

116TH CONGRESS  
1ST SESSION

# H. R. 3821

To amend the Fair Credit Reporting Act to make improvements to the regulation of consumer reporting agencies and protect consumers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2019

Mr. MCHENRY introduced the following bill; which was referred to the  
Committee on Financial Services

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## A BILL

To amend the Fair Credit Reporting Act to make improvements to the regulation of consumer reporting agencies and protect consumers, 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,*

3 **SECTION 1. CYBERSECURITY SUPERVISION AND EXAMINA-**  
4 **TION OF LARGE CONSUMER REPORTING**  
5 **AGENCIES.**

6 (a) IN GENERAL.—The Fair Credit Reporting Act  
7 (15 U.S.C. 1681 et seq.) is amended by adding at the end  
8 the following:

1 **“SEC. 630. CYBERSECURITY SUPERVISION AND EXAMINA-**  
2 **TION OF LARGE CONSUMER REPORTING**  
3 **AGENCIES.**

4 “Consumer reporting agencies described under sec-  
5 tion 603(p) shall be subject to cybersecurity supervision  
6 and examination by the Bureau.”.

7 (b) CLERICAL AMENDMENT.—The table of contents  
8 of the Fair Credit Reporting Act is amended by adding  
9 at the end the following:

“630. Cybersecurity supervision and examination of large consumer reporting agencies.”.

10 **SEC. 2. PROHIBITION ON THE USE OF SOCIAL SECURITY**  
11 **NUMBERS.**

12 (a) IN GENERAL.—Section 605 of the Fair Credit  
13 Reporting Act (15 U.S.C. 1681e) is amended by adding  
14 at the end the following:

15 “(i) PROHIBITION ON THE USE OF SOCIAL SECURITY  
16 NUMBERS.—A consumer reporting agency described  
17 under section 603(p)—

18 “(1) may not make any consumer report con-  
19 taining a social security number; and

20 “(2) may not use the social security number of  
21 a consumer as a method to verify the consumer.”.

22 (b) CONFORMING AMENDMENT.—Section 609(a)(1)  
23 of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1))  
24 is amended by striking “except that—” and all that fol-

1 lows through “(B) nothing” and inserting “except that  
2 nothing”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall take effect on January 1, 2020.

5 **SEC. 3. EXCLUSION OF PAID MEDICAL DEBT.**

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

9 “(9) Paid debt arising from the receipt of medi-  
10 cally necessary, non-elective medical services, prod-  
11 ucts, or devices which from the date of payment,  
12 antedate the report by more than 1 year.”.

13 **SEC. 4. SECURITY FREEZES FOR PROTECTED CONSUMERS.**

14 (a) PLACEMENT OF FREEZE.—Section 605A(j)(2)(A)  
15 of the Fair Credit Reporting Act (15 U.S.C. 1681c–  
16 1(j)(2)(A)) is amended to read as follows:

17 “(A) IN GENERAL.—Upon receiving a di-  
18 rect request from a protected consumer’s rep-  
19 resentative, by mail, toll-free telephone, or se-  
20 cure electronic means, that a consumer report-  
21 ing agency place a security freeze, and upon re-  
22 ceiving sufficient proof of identification and suf-  
23 ficient proof of authority, the consumer report-  
24 ing agency shall, free of charge, place the secu-  
25 rity freeze not later than 3 business days after

1 receiving the request directly from the protected  
2 consumer’s representative.”.

3 (b) REMOVAL OF FREEZE.—Section 605A(j)(4) of  
4 the Fair Credit Reporting Act (15 U.S.C. 1681e–1(j)(4))  
5 is amended—

6 (1) in subparagraph (A)(i), by inserting after  
7 “Upon the direct request” the following: “, by mail  
8 or secure electronic means,”;

9 (2) in subparagraph (A)(ii), by inserting after  
10 “Upon the direct request” the following: “, by mail  
11 or secure electronic means,”; and

12 (3) in subparagraph (C)—

13 (A) by striking “not later than—” and in-  
14 serting the “not later than 3 days business days  
15 after receiving the request directly from the  
16 protected consumer or protected consumer’s  
17 representative.”; and

18 (B) by striking clauses (i) and (ii).

19 **SEC. 5. PUBLIC RECORD DATA SOURCES IN CONSUMER RE-**  
20 **PORTS.**

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

24 “(3) PUBLIC RECORD DATA.—If a consumer re-  
25 porting agency furnishes a consumer report that

1 contains public record data, such consumer reporting  
2 agency shall include the source of such public record  
3 data in such report.”.

4 **SEC. 6. PROHIBITION ON INCLUDING ADVERSE INFORMA-**  
5 **TION RELATED TO PREDATORY MORTGAGE**  
6 **LENDING.**

7 (a) IN GENERAL.—The Fair Credit Reporting Act  
8 (15 U.S.C. 1681 et seq.) is amended by inserting after  
9 section 605B the following:

10 **“§ 605C. Adverse information relating to predatory**  
11 **mortgage lending**

12 “(a) IN GENERAL.—A consumer reporting agency  
13 may not furnish any consumer report containing any ad-  
14 verse item of information relating to a covered residential  
15 mortgage loan (including the origination and servicing of  
16 such a loan, any loss mitigation activities related to such  
17 a loan, and any foreclosure, deed in lieu of foreclosure,  
18 or short sale related to such a loan), if the action or inac-  
19 tion to which the item of information relates—

20 “(1) resulted from an unfair, deceptive, or abu-  
21 sive act or practice, or a fraudulent, discriminatory,  
22 or illegal activity of a financial institution, as deter-  
23 mined by a court of competent jurisdiction; or

24 “(2) is related to an unfair, deceptive, or abu-  
25 sive act or practice, or a fraudulent, discriminatory,

1 or illegal activity of a financial institution that is the  
2 subject of a settlement agreement initiated on behalf  
3 of a consumer and that is between the financial in-  
4 stitution and an agency or department of a local,  
5 State, or Federal Government.

