

Union Calendar No.

109TH CONGRESS
2^D SESSION

H. R. 3997

[Report No. 109-]

To amend the Fair Credit Reporting Act to provide for secure financial data, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2005

Mr. LATOURETTE (for himself, Ms. HOOLEY, Mr. CASTLE, Ms. PRYCE of Ohio, and Mr. MOORE of Kansas) introduced the following bill; which was referred to the Committee on Financial Services

MARCH --, 2006

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

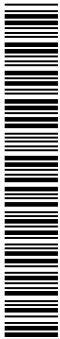
[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on October 6, 2005]

A BILL

To amend the Fair Credit Reporting Act to provide for secure financial data, 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; FINDINGS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the “Fi-*
3 *ancial Data Protection Act of 2006”.*

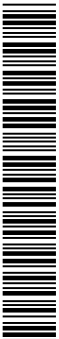
4 (b) *FINDINGS.*—*The Congress finds as follows:*

5 (1) *Protecting the security of sensitive informa-*
6 *tion relating to consumers is important to limiting*
7 *account fraud and identity theft.*

8 (2) *While the Gramm-Leach-Bliley Act requires*
9 *financial institutions to protect the security and con-*
10 *fidentiality of the nonpublic personal information of*
11 *the customers of financial institutions, the scope of*
12 *covered entities and type of information needs to be*
13 *broadened to fully protect consumers.*

14 (3) *Some Federal agencies have issued model*
15 *guidance under the Gramm-Leach-Bliley Act requir-*
16 *ing banks to investigate and provide notice to cus-*
17 *tomers of breaches of data security involving customer*
18 *information that could lead to account fraud or iden-*
19 *tity theft, but these standards need to be broadened to*
20 *apply to other entities acting as consumer reporters,*
21 *in order to create a single, uniform data security*
22 *standard that applies to all parties to transactions*
23 *involving such financial information.*

24 (4) *Requiring all consumer reporters handling*
25 *sensitive financial personal information to provide*
26 *notice to consumers of data security breaches that are*



1 *likely to result in harm or inconvenience will help*
2 *consumers protect themselves and mitigate against the*
3 *risk of identity theft or account fraud.*

4 (5) *Therefore, all consumer reporters should—*

5 (A) *protect sensitive financial personal in-*
6 *formation;*

7 (B) *investigate potential data security*
8 *breaches;*

9 (C) *provide breach notices as appropriate to*
10 *the United States Secret Service, functional reg-*
11 *ulators, involved third parties, and consumers;*

12 (D) *restore the security of the information*
13 *and improve safeguards after a breach; and*

14 (E) *provide consumers free file monitoring*
15 *where appropriate to reduce the risk of identity*
16 *theft.*

17 **SEC. 2. DATA SECURITY SAFEGUARDS.**

18 (a) *IN GENERAL.—As set forth in section 630 of the*
19 *Fair Credit Reporting Act, as amended by the Act, in the*
20 *event a consumer reporter becomes aware of information*
21 *suggesting a breach of data security, such consumer reporter*
22 *shall immediately conduct an investigation, and notify au-*
23 *thorities and consumers as appropriate.*



1 (b) *FCRA DATA SECURITY AMENDMENT.—The Fair*
2 *Credit Reporting Act (15 U.S.C. 1681) is amended by add-*
3 *ing at the end the following new section:*

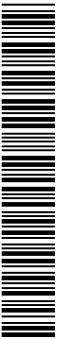
4 **“SEC. 630. DATA SECURITY SAFEGUARDS.**

5 “(a) *PROTECTION OF SENSITIVE FINANCIAL PER-*
6 *SONAL INFORMATION.—*

7 “(1) *DATA SECURITY OBLIGATION POLICY.—It is*
8 *the policy of the Congress that each consumer reporter*
9 *has an affirmative and continuing obligation to pro-*
10 *tect the security and confidentiality of sensitive fi-*
11 *nancial personal information.*

12 “(2) *SECURITY POLICIES AND PROCEDURES.—*
13 *Each consumer reporter shall have an affirmative ob-*
14 *ligation to implement, and a continuing obligation to*
15 *maintain, reasonable policies and procedures to pro-*
16 *tect the security and confidentiality of sensitive fi-*
17 *nancial personal information relating to any con-*
18 *sumer that is handled by such consumer reporter*
19 *against any loss, unauthorized access, or misuse that*
20 *is reasonably likely to result in harm or inconven-*
21 *ience to such consumer.*

22 “(3) *DATA DESTRUCTION AND DATA DISPOSAL*
23 *POLICIES AND PROCEDURES.—The policies and proce-*
24 *dures described in paragraph (2) shall include pro-*
25 *viding for the proper disposal of sensitive financial*



1 *personal information in accordance with the stand-*
2 *ards, guidelines, or regulations issued pursuant to*
3 *this title.*

4 “(b) *INVESTIGATION REQUIREMENTS.*—

5 “(1) *INVESTIGATION TRIGGER.*—*A consumer re-*
6 *porter shall immediately conduct a data security*
7 *breach investigation if it—*

