIRED.—The Fed-
3 eral banking agencies, the National Credit
4 Union Administration, and the Federal Trade
5 Commission shall, with respect to the entities
6 that are subject to their respective enforcement
7 authority under section 621, and in coordina-
8 tion as described in subparagraph (B), pre-
9 scribe regulations providing guidance regarding
10 reasonable policies and procedures that a user
11 of a consumer report should employ when such
12 user has received a notice of discrepancy under
13 paragraph (1).

14 “(B) COORDINATION.—Each agency re-
15 quired to prescribe regulations under subpara-
16 graph (A) shall consult and coordinate with
17 each other such agency so that, to the extent
18 possible, the regulations prescribed by each
19 such entity are consistent and comparable with
20 the regulations prescribed by each other such
21 agency.

22 “(C) POLICIES AND PROCEDURES TO BE
23 INCLUDED.—The regulations prescribed under
24 subparagraph (A) shall describe reasonable poli-

1 cies and procedures for use by a user of a con-
2 sumer report—

3 “(i) to form a reasonable belief that
4 the user knows the identity of the person
5 to whom the consumer report pertains; and

6 “(ii) if the user establishes a con-
7 tinuing relationship with the consumer,
8 and the user regularly and in the ordinary
9 course of business furnishes information to
10 the consumer reporting agency from which
11 the notice of discrepancy pertaining to the
12 consumer was obtained, to reconcile the
13 address of the consumer with the consumer
14 reporting agency by furnishing such ad-
15 dress to such consumer reporting agency
16 as part of information regularly furnished
17 by the user for the period in which the re-
18 lationship is established.”.

19 **SEC. 317. FTC STUDY OF ISSUES RELATING TO THE FAIR**
20 **CREDIT REPORTING ACT.**

21 (a) STUDY REQUIRED.—

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

1 (2) AREAS FOR STUDY.—In conducting the
2 study under paragraph (1), the Commission shall re-
3 view—

4 (A) the efficacy of increasing the number
5 of points of identifying information that a cred-
6 it reporting agency is required to match to en-
7 sure that a consumer is the correct individual
8 to whom a consumer report relates before re-
9 leasing a consumer report to a user, includ-
10 ing—

11 (i) the extent to which requiring addi-
12 tional points of such identifying informa-
13 tion to match would—

14 (I) enhance the accuracy of cred-
15 it reports; and

16 (II) combat the provision of in-
17 correct consumer reports to users;

18 (ii) the extent to which requiring an
19 exact match of the first and last name, so-
20 cial security number, and address and ZIP
21 Code of the consumer would enhance the
22 likelihood of increasing credit report accu-
23 racy; and

24 (iii) the effects of allowing consumer
25 reporting agencies to use partial matches

1 of social security numbers and name rec-
2 ognition software on the accuracy of credit
3 reports;

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

7 (i) the potential impact of such notifi-
8 cation on the ability of consumers to iden-
9 tify errors on their credit reports; and

10 (ii) the potential impact of such notifi-
11 cation on the ability of consumers to re-
12 move fraudulent information from their
13 credit reports;

14 (C) the effects of requiring that a con-
15 sumer who has experienced an adverse action
16 based on a credit report receives a copy of the
17 same credit report that the creditor relied on in
18 taking the adverse action, including—

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

23 (ii) the extent to which providing such
24 reports to consumers would increase the

1 ability of consumers to remove fraudulent
2 information from their credit reports;

3 (D) any common financial transactions
4 that are not generally reported to the consumer
5 reporting agencies, but would provide useful in-
6 formation in determining the credit worthiness
7 of consumers; and

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

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

17 (b) REPORT REQUIRED.—Not later than 270 days
18 after the date of enactment of this Act, the chairman of
19 the Federal Trade Commission shall submit a report to
20 the Committee on Banking, Housing, and Urban Affairs
21 of the Senate and the Committee on Financial Services
22 of the House of Representatives containing a detailed
23 summary of the findings and conclusions of the study
24 under this section, together with such recommendations

1 for legislative or administrative actions as may be appro-
 2 priate.

