

109TH CONGRESS
2^D SESSION

H. R. 5445

To provide clarification relating to credit monitoring services.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2006

Mr. PRICE of Georgia (for himself, Mr. BACHUS, and Mr. SCOTT of Georgia) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide clarification relating to credit monitoring services.

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 “Credit Repair Organi-
5 zations Act Technical Corrections Act”.

6 **SEC. 2. CLARIFICATION RELATING TO CREDIT MONI-**
7 **TORING SERVICES.**

8 (a) IN GENERAL.—Section 403 of the Credit Repair
9 Organizations Act (15 U.S.C. 1679a) is amended—

1 (1) by striking “For purposes of this title” and
2 inserting “(a) IN GENERAL.—For purposes of this
3 title”; and

4 (2) by adding at the end the following new sub-
5 section:

6 “(b) CLARIFICATION WITH RESPECT TO CERTAIN
7 CREDIT MONITORING SERVICES UNDER CERTAIN CIR-
8 CUMSTANCES.—

9 “(1) IN GENERAL.—Subject to paragraph (2)—

10 “(A) the provision of, or provision of ac-
11 cess to, credit reports, credit monitoring notifi-
12 cations, credit scores and scoring algorithms,
13 and other credit score-related tools to a con-
14 sumer (including generation of projections and
15 forecasts of such consumer’s potential credit
16 scores under various prospective trends or hypo-
17 thetical or alternative scenarios);

18 “(B) any analysis, evaluation, and expla-
19 nation of such actual or hypothetical credit
20 scores, or any similar projections, forecasts,
21 analyses, evaluations or explanations; or

22 “(C) in conjunction with offering any of
23 the services described in subparagraph (A) or
24 B, the provision of materials or services to as-

1 sist a consumer who is a victim of identity
2 theft,
3 shall not be treated as activities described in clause
4 (i) of subsection (a)(3)(A).

5 “(2) CONDITIONS FOR APPLICATION OF PARA-
6 GRAPH (1).—Paragraph (1) shall apply with respect
7 to any person engaging in any activity described in
8 such paragraph only if—

9 “(A) the person does not represent, ex-
10 pressly or by implication, that such person—

11 “(i) will or can modify or remove, or
12 assist the consumer in modifying or remov-
13 ing, adverse information that is accurate
14 and not obsolete in the consumer’s credit
15 report; or

16 “(ii) will or can alter, or assist the
17 consumer in altering, the consumer’s iden-
18 tification to prevent the display of the con-
19 sumer’s credit record, history, or rating for
20 the purpose of concealing adverse informa-
21 tion that is accurate and not obsolete;

22 “(B) in any case in which the person rep-
23 resents, expressly or by implication, that it will
24 or can modify or remove, or assist the consumer
25 in modifying or removing, any information in

1 the consumer's credit report, except for a rep-
2 resentation with respect to any requirement im-
3 posed on the person under section 611 or
4 623(b) of the Fair Credit Reporting Act, the
5 person discloses, clearly and conspicuously, be-
6 fore the consumer pays or agrees to pay any
7 money or other valuable consideration to such
8 person, whichever occurs first, the following
9 statement:

10 'NOTICE: Neither you nor any-
11 one else has the right to have accurate
12 and current information removed from
13 your credit report. If information in
14 your report is inaccurate, you have
15 the right to dispute it by contacting
16 the credit bureau directly.'

17 "(C) the person provides the consumer in
18 writing with the following statement before any
19 contract or agreement between the consumer
20 and the person is executed:

21 'Your Rights Concerning Your
22 Consumer Credit File

23 'You have a right to obtain a free
24 copy of your credit report once every
25 12 months from each of the nation-

1 wide consumer reporting agencies. To
2 request your free annual credit
3 report, you may go to
4 www.annualcreditreport.com, or call
5 877-322-8228, or complete the An-
6 nual Credit Report Request Form and
7 mail it to: Annual Credit Report Re-
8 quest Service, P.O. Box 105281, At-
9 lanta, GA 30348-5281. You can ob-
10 tain additional copies of your credit
11 report from a credit bureau, for which
12 you may be charged a reasonable fee.
13 There is no fee, however, if you have
14 been turned down for credit, employ-
15 ment, insurance, or a rental dwelling
16 because of information in your credit
17 report within the preceding 60 days.
18 The credit bureau must provide some-
19 one to help you interpret the informa-
20 tion in your credit file. You are enti-
21 tled to receive a free copy of your
22 credit report if you are unemployed
23 and intend to apply for employment in
24 the next 60 days, if you are a recipi-
25 ent of public welfare assistance, or if

1 you have reason to believe that there
2 is inaccurate information in your
3 credit report due to fraud.