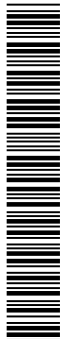
8 “(A) *becomes aware of any information in-*
9 *dicating a reasonable likelihood that a data secu-*
10 *urity breach has occurred or is unavoidable;*

11 “(B) *becomes aware of information indi-*
12 *cating an unusual pattern of misuse of sensitive*
13 *financial personal information handled by a*
14 *consumer reporter indicative of financial fraud;*
15 *or*

16 “(C) *receives a notice under subsection (e).*

17 “(2) *SCOPE OF INVESTIGATION.*—*Such investiga-*
18 *tion shall be conducted in a manner commensurate*
19 *with the nature and the amount of the sensitive fi-*
20 *nancial personal information that is subject to the*
21 *breach of data security, including appropriate actions*
22 *to—*

23 “(A) *assess the nature and scope of the po-*
24 *tential breach;*



1 “(B) identify the sensitive financial per-
2 sonal information potentially involved;

3 “(C) determine whether such information is
4 usable by the parties causing the breach; and

5 “(D) determine the likelihood that such in-
6 formation has been, or will be, misused in a
7 manner that may cause harm or inconvenience
8 to the related consumer.

9 “(3) ENCRYPTION AND OTHER SAFEGUARDS.—

10 “(A) SUGGESTED SAFEGUARDS.—The regu-
11 lators described in subsection (k)(1) shall jointly
12 develop standards and guidelines to identify and
13 regularly update appropriate technology safe-
14 guards for making consumer reporter’s sensitive
15 financial personal information unusable in a
16 manner commensurate with the nature and the
17 amount of such information, including—

18 “(i) consideration of the encryption
19 standards adopted by the National Institute
20 of Standards and Technology for use by the
21 Federal Government; and

22 “(ii) appropriate management and
23 protection of keys or codes necessary to pro-
24 tect the integrity of encrypted information.



1 “(B) *SAFEGUARD FACTORS.*—*In deter-*
2 *mining the likelihood of a data security breach,*
3 *a consumer reporter may consider whether the*
4 *information subject to the potential breach is un-*
5 *usable because it is encrypted, redacted, requires*
6 *technology to use that is not generally commer-*
7 *cially available, or has otherwise similarly been*
8 *rendered unreadable.*

9 “(C) *SAFE HARBOR FOR PROTECTED*
10 *DATA.*—*As set forth in the standards and guide-*
11 *lines issued pursuant to subparagraph (A), a*
12 *consumer reporter may reasonably conclude that*
13 *a data security breach is not likely to have oc-*
14 *curring where the sensitive personal financial in-*
15 *formation involved has been encrypted, redacted,*
16 *requires technology to use that is not generally*
17 *commercially available, or is otherwise unlikely*
18 *to be usable*

19 “(D) *EXCEPTION.*—*Subparagraphs (B) and*
20 *(C) shall not apply if the consumer reporter be-*
21 *comes aware of information that would reason-*
22 *ably indicate that the information that was the*
23 *subject of the potential breach is usable by the*
24 *entities causing the breach or potentially mis-*
25 *using the information, for example because—*



1 “(i) an encryption code is potentially
2 *compromised,*

3 “(ii) the entities are believed to have
4 *the technology to access the information; or*

5 “(iii) there is an unusual pattern of
6 *misuse of such information indicative of fi-*
7 *nancial fraud.*

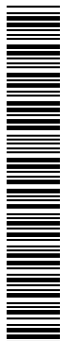
8 “(c) *BREACH NOTICES.*—*If a consumer reporter deter-*
9 *mines that a breach of data security has occurred, is likely*
10 *to have occurred, or is unavoidable, the consumer reporter*
11 *shall in the order listed—*

12 “(1) *promptly notify the United States Secret*
13 *Service;*

14 “(2) *promptly notify the appropriate functional*
15 *regulatory agency for the consumer reporter;*

16 “(3) *notify as appropriate and without unrea-*
17 *sonable delay—*

18 “(A) *any third party entity that owns or is*
19 *obligated on an affected financial account as set*
20 *forth in the standards or guidelines pursuant to*
21 *subsection (k)(1)(G), including in such notifica-*
22 *tion information reasonably identifying the na-*
23 *ture and scope of the breach and the sensitive fi-*
24 *nancial personal information involved; and*



1 “(B) any other appropriate critical third
2 parties whose involvement is necessary to inves-
3 tigate the breach; and

4 “(4) without unreasonable delay notify any af-
5 fected consumers to the extent required in subsection
6 (f), as well as—

7 “(A) each nationwide consumer reporting
8 agency, in the case of a breach involving sen-
9 sitive financial identity information relating to
10 1,000 or more consumers; and

11 “(B) any other appropriate critical third
12 parties who will be required to undertake further
13 action with respect to such information to pro-
14 tect such consumers from resulting fraud or iden-
15 tity theft.