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

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

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

12 “(g) PROTECTION OF MEDICAL INFORMATION.—

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

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

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

1 “(i) the information to be furnished is
2 relevant to process or effect the employ-
3 ment or credit transaction; and

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

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

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

1 “(3) ACTIONS AUTHORIZED BY FEDERAL LAW,
2 INSURANCE ACTIVITIES AND REGULATORY DETER-
3 MINATIONS.—Section 603(d)(3) shall not be con-
4 strued so as to treat information or any communica-
5 tion of information as a consumer report if the in-
6 formation or communication is disclosed—

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

14 “(B) for any purpose permitted without
15 authorization under the Standards for Individ-
16 ually Identifiable Health Information promul-
17 gated by the Department of Health and Human
18 Services pursuant to the Health Insurance
19 Portability and Accountability Act of 1996, or
20 referred to under section 1179 of such Act, or
21 described in section 502(e) of Public Law 106–
22 102; or

23 “(C) as otherwise determined to be nec-
24 essary and appropriate, by regulation or order
25 and subject to paragraph (6), by the Commis-

1 sion, any Federal banking agency or the Na-
2 tional Credit Union Administration (with re-
3 spect to any financial institution subject to the
4 jurisdiction of such agency or Administration
5 under paragraph (1), (2), or (3) of section
6 621(b), or the applicable State insurance au-
7 thority (with respect to any person engaged in
8 providing insurance or annuities).

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

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

18 “(A) REGULATIONS REQUIRED.—Each
19 Federal banking agency and the National Cred-
20 it Union Administration shall, subject to para-
21 graph (6) and after notice and opportunity for
22 comment, prescribe regulations that permit
23 transactions under paragraph (2) that are de-
24 termined to be necessary and appropriate to
25 protect legitimate operational, transactional,

1 risk, consumer, and other needs, consistent with
 2 the intent of paragraph (2) to restrict the use
 3 of medical information for inappropriate pur-
 4 poses.

5 “(B) FINAL REGULATIONS REQUIRED.—

6 The Federal banking agencies and the National
 7 Credit Union Administration shall issue the
 8 regulations required under subparagraph (A) in
 9 final form before the end of the 6-month period
 10 beginning on the date of enactment of the Na-
 11 tional Consumer Credit Reporting System Im-
 12 provement Act of 2003.

13 “(6) COORDINATION WITH OTHER LAWS.—No

14 provision of this subsection shall be construed as al-
 15 tering, affecting, or superseding the applicability of
 16 any other provision of Federal law relating to med-
 17 ical confidentiality.”.

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

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

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

1 “(3) RESTRICTION ON SHARING OF MEDICAL
 2 INFORMATION.—Except for information or any com-
 3 munication of information disclosed as provided in
 4 section 604(g)(3), the exclusions in paragraph (2)
 5 shall not apply with respect to information disclosed
 6 to any person related by common ownership or affili-
 7 ated by corporate control, if—

8 “(A) the information is medical informa-
 9 tion; or

10 “(B) the information is an individualized
 11 list or description based on a consumer’s pay-
 12 ment transactions for medical products or serv-
 13 ices, or an aggregate list of identified con-
 14 sumers based on payment transactions for med-
 15 ical products or services.”.

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

22 (1) the end of the 90-day period beginning on
 23 the date on which the regulations required under
 24 paragraph (5)(B) of such section 604(g) (as added

1 by subsection (a) of this section) are issued in final
 2 form; or

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

5 **SEC. 412. CONFIDENTIALITY OF MEDICAL CONTACT INFOR-**
 6 **MATION IN CONSUMER REPORTS.**

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

11 “(6) DUTY TO PROVIDE NOTICE OF STATUS AS
 12 MEDICAL INFORMATION FURNISHER.—A person
 13 whose primary business is providing medical serv-
 14 ices, products, or devices, or the person’s agent or
 15 assignee, who furnishes information to a consumer
 16 reporting agency on a consumer shall be considered
 17 a medical information furnisher for purposes of this
 18 title, and shall notify the agency of such status.”.

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

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

1 “(A) such name, address, and telephone
 2 number are restricted or reported using codes
 3 that do not identify, or provide information suf-
 4 ficient to infer, the specific provider or the na-
 5 ture of such services, products, or devices to a
 6 person other than the consumer; or

7 “(B) the report is being provided to an in-
 8 surance company for a purpose relating to en-
 9 gaging in the business of insurance other than
 10 property and casualty insurance.”.

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

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

21 (e) FTC REGULATION OF CODING OF TRADE
 22 NAMES.—Section 621 of the Fair Credit Reporting Act
 23 (15 U.S.C. 1681s), as amended by this Act, is amended
 24 by adding at the end the following:

1 “(g) FTC REGULATION OF CODING OF TRADE
 2 NAMES.—If the Commission determines that a person de-
 3 scribed in paragraph (6) of section 623(a) has not met
 4 the requirements of such paragraph, the Commission shall
 5 take action to ensure the person’s compliance with such
 6 paragraph, which may include issuing model guidance or
 7 prescribing reasonable policies and procedures as nec-
 8 essary to ensure that such person complies with such para-
 9 graph.”.