4 ‘You have the right to cancel
5 your contract with a credit monitoring
6 service without fee or penalty at any
7 time, and in the case in which you
8 have prepaid for a credit monitoring
9 service, you are entitled to a pro rata
10 refund for the remaining term of the
11 credit monitoring service.

12 ‘The Federal Trade Commission
13 regulates credit bureaus and credit
14 monitoring services. For more infor-
15 mation contact:

16 ‘Federal Trade Commission
17 ‘Washington, D.C. 20580
18 ‘1-877-FTC-HELP
19 ‘www.ftc.gov’.

20 “(D) in any case in which the person offers
21 a subscription to a credit file monitoring pro-
22 gram to a consumer, the consumer may cancel
23 the subscription at any time upon written notice
24 to the person without penalty or fee for such
25 cancellation and, in any case in which the con-

1 sumer is billed for the subscription on other
2 than a monthly basis, within 60 days of receipt
3 of the consumer’s notice of cancellation, the
4 person shall make a pro rata refund to the con-
5 sumer of a subscription fee prepaid by the con-
6 sumer, calculated from the date that the person
7 receives the consumer’s notice of cancellation
8 until the end of the subscription period.”.

9 (b) CLARIFICATION OF NONEXEMPT STATUS.—Sec-
10 tion 403(a) of the Credit Repair Organizations Act (15
11 U.S.C. 1679a) (as so redesignated by subsection (a) of
12 this section) is amended by striking clause (i) of para-
13 graph (3)(B) and inserting the following new clause:

14 “(i) any organization that is not for
15 its own profit or for that of its members;”.

16 (c) REVISION OF DISCLOSURE REQUIREMENT.—Sec-
17 tion 405(a) of the Credit Repair Organizations Act (15
18 U.S.C. 1679c) is amended by striking everything after the
19 heading of the disclosure statement contained in such sec-
20 tion and inserting the following new text of the disclosure
21 statement:

22 “You have a right to dispute inaccurate infor-
23 mation in your credit report by contacting the credit
24 bureau directly. However, neither you nor any ‘cred-
25 it repair’ company or credit repair organization has

1 the right to have accurate, current, and verifiable in-
2 formation removed from your credit report. The
3 credit bureau must remove accurate, negative infor-
4 mation from your report only if it is over 7 years
5 old. Bankruptcy information can be reported for 10
6 years.

7 “You have a right to obtain a free copy of your
8 credit report once every 12 months from each of the
9 nationwide consumer reporting agencies. To request
10 your free annual credit report, you may go to
11 www.annualcreditreport.com, or call 877-322-8228,
12 or complete the Annual Credit Report Request Form
13 and mail it to: Annual Credit Report Request Serv-
14 ice, P.O. Box 105281, Atlanta, GA 30348-5281.
15 You can obtain additional copies of your credit re-
16 port from a credit bureau, for which you may be
17 charged a reasonable fee. There is no fee, however,
18 if you have been turned down for credit, employ-
19 ment, insurance, or a rental dwelling because of in-
20 formation in your credit report within the preceding
21 60 days. The credit bureau must provide someone to
22 help you interpret the information in your credit file.
23 You are entitled to receive a free copy of your credit
24 report if you are unemployed and intend to apply for
25 employment in the next 60 days, if you are a recipi-

1 ent of public welfare assistance, or if you have rea-
2 son to believe that there is inaccurate information in
3 your credit report due to fraud.

4 “You have a right to sue a credit repair organi-
5 zation that violates the Credit Repair Organization
6 Act. This law prohibits deceptive practices by credit
7 repair organizations.

8 “You have the right to cancel your contract
9 with any credit repair organization for any reason
10 within 3 business days from the date you signed it.

11 “Credit bureaus are required to follow reason-
12 able procedures to ensure that the information they
13 report is accurate. However, mistakes may occur.

14 “You may, on your own, notify a credit bureau
15 in writing that you dispute the accuracy of informa-
16 tion in your credit file. The credit bureau must then
17 reinvestigate and modify or remove inaccurate or in-
18 complete information. The credit bureau may not
19 charge any fee for this service. Any pertinent infor-
20 mation and copies of all documents you have con-
21 cerning an error should be given to the credit bu-
22 reau.

23 “If the credit bureau’s reinvestigation does not
24 resolve the dispute to your satisfaction, you may
25 send a brief statement to the credit bureau, to be

1 kept in your file, explaining why you think the
2 record is inaccurate. The credit bureau must include
3 a summary of your statement about disputed infor-
4 mation with any report it issues about you.

5 “The Federal Trade Commission regulates
6 credit bureaus and credit repair organizations. For
7 more information contact:

8 “Federal Trade Commission

9 “Washington, D.C. 20580

10 “1-877-FTC-HELP

11 “(877 382-4357)

12 “www.ftc.gov”.

○