16 “(d) *SYSTEM RESTORATION REQUIREMENTS.*—If a
17 consumer reporter determines that a breach of data security
18 has occurred, is likely to have occurred, or is unavoidable,
19 the consumer reporter shall take prompt and reasonable
20 measures to—

21 “(1) repair the breach and restore the security
22 and confidentiality of the sensitive financial personal
23 information involved to limit further unauthorized
24 misuse of such information; and



1 “(2) *restore the integrity of the consumer report-*
2 *er’s data security safeguards and make appropriate*
3 *improvements to its data security policies and proce-*
4 *dures.*

5 “(e) *THIRD PARTY DUTIES.—*

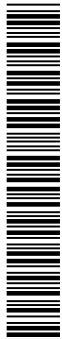
6 “(1) *COORDINATED INVESTIGATION.—Whenever*
7 *any consumer reporter that handles sensitive finan-*
8 *cial personal information for or on behalf of another*
9 *party becomes aware that an investigation is required*
10 *under subsection (b) with respect to such information,*
11 *the consumer reporter shall—*

12 “(A) *promptly notify the other party of the*
13 *breach;*

14 “(B) *conduct a coordinated investigation*
15 *with the other party as described in subsection*
16 *(b); and*

17 “(C) *ensure that the appropriate notices are*
18 *provided as required under subsection (f).*

19 “(2) *CONTRACTUAL OBLIGATION REQUIRED.—No*
20 *consumer reporter may provide sensitive financial*
21 *personal information to a third party, unless such*
22 *third party agrees to fulfill the obligations imposed by*
23 *subsections (a), (d), and (h), as well as that whenever*
24 *the third party becomes aware that a breach of data*
25 *security has occurred, is reasonably likely to have oc-*



1 *curring, or is unavoidable, with respect to such infor-*
2 *mation, the third party shall be obligated—*

3 *“(A) to provide notice of the potential*
4 *breach to the consumer reporter;*

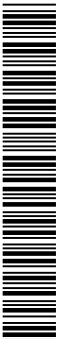
5 *“(B) to conduct a coordinated investigation*
6 *with the consumer reporter to identify the sen-*
7 *sitive financial personal information involved*
8 *and determine if the potential breach is reason-*
9 *ably likely to result in harm or inconvenience to*
10 *any consumer to whom the information relates;*
11 *and*

12 *“(C) provide any notices required under*
13 *this section, except to the extent that such notices*
14 *are provided by the consumer reporter in a man-*
15 *ner meeting the requirements of this section.*

16 *“(f) CONSUMER NOTICE.—*

17 *“(1) POTENTIAL IDENTITY THEFT RISK AND*
18 *FRAUDULENT TRANSACTION RISK.—A consumer re-*
19 *porter shall provide a consumer notice if, at any*
20 *point the consumer reporter becomes aware—*

21 *“(A) that a breach of data security is rea-*
22 *sonably likely to have occurred or be unavoid-*
23 *able, with respect to sensitive financial personal*
24 *information handled by the consumer reporter;*



1 “(B) of information reasonably identifying
2 the nature and scope of the breach; and

3 “(C) that such information is reasonably
4 likely to have been or to be misused in a manner
5 causing harm or inconvenience against the con-
6 sumers to whom such information relates to—

7 “(i) commit identity theft if the infor-
8 mation is sensitive financial identity infor-
9 mation, or

10 “(ii) make fraudulent transactions on
11 such consumers’ financial accounts if the
12 information is sensitive financial account
13 information.

14 “(2) SECURITY PROGRAM SAFEGUARDS AND REG-
15 ULATIONS.—

16 “(A) STANDARDS FOR SAFEGUARDS.—The
17 regulators described in subsection (k)(1) shall
18 issue guidelines relating to the types of sophisti-
19 cated neural networks and security programs
20 that are likely to detect fraudulent account activ-
21 ity and at what point detection of such activity
22 is sufficient to avoid consumer notice under this
23 subsection.

24 “(B) ALTERNATIVE SAFEGUARDS.—In de-
25 termining the likelihood of misuse of sensitive fi-



1 *nancial account information and whether a notice*
2 *is required under paragraph (1), the consumer*
3 *reporter may additionally consider—*

4 “(i) *consistent with any standards promulgated*
5 *under subparagraph (A), whether any neural networks or security programs*
6 *used by, or on behalf of, the consumer reporter have detected, or are likely to detect*
7 *on an ongoing basis over a reasonable period of time, fraudulent transactions result-*
8 *ing from the breach of data security; or*

9 “(ii) *whether no harm or inconvenience is reasonably likely to have occurred,*
10 *because for example the related consumer account has been closed or its number has*
11 *been changed.*

12 “(3) *COORDINATION WITH THE FAIR DEBT COLLECTION PRACTICES ACT.—The provision of a notice*
13 *to the extent such notice and its contents are required under this section shall not be considered a commu-*
14 *nication under the Fair Debt Collection Practices Act.*

15 “(4) *COORDINATION OF CONSUMER NOTICE DATABASE.—*

16 “(A) *IN GENERAL.—The Commission shall coordinate with the other government entities*



1 *identified in this section to create a publicly*
2 *available list of data security breaches that have*
3 *triggered a notice to consumers under this sub-*
4 *section within the last 12 months.*

5 “(B) *LISTED INFORMATION.*—*The publicly*
6 *available list described in subparagraph (A)*
7 *shall include the following:*