6 “(b) COVERED RESIDENTIAL MORTGAGE.—In this  
7 section, the term ‘covered residential mortgage loan’  
8 means any loan made primarily for personal, family, or  
9 household use that is secured by a mortgage, deed of trust,  
10 or other equivalent consensual security interest on a dwell-  
11 ing (as defined in section 103(w) of the Truth in Lending  
12 Act), including a loan in which the proceeds will be used  
13 for—

14 “(1) a manufactured home (as defined in sec-  
15 tion 603 of the Housing and Community Develop-  
16 ment Act of 1974);

17 “(2) any installment sales contract, land con-  
18 tract, or contract for deed on a residential property;  
19 or

20 “(3) a reverse mortgage transaction (as defined  
21 in section 103(cc) of the Truth in Lending Act).”.

22 (b) TABLE OF CONTENTS AMENDMENT.—The table  
23 of contents of the Fair Credit Reporting Act is amended  
24 by inserting after the item relating to section 605B the  
25 following new item:

“605C. Adverse information relating to predatory mortgage lending.”.

1 **SEC. 7. PROHIBITION ON INCLUDING ADVERSE INFORMA-**  
2 **TION WHEN FINANCIAL ABUSE HAS BEEN DE-**  
3 **TERMINED.**

4       (a) IN GENERAL.—The Fair Credit Reporting Act  
5 (15 U.S.C. 1681 et seq.), as amended by section 6, is fur-  
6 ther amended by inserting after section 605C the fol-  
7 lowing:

8 **“§ 605D. Adverse information in cases of financial**  
9 **abuse**

10       “A consumer reporting agency may not furnish a con-  
11 sumer report containing any adverse item of information  
12 about a consumer that resulted from intentionally abusive  
13 or harmful financial behavior if—

14               “(1) a court of competent jurisdiction, in a law-  
15 suit that is not a class action lawsuit, has deter-  
16 mined that the consumer is a victim of such inten-  
17 tionally abusive or harmful financial behavior;

18               “(2) such intentionally abusive or harmful fi-  
19 nancial behavior was conducted by a spouse, family  
20 or household member, caregiver, or person with  
21 whom such consumer had a dating relationship; and

22               “(3) such consumer did not participate in or  
23 consent to such behavior.”.

24       (b) TABLE OF CONTENTS AMENDMENT.—The table  
25 of contents of the Fair Credit Reporting Act is amended

1 by inserting after the item relating to section 605C the  
2 following new item:

“605D. Adverse information in cases of financial abuse.”.

3 **SEC. 8. PROHIBITION ON INCLUDING ADVERSE INFORMA-**  
4 **TION WHEN A STUDENT OBLIGOR IS DE-**  
5 **FRAUDED.**

6 (a) IN GENERAL.—The Fair Credit Reporting Act  
7 (15 U.S.C. 1681 et seq.), as amended by section 7, is fur-  
8 ther amended by inserting after section 605D the fol-  
9 lowing:

10 **“§ 605E. Adverse information in cases of a defrauded**  
11 **student obligor.**

12 “(b) IN GENERAL.—A consumer reporting agency  
13 may not furnish a consumer report containing any adverse  
14 item of information about a consumer that resulted from  
15 a private student loan obligation if—

16 “(1) such consumer is a student obligor with  
17 respect to such private education loan; and

18 “(2) a court of competent jurisdiction, in a law-  
19 suit that is not a class action lawsuit, has deter-  
20 mined that such consumer is a victim of fraud with  
21 respect to such private education loan.

22 “(c) PRIVATE EDUCATION LOAN DEFINED.—For the  
23 purposes of this section, the term ‘private education loan’  
24 has the meaning given the term in section in section  
25 140(a) of the Truth in Lending Act.”.



1 (b) TABLE OF CONTENTS AMENDMENT.—The table  
2 of contents of the Fair Credit Reporting Act is amended  
3 by inserting after the item relating to section 605D the  
4 following new item:

“605E. Adverse information in cases of a defrauded student obligor.”.

5 **SEC. 9. BUREAU LIST OF CREDIT REPORTING AGENCIES.**

6 The Bureau of Consumer Financial Protection shall  
7 maintain a list of credit reporting agencies in the United  
8 States and publish such list of the website on the Bureau  
9 of Consumer Financial Protection.

10 **SEC. 10. STUDY AND REPORT TO CONGRESS ON USE OF**  
11 **NON-TRADITIONAL DATA IN CREDIT SCOR-**  
12 **ING.**

13 (a) STUDY.—The Bureau of Consumer Financial  
14 Protection shall carry out a study about the use of non-  
15 traditional data—

16 (1) by consumer reporting agencies when com-  
17 piling and furnishing consumer reports; and

18 (2) by persons that create, maintain, or pur-  
19 chase credit scoring models used in making credit  
20 decisions.

21 (b) REPORT.—Not later than 18 months after the  
22 date of the enactment of this section, the Bureau of Con-  
23 sumer Financial Protection shall issue a report to the  
24 Committee on Financial Services of the House of Rep-  
25 resentatives and the Committee on Banking, Housing, and

1 Urban Affairs of the Senate containing all findings and  
2 determinations, including any recommendations for any  
3 legislative or regulatory changes, made in carrying out the  
4 study required under subsection (a).

5 (c) DEFINITIONS.—For the purposes of this section,  
6 the terms “consumer reporting agency” and “consumer  
7 report” shall have the meanings given the terms in section  
8 603 of the Fair Credit Reporting Act.

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