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

14 (1) in paragraph (1), by inserting “(other than
 15 medical contact information treated in the manner
 16 required under section 605(a)(6))” after “a con-
 17 sumer report that contains medical information”;
 18 and

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

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

1 **TITLE V—FINANCIAL LITERACY**
2 **AND EDUCATION IMPROVEMENT**

3 **SEC. 511. SHORT TITLE.**

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

6 **SEC. 512. DEFINITIONS.**

7 As used in this title—

8 (1) the term “Chairperson” means the chair-
9 person of the Financial Literacy and Education
10 Commission; and

11 (2) the term “Commission” means the Finan-
12 cial Literacy and Education Commission established
13 under section 513.

14 **SEC. 513. ESTABLISHMENT OF FINANCIAL LITERACY AND**
15 **EDUCATION COMMISSION.**

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

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

22 (c) MEMBERSHIP.—

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

25 (A) the Secretary of the Treasury;

1 (B) the respective head of each of the Fed-
2 eral banking agencies (as defined in section 3
3 of the Federal Deposit Insurance Act), the Na-
4 tional Credit Union Administration, the Securi-
5 ties and Exchange Commission, each of the De-
6 partments of Education, Agriculture, Defense,
7 Health and Human Services, Housing and
8 Urban Development, Labor, and Veterans Af-
9 fairs, the Federal Trade Commission, the Gen-
10 eral Services Administration, the Small Busi-
11 ness Administration, the Social Security Admin-
12 istration, the Commodity Futures Trading
13 Commission, and the Office of Personnel Man-
14 agement; and

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

22 (2) ALTERNATES.—Each member of the Com-
23 mission may designate an alternate if the member is
24 unable to attend a meeting of the Commission. Such

1 alternate shall be an individual who exercises signifi-
2 cant decisionmaking authority.

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

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

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

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

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

18 (a) DUTIES.—

19 (1) IN GENERAL.—The Commission, through
20 the authority of the members referred to in section
21 513(c), shall take such actions as it deems necessary
22 to streamline, improve, or augment the financial lit-
23 eracy and education programs, grants, and materials
24 of the Federal Government, including curricula for
25 all Americans.

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

6 (A) create household budgets, initiate sav-
7 ings plans, and make strategic investment deci-
8 sions for education, retirement, home owner-
9 ship, wealth building, or other savings goals;

10 (B) manage spending, credit, and debt, in-
11 cluding credit card debt, effectively;

12 (C) increase awareness of the availability
13 and significance of credit reports and credit
14 scores in obtaining credit, the importance of
15 their accuracy (and how to correct inaccura-
16 cies), their effect on credit terms, and the effect
17 common financial decisions may have on credit
18 scores;

19 (D) ascertain fair and favorable credit
20 terms;

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

23 (F) understand, evaluate, and compare fi-
24 nancial products, services, and opportunities;

1 (G) understand resources that ought to be
2 easily accessible and affordable, and that in-
3 form and educate investors as to their rights
4 and avenues of recourse when an investor be-
5 lieves his or her rights have been violated by
6 unprofessional conduct of market inter-
7 mediaries; and

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

10 (b) WEBSITE.—

11 (1) IN GENERAL.—The Commission shall estab-
12 lish and maintain a website, such as the domain
13 name “FinancialLiteracy.gov”, or a similar domain
14 name.

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

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

20 (B) provide a coordinated entry point for
21 accessing information about all Federal publica-
22 tions, grants, and materials promoting en-
23 hanced financial literacy and education;

24 (C) offer information on all Federal grants
25 to promote financial literacy and education, and

1 on how to target, apply for, and receive a grant
2 that is most appropriate under the cir-
3 cumstances;

4 (D) as the Commission considers appro-
5 priate, feature website links to efforts that have
6 no commercial content and that feature infor-
7 mation about financial literacy and education
8 programs, materials, or campaigns; and

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

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

16 (d) DEVELOPMENT AND DISSEMINATION OF MATE-
17 RIALS.—The Commission shall—

18 (1) develop materials to promote financial lit-
19 eracy and education; and

20 (2) disseminate such materials to the general
21 public.

22 (e) COORDINATION OF EFFORTS.—The Commission
23 shall take such steps as are necessary to coordinate and
24 promote financial literacy and education efforts at the
25 State and local level, including promoting partnerships

1 among Federal, State, and local governments, nonprofit
2 organizations, and private enterprises.

3 (f) NATIONAL STRATEGY.—

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

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

10 (B) coordinate Federal efforts to imple-
11 ment the strategy developed under subpara-
12 graph (A).