8 “(i) *The identity of the party respon-*
9 *sible that suffered the breach.*

10 “(ii) *A general description of the na-*
11 *ture and scope of the breach.*

12 “(iii) *Any financial fraud mitigation*
13 *or other services provided by such party to*
14 *the affected consumers, including the tele-*
15 *phone number and other appropriate con-*
16 *tact information for accessing such services.*

17 “(g) *TIMING, CONTENT, AND MANNER OF NOTICES.*—

18 “(1) *DELAY OF NOTICE FOR LAW ENFORCEMENT*
19 *PURPOSES.*—*If a consumer reporter receives a written*
20 *request from an appropriate law enforcement agency*
21 *indicating that the provision of a notice under sub-*
22 *section (c)(3) or (f) would impede a criminal or civil*
23 *investigation by that law enforcement agency, or an*
24 *oral request from an appropriate law enforcement*



1 *agency indicating that such a written request will be*
2 *provided within 2 business days—*

3 *“(A) the consumer reporter shall delay, or*
4 *in the case of a foreign law enforcement agency*
5 *may delay, providing such notice until—*

6 *“(i) the law enforcement agency in-*
7 *forms the consumer reporter that such no-*
8 *tice will no longer impede the investigation;*
9 *or*

10 *“(ii) the law enforcement agency fails*
11 *to—*

12 *“(I) provide within 10 days a*
13 *written request to continue such delay*
14 *for a specific time that is approved by*
15 *a court of competent jurisdiction; or*

16 *“(II) in the case of an oral request*
17 *for a delay, provide a written request*
18 *within 2 business days, and if such*
19 *delay is requested for more than 10 ad-*
20 *ditional days, such request must be ap-*
21 *proved by a court of competent juris-*
22 *isdiction; and*

23 *“(B) the consumer reporter may—*



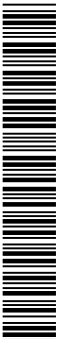
1 “(i) conduct appropriate security
2 measures that are not inconsistent with
3 such request; and

4 “(ii) contact such law enforcement
5 agency to determine whether any such in-
6 consistency would be created by such meas-
7 ures.

8 “(2) *HOLD HARMLESS PROVISION.*—A consumer
9 reporter shall not be liable for any fraud mitigation
10 costs or for any losses that would not have occurred
11 but for notice to or the provision of sensitive financial
12 personal information to law enforcement, or the delay
13 provided for under this subsection, except that—

14 “(A) nothing in this subparagraph shall be
15 construed as creating any inference with respect
16 to the establishment or existence of any such li-
17 ability; and

18 “(B) this subparagraph shall not apply if
19 the costs or losses would not have occurred had
20 the consumer reporter undertaken reasonable sys-
21 tem restoration requirements to the extent re-
22 quired under subsection (d), or other similar
23 provision of law, except to the extent that such
24 system restoration was delayed at the request of
25 law enforcement.



1 “(3) *CONTENT OF CONSUMER NOTICE.*—*Any notice*
2 *required to be provided by a consumer reporter*
3 *to a consumer under subsection (f)(1), and any notice*
4 *required in accordance with subsection (e)(2)(A), shall*
5 *be provided in a standardized transmission or exclu-*
6 *sively colored envelope, and shall include the following*
7 *in a clear and conspicuous manner:*

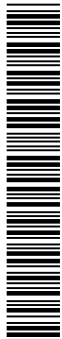
8 “(A) *An appropriate heading or notice title.*

9 “(B) *A description of the nature and types*
10 *of information and accounts as appropriate that*
11 *were, or are reasonably believed to have been,*
12 *subject to the breach of data security.*

13 “(C) *A statement identifying the party re-*
14 *sponsible, if known, that suffered the breach, in-*
15 *cluding an explanation of the relationship of*
16 *such party to the consumer.*

17 “(D) *If known, the date, or the best reason-*
18 *able approximation of the period of time, on or*
19 *within which sensitive financial personal infor-*
20 *mation related to the consumer was, or is rea-*
21 *sonably believed to have been, subject to a breach.*

22 “(E) *A general description of the actions*
23 *taken by the consumer reporter to restore the se-*
24 *curity and confidentiality of the breached infor-*
25 *mation.*



1 “(F) A telephone number by which a con-
2 sumer to whom the breached information relates
3 may call free of charge to obtain additional in-
4 formation about how to respond to the breach.

5 “(G) With respect to notices involving sen-
6 sitive financial identity information, a copy of
7 the summary of rights of consumer victims of
8 fraud or identity theft prepared by the Commis-
9 sion under section 609(d), as well as any addi-
10 tional appropriate information on how the con-
11 sumer may—

12 “(i) obtain a copy of a consumer re-
13 port free of charge in accordance with sec-
14 tion 612;

15 “(ii) place a fraud alert in any file re-
16 lating to the consumer at a consumer re-
17 porting agency under section 605A to dis-
18 courage unauthorized use; and

19 “(iii) contact the Commission for more
20 detailed information.

