

111TH CONGRESS
2^D SESSION

H. R. 5743

To amend the Fair Credit Reporting Act to prohibit the furnishing of certain negative loan modification information to a consumer reporting agency and to prohibit such information from being used in computing a consumer's credit score.

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 2010

Ms. SPEIER (for herself, Mr. MILLER of North Carolina, Mr. GEORGE MILLER of California, and Mr. FRANK of Massachusetts) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Fair Credit Reporting Act to prohibit the furnishing of certain negative loan modification information to a consumer reporting agency and to prohibit such information from being used in computing a consumer's credit score.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Protecting Home-
5 owners' Credit History Act of 2010".

1 **SEC. 2. FURNISHING OF CERTAIN LOAN MODIFICATION IN-**
2 **FORMATION PROHIBITED.**

3 Section 623 of the Fair Credit Reporting Act (15
4 U.S.C. 1681s-2) is amended by adding at the end the fol-
5 lowing new subsection:

6 “(f) FURNISHING OF CERTAIN LOAN MODIFICATION
7 INFORMATION PROHIBITED.—A person shall not furnish
8 to a consumer reporting agency any negative information
9 regarding or resulting from the modification of the terms
10 of a consumer loan that is secured by 1 to 4 units of resi-
11 dential real property, including any agreement to reduce
12 the amount of the payments for the loan or to reduce the
13 principal amount of such loan, whether or not such modi-
14 fication is on a permanent, temporary, or trial basis.”.

15 **SEC. 3. REQUIREMENTS RELATING TO INFORMATION USED**
16 **TO CALCULATE CREDIT SCORES.**

17 The Fair Credit Reporting Act is further amended
18 by inserting after section 605B the following new section:

19 **“SEC. 605C. REQUIREMENTS RELATING TO INFORMATION**
20 **USED TO CALCULATE CREDIT SCORES.**

21 “(a) PROHIBITION.—A person shall not, in calcu-
22 lating any credit score of a consumer, produce a less favor-
23 able credit score on the basis of any information regarding
24 or resulting from the modification of the terms of a con-
25 sumer loan that is secured by 1 to 4 units of residential
26 real property, including any agreement to reduce the

1 amount of the payments for the loan or to reduce the prin-
2 cipal amount of such loan, whether or not such modifica-
3 tion is on a permanent, temporary, or trial basis.

4 “(b) DEFINITION.—For purposes of this section, the
5 term ‘credit score’ means a numerical value or a cat-
6 egorization derived from a statistical tool or modeling sys-
7 tem used by a person who makes or arranges a loan to
8 predict the likelihood of certain credit behaviors, including
9 default.”.

10 **SEC. 4. EFFECTIVE DATE.**

11 The amendments made by this Act shall take effect
12 after the 90-day period beginning on the date of the enact-
13 ment of this Act.

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