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

16 (A) participation by State and local gov-
17 ernments and private, nonprofit, and public in-
18 stitutions in the creation and implementation of
19 such strategy;

20 (B) the development of methods—

21 (i) to increase the general financial
22 education level of current and future con-
23 sumers of financial services and products;
24 and

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

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

7 (D) the identification of areas of overlap
 8 and duplication among Federal financial lit-
 9 eracy and education activities and proposed
 10 means of eliminating any such overlap and du-
 11 plication.

12 (3) NATIONAL STRATEGY REVIEW.—The Com-
 13 mission shall, not less than annually, review the na-
 14 tional strategy developed under this subsection and
 15 make such changes and recommendations as it
 16 deems necessary

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

21 (h) REPORTS.—

22 (1) IN GENERAL.—Not later than 18 months
 23 after the date of the first meeting of the Commis-
 24 sion, and annually thereafter, the Commission shall
 25 issue a report to the Committee on Banking, Hous-

1 ing, and Urban Affairs of the Senate and the Com-
2 mittee on Financial Services of the House of Rep-
3 resentatives on the progress of the Commission in
4 carrying out this title.

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

7 (A) information concerning the implemen-
8 tation of the duties of the Commission under
9 subsections (a) through (g);

10 (B) an assessment of the success of the
11 Commission in implementing the national strat-
12 egy developed under subsection (f);

13 (C) an assessment of the availability, utili-
14 zation, and impact of Federal financial literacy
15 and education materials;

16 (D) information concerning the content
17 and public use of—

18 (i) the website established under sub-
19 section (b); and

20 (ii) the toll-free telephone number es-
21 tablished under subsection (c);

22 (E) a brief survey of the financial literacy
23 and education materials developed under sub-
24 section (d), and data regarding the dissemina-

1 tion and impact of such materials, as measured
2 by improved financial decision making;

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

6 (G) information about the activities of the
7 Commission planned for the next fiscal year;

8 (H) a summary of all Federal financial lit-
9 eracy and education activities targeted to com-
10 munities that have historically lacked access to
11 financial literacy materials and education, and
12 have been underserved by the mainstream fi-
13 nancial systems; and

14 (I) such other materials relating to the du-
15 ties of the Commission as the Commission
16 deems appropriate.

17 (3) INITIAL REPORT.—The initial report under
18 paragraph (1) shall include information regarding all
19 Federal programs, materials, and grants which seek
20 to improve financial literacy, and assess the effec-
21 tiveness of such programs.

22 (i) TESTIMONY.—The Commission shall provide,
23 upon request, testimony by the Chairperson to the Com-
24 mittee on Banking, Housing, and Urban Affairs of the

1 Senate, and the Committee on Financial Services of the
2 House of Representatives.

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

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

8 (b) INFORMATION FROM FEDERAL AGENCIES.—The
9 Commission may secure directly from any Federal depart-
10 ment or agency such information as the Commission con-
11 siders necessary to carry out this title. Upon request of
12 the Chairperson, the head of such department or agency
13 shall furnish such information to the Commission.

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

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

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

23 (b) TRAVEL EXPENSES.—The members of the Com-
24 mission shall be allowed travel expenses, including per
25 diem in lieu of subsistence, at rates authorized for employ-

ees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) ASSISTANCE.—

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

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

SEC. 517. STUDY BY THE COMPTROLLER GENERAL.

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

SEC. 518. AUTHORIZATION OF APPROPRIATIONS.

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

1 **TITLE VI—RELATION TO STATE** 2 **LAW**

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

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

7 (1) by striking paragraph (2);

8 (2) by striking “(c)—” and all that follows
9 through “do not affect” and inserting “(c) do not
10 affect”; and

11 (3) by striking “1996; and” and inserting
12 “1996.”.

13 **TITLE VII—MISCELLANEOUS**

14 **SEC. 711. CLERICAL AMENDMENTS.**

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

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

24 (c) SECTION 605.—

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

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

7 (B) The amendment made by subparagraph (A)
 8 shall be deemed to have the same effective date as
 9 section 5(1) of Public Law 105–347 (112 Stat.
 10 3211).

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

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

15 (2) in paragraph (3)(C), by moving the margins
 16 2 ems to the left.

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

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

23 (g) TITLE 31.—Section 5318 of title 31, United
 24 States Code, is amended by redesignating the second item

1 designated as subsection (l) (relating to applicability of
2 rules) as subsection (m).

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

Calendar No. 312

108TH CONGRESS
1ST SESSION

S. 1753

[Report No. 108–166]

A BILL

To amend the Fair Credit Reporting Act in order to prevent identity theft, to improve the use of and consumer access to consumer reports, to enhance the accuracy of consumer reports, to limit the sharing of certain consumer information, to improve financial education and literacy, and for other purposes.

OCTOBER 17, 2003

Read twice and placed on the calendar