21 “(H) With respect to notices involving sen-
22 sitive financial identity information, a promi-
23 nent statement in accordance with subsection (h)
24 that file monitoring will be made available to the
25 consumer free of charge for a period of not less



1 *than six months, together with a telephone num-*
2 *ber for requesting such services, and may also in-*
3 *clude such additional contact information as a*
4 *mailing address, e-mail, or Internet website ad-*
5 *dress.*

6 “(I) *The approximate date the notice is*
7 *being issued.*

8 “(4) *OTHER TRANSMISSION OF NOTICE.—The no-*
9 *tice described in paragraph (3) may be made by other*
10 *means of transmission (such as electronic or oral) to*
11 *a consumer only if—*

12 “(A) *the consumer has affirmatively con-*
13 *sent to such use, has not withdrawn such con-*
14 *sent, and with respect to electronic transmissions*
15 *is provided with the appropriate statements re-*
16 *lated to such consent as described in section*
17 *101(c)(1) of the Electronic Signatures in Global*
18 *and National Commerce Act; and*

19 “(B) *all of the relevant information in*
20 *paragraph (3) is communicated to such con-*
21 *sumer in such transmission.*

22 “(5) *DUPLICATIVE NOTICES.—*

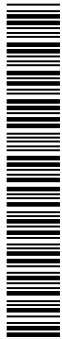
23 “(A) *IN GENERAL.—A consumer reporter,*
24 *whether acting directly or in coordination with*
25 *another entity—*



1 “(i) shall not be required to provide
2 more than 1 notice with respect to any
3 breach of data security to any affected con-
4 sumer, so long as such notice meets all the
5 applicable requirements of this section, and

6 “(ii) shall not be required to provide a
7 notice with respect to any consumer if a no-
8 tice meeting the applicable requirements of
9 this section has already been provided to
10 such consumer by another entity.

11 “(B) *UPDATING NOTICES.*—If a consumer
12 notice is provided to consumers pursuant only to
13 subsection (f)(1)(C)(ii) (relating to sensitive fi-
14 nancial account information), and the consumer
15 reporter subsequently becomes aware of a reason-
16 able likelihood that sensitive financial personal
17 information involved in the breach is being mis-
18 used in a manner causing harm or inconven-
19 ience against such consumer to commit identity
20 theft, an additional notice shall be provided to
21 such consumers as well any other appropriate
22 parties under this section, including a copy of
23 the Commission’s summary of rights and file
24 monitoring mitigation instructions under sub-
25 paragraphs (G) and (H) of paragraph (3).



1 “(6) *RESPONSIBILITY AND COSTS.*—

2 “(A) *IN GENERAL.*—*Except as otherwise es-*
3 *tablished by written agreement between the con-*
4 *sumer reporter and its agents or third party*
5 *servicers, the entity that suffered a breach of*
6 *data security shall be—*

7 “(i) *primarily responsible for pro-*
8 *viding any consumer notices and file moni-*
9 *toring required under this section with re-*
10 *spect to such breach; and*

11 “(ii) *responsible for the reasonable ac-*
12 *tual costs of any notices provided under this*
13 *section.*

14 “(B) *IDENTIFICATION TO CONSUMERS.*—*No*
15 *such agreement shall restrict the ability of a con-*
16 *sumer reporter to identify the entity responsible*
17 *for the breach to consumers*

18 “(C) *NO CHARGE TO CONSUMERS.*— *The*
19 *cost for the notices and file monitoring described*
20 *in subparagraph (A) may not be charged to the*
21 *related consumers.*

22 “(h) *FINANCIAL FRAUD MITIGATION.*—

23 “(1) *FREE FILE MONITORING.*—*Any consumer*
24 *reporter that is required to provide notice to a con-*
25 *sumer under subsection (f)(1)(C)(i), or that is deemed*



1 to be in compliance with such requirement by oper-
2 ation of subsection (j), if requested by the consumer
3 before the end of the 90-day period beginning on the
4 date of such notice, shall make available to the con-
5 sumer, free of charge and for at least a 6-month
6 period—

7 “(A) a service that monitors nationwide
8 credit activity regarding a consumer from a con-
9 sumer reporting agency described in section
10 603(p); or

11 “(B) a service that provides identity-moni-
12 toring to consumers on a nationwide basis that
13 meets the guidelines described in paragraph (2).

14 “(2) *IDENTITY MONITORING NETWORKS.*—The
15 regulators described in subsection (k)(1) shall issue
16 guidelines on the type of identity monitoring net-
17 works that are likely to detect fraudulent identity ac-
18 tivity regarding a consumer on a nationwide basis
19 and would satisfy the requirements of paragraph (1).

20 “(3) *JOINT RULEMAKING FOR SAFE HARBOR.*—
21 In accordance with subsection (j), the Secretary of the
22 Treasury, the Board of Governors of the Federal Re-
23 serve System, and the Commission shall jointly de-
24 velop standards and guidelines, which shall be issued



1 *by all functional regulatory agencies, that, in any*
2 *case in which—*

3 *“(A) free file monitoring is offered under*
4 *paragraph (1) to a consumer;*

5 *“(B) subsequent to the offer, another party*
6 *misuses sensitive financial identity information*
7 *on the consumer obtained through the breach of*
8 *data security (that gave rise to such offer) to*
9 *commit identity theft against the consumer; and*

10 *“(C) at the time of such breach the con-*
11 *sumer reporter met the requirements of sub-*
12 *sections (a) and (d),*

13 *exempts the consumer reporter from any liability for*
14 *any harm to the consumer resulting from such mis-*
15 *use, other than any direct pecuniary loss or loss pur-*
16 *suant to agreement by the consumer reporter, except*
17 *that nothing in this paragraph shall be construed as*
18 *creating any inference with respect to the establish-*
19 *ment or existence of any such liability.*

20 *“(i) CREDIT SECURITY FREEZE.—*

21 *“(1) DEFINITIONS.—For purposes of this sub-*
22 *section, the following definitions shall apply:*

23 *“(A) SECURITY FREEZE.—The term ‘secu-*
24 *rity freeze’ means a notice placed in a credit re-*
25 *port on a consumer, at the request of the con-*



1 *sumer who is a victim of identity theft, that pro-*
2 *hibits the consumer reporting agency from re-*
3 *leasing all or any part of the credit report, with-*
4 *out the express authorization of the consumer, ex-*
5 *cept as otherwise provided in this section.*

6 *“(B) REVIEWING THE ACCOUNT; ACCOUNT*
7 *REVIEW.—The terms ‘reviewing the account’ and*
8 *‘account review’ include activities related to ac-*
9 *count maintenance, monitoring, credit line in-*
10 *creases, and account upgrades and enhance-*
11 *ments.*

12 *“(2) REQUEST FOR A SECURITY FREEZE.—*

13 *“(A) IN GENERAL.—A consumer who has*
14 *been the victim of identity theft may place a se-*
15 *curity freeze on the file of such consumer at any*
16 *consumer reporting agency by—*

17 *“(i) making a request in writing by*
18 *certified mail to the consumer reporting*
19 *agency;*

20 *“(ii) submitting an identity theft re-*
21 *port to the consumer reporting agency; and*

22 *“(iii) providing such evidence of the*
23 *identity of the consumer as such consumer*
24 *reporting agency may require under para-*
25 *graph (5).*



1 “(B) *PROMPT IMPOSITION OF FREEZE.*—A
2 *consumer reporting agency shall place a security*
3 *freeze on a credit report on a consumer no later*
4 *than 5 business days after receiving a written re-*
5 *quest from the consumer in accordance with sub-*
6 *paragraph (A).*

7 “(C) *EFFECT OF FREEZE.*—

8 “(i) *IN GENERAL.*—*Except as otherwise*
9 *provided in this subsection, if a security*
10 *freeze is in place with respect to any con-*
11 *sumer, information from the consumer’s*
12 *credit report may not be released by the*
13 *consumer reporting agency or reseller to*
14 *any third party, including another con-*
15 *sumer reporting agency or reseller, without*
16 *the prior express authorization from the*
17 *consumer or as otherwise permitted in this*
18 *section.*

19 “(ii) *ADVISING OF EXISTENCE OF SE-*
20 *CURITY FREEZE.*—*Clause (i) shall not be*
21 *construed as preventing a consumer report-*
22 *ing agency or reseller from advising a third*
23 *party that a security freeze is in effect with*
24 *respect to the credit report on the consumer.*



1 “(D) *CONFIRMATION OF FREEZE; ACCESS*
2 *CODE.—Any consumer reporting agency that re-*
3 *ceives a consumer request for a security freeze in*
4 *accordance with subparagraph (A) shall—*

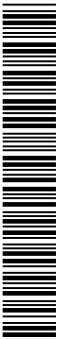
5 “(i) *send a written confirmation of the*
6 *security freeze to the consumer within 10*
7 *business days of placing the freeze; and*

8 “(ii) *at the same time, provide the con-*
9 *sumer with a unique personal identification*
10 *number or password (other than the Social*
11 *Security account number of any consumer)*
12 *to be used by the consumer when providing*
13 *authorization for the release of the credit re-*
14 *port of the consumer to a specific party or*
15 *for a specific period of time.*

16 “(3) *ACCESS PURSUANT TO CONSUMER AUTHOR-*
17 *IZATION DURING SECURITY FREEZE.—*

18 “(A) *NOTICE BY CONSUMER.—If the con-*
19 *sumer wishes to allow the credit report on the*
20 *consumer to be accessed by a specific party or for*
21 *a specific period of time while a freeze is in*
22 *place, the consumer shall—*

23 “(i) *contact the consumer reporting*
24 *agency in any manner the agency may pro-*
25 *vide;*



1 “(ii) request that the security freeze be
2 temporarily lifted; and

3 “(iii) provide—

4 “(I) proper identification;

5 “(II) the unique personal identi-
6 fication number or password provided
7 by the consumer reporting agency pur-
8 suant to paragraph (2)(D)(ii); and

9 “(III) the proper information re-
10 garding the third party who is to re-
11 ceive the credit report or the time pe-
12 riod for which the report shall be avail-
13 able to users of the credit report.

14 “(B) *TIMELY RESPONSE REQUIRED.*—A
15 consumer reporting agency that receives a re-
16 quest from a consumer to temporarily lift a secu-
17 rity freeze on a credit report in accordance with
18 subparagraph (A) shall comply with the request
19 no later than 3 business days after receiving the
20 request.

21 “(C) *PROCEDURES FOR REQUESTS.*—A con-
22 sumer reporting agency may develop procedures
23 involving the use of telephone, fax, or, upon the
24 consent of the consumer in the manner required
25 by the *Electronic Signatures in Global and Na-*



1 *tional Commerce Act for notices legally required*
2 *to be in writing, by the Internet, e-mail, or other*
3 *electronic medium to receive and process a re-*
4 *quest from a consumer to temporarily lift a secu-*
5 *rity freeze on a credit report pursuant to sub-*
6 *paragraph (A) in an expedited manner.*

7 “(4) *LIFTING OR REMOVING SECURITY*
8 *FREEZE.—*

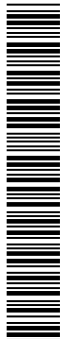
9 “(A) *IN GENERAL.—A consumer reporting*
10 *agency may remove or temporarily lift a secu-*
11 *rity freeze placed on a credit report on a con-*
12 *sumer only in the following cases:*

13 “(i) *Upon receiving a consumer request*
14 *for a temporary lift of the security freeze in*
15 *accordance with paragraph (3)(A).*

16 “(ii) *Upon receiving a consumer re-*
17 *quest for the removal of the security freeze*
18 *in accordance with subparagraph (C).*

19 “(iii) *Upon a determination by the*
20 *consumer reporting agency that the security*
21 *freeze was imposed on the credit report due*
22 *to a material misrepresentation of fact by*
23 *the consumer.*

24 “(B) *NOTICE TO CONSUMER OF DETERMINA-*
25 *TION.—If a consumer reporting agency makes a*



1 *determination described in subparagraph*
2 *(A)(iii) with a respect to a security freeze im-*
3 *posed on the credit report on any consumer, the*
4 *consumer reporting agency shall notify the con-*
5 *sumer of such determination in writing prior to*
6 *removing the security freeze on such credit re-*
7 *port.*

8 “(C) *REMOVING SECURITY FREEZE.*—

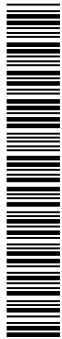
9 “(i) *IN GENERAL.*—*Except as provided*
10 *in this subsection, a security freeze shall re-*
11 *main in place until the consumer requests*
12 *that the security freeze be removed.*

13 “(ii) *PROCEDURE FOR REMOVING SE-*
14 *CURITY FREEZE.*—*A consumer reporting*
15 *agency shall remove a security freeze within*
16 *3 business days of receiving a request for re-*
17 *moval from the consumer who provides—*

18 “(I) *proper identification; and*

19 “(II) *the unique personal identi-*
20 *fication number or password provided*
21 *by the consumer reporting agency pur-*
22 *suant to paragraph (2)(D)(ii).*

23 “(5) *PROPER IDENTIFICATION REQUIRED.*—*A*
24 *consumer reporting agency shall require proper iden-*
25 *tification of any person who makes a request to im-*



1 *pose, temporarily lift, or permanently remove a secu-*
2 *rity freeze on the credit report of any consumer under*
3 *this section.*

4 *“(6) THIRD PARTY REQUESTS.—If—*

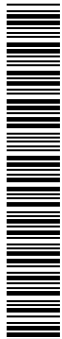
5 *“(A) a third party requests access to a con-*
6 *sumer’s credit report on which a security freeze*
7 *is in effect under this section in connection with*
8 *an application by the consumer for credit or any*
9 *other use; and*

10 *“(B) the consumer does not allow the con-*
11 *sumer’s credit report to be accessed by that spe-*
12 *cific party or during the specific period such ap-*
13 *plication is pending,*

14 *the third party may treat the application as incom-*
15 *plete.*

16 *“(7) CERTAIN ENTITY EXEMPTIONS.—*

17 *“(A) AGGREGATORS AND OTHER AGEN-*
18 *CIES.—This subsection shall not apply to a con-*
19 *sumer reporting agency that acts only as a re-*
20 *seller of credit information by assembling and*
21 *merging information contained in the database*
22 *of another consumer reporting agency or mul-*
23 *tiiple consumer reporting agencies, and does not*
24 *maintain a permanent database of credit infor-*



1 *mation from which new credit reports are pro-*
2 *duced.*

3 *“(B) OTHER EXEMPTED ENTITIES.—The*
4 *following entities shall not be required to place*
5 *a security freeze in a credit report:*

6 *“(i) An entity which provides check*
7 *verification or fraud prevention services, in-*
8 *cluding but not limited to, reports on inci-*
9 *dents of fraud, verification or authentica-*
10 *tion of a consumer’s identification, or au-*
11 *thorizations for the purpose of approving or*
12 *processing negotiable instruments, electronic*
13 *funds transfers, or similar methods of pay-*
14 *ments.*

15 *“(ii) A deposit account information*
16 *service company, which issues reports re-*
17 *garding account closures due to fraud, sub-*
18 *stantial overdrafts, automated teller ma-*
19 *chine abuse, or similar negative informa-*
20 *tion regarding a consumer, to inquiring*
21 *banks or other financial institutions for use*
22 *only in reviewing a consumer request for a*
23 *deposit account at the inquiring bank or*
24 *other financial institution.*



1 “(8) *EXCEPTIONS.*—*This subsection shall not*
2 *apply with respect to the use of a consumer credit re-*
3 *port by any of the following for the purpose described:*

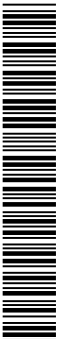
4 “(A) *A person, or any affiliate, agent, or*
5 *assignee of any person, with whom the consumer*
6 *has or, prior to an assignment, had an account,*
7 *contract, or debtor-creditor relationship for the*
8 *purposes of reviewing the account or collecting*
9 *the financial obligation owing for the account,*
10 *contract, or debt.*

11 “(B) *An affiliate, agent, assignee, or pro-*
12 *spective assignee of a person to whom access has*
13 *been granted under paragraph (3) for purposes*
14 *of facilitating the extension of credit or other*
15 *permissible use of the report in accordance with*
16 *the consumer’s request under such paragraph.*

17 “(C) *Any State or local agency, law enforce-*
18 *ment agency, trial court, or person acting pursu-*
19 *ant to a court order, warrant, or subpoena.*

20 “(D) *A Federal, State, or local agency that*
21 *administers a program for establishing an en-*
22 *forcing child support obligations for the purpose*
23 *of administering such program.*

24 “(E) *A Federal, State, or local health agen-*
25 *cy, or any agent or assignee of such agency, act-*



1 *ing to investigate fraud within the jurisdiction*
2 *of such agency.*

3 *“(F) A Federal, State, or local tax agency,*
4 *or any agent or assignee of such agency, acting*
5 *to investigate or collect delinquent taxes or un-*
6 *paid court orders or to fulfill any of other statu-*
7 *tory responsibility of such agency.*

8 *“(G) Any person that intends to use the in-*
9 *formation in accordance with section 604(c).*

10 *“(H) Any person administering a credit file*
11 *monitoring subscription or similar service to*
12 *which the consumer has subscribed.*

13 *“(I) Any person for the purpose of pro-*
14 *viding a consumer with a copy of the credit re-*
15 *port or credit score of the consumer upon the*
16 *consumer’s request.*

17 *“(9) PROHIBITION ON FEE.—A consumer report-*
18 *ing agency may not impose a fee for placing, remov-*
19 *ing, or removing for a specific party or parties a se-*
20 *curity freeze on a credit report.*

21 *“(10) NOTICE OF RIGHTS.—At any time that a*
22 *consumer is required to receive a summary of rights*
23 *required under section 609(c)(1) or 609(d)(1) the fol-*
24 *lowing notice shall be included:*

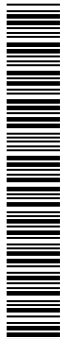


1 *“Consumers Who Are Victims of Identity*
2 *Theft Have the Right to Obtain a Security*
3 *Freeze on Your Consumer Report*

4 *“You may obtain a security freeze on your*
5 *consumer credit report at no charge if you are*
6 *a victim of identity theft and you submit a copy*
7 *of an identity theft report you have filed with a*
8 *law enforcement agency about unlawful use of*
9 *your personal information by another person.*

10 *“The security freeze will prohibit a credit*
11 *reporting agency from releasing any information*
12 *in your consumer credit report without your ex-*
13 *press authorization. A security freeze must be re-*
14 *quested in writing by certified mail.*

15 *“The security freeze is designed to prevent*
16 *credit, loans, and services from being approved*
17 *in your name without your consent. However,*
18 *you should be aware that using a security freeze*
19 *to take control over who gains access to the per-*
20 *sonal and financial information in your con-*
21 *sumer credit report may delay, interfere with, or*
22 *prohibit the timely approval of any subsequent*
23 *request or application you make regarding new*
24 *loans, credit, mortgage, insurance, government*
25 *services or payments, rental housing, employ-*



1 *ment, investment, license, cellular phone, utili-*
2 *ties, digital signature, internet credit card trans-*
3 *action, or other services, including an extension*
4 *of credit at point of sale.*

5 *“When you place a security freeze on your*
6 *consumer credit report, within 10 business days*
7 *you will be provided a personal identification*
8 *number or password to use if you choose to re-*
9 *move the freeze on your consumer credit report*
10 *or authorize the release of your consumer credit*
11 *report for a specific party, parties or period of*
12 *time after the freeze is in place.*

13 *“To provide that authorization, you must*
14 *contact the consumer reporting agency and pro-*
15 *vide all of the following: (1) The unique personal*
16 *identification number or password provided by*
17 *the consumer reporting agency (2) Proper identi-*
18 *fication to verify your identity (3) The proper*
19 *information regarding the third party or parties*
20 *who are trying to receive the consumer credit re-*
21 *port or the period of time for which the report*
22 *shall be available to users of the consumer report.*

23 *“A consumer reporting agency that receives*
24 *a request from a consumer to lift temporarily a*
25 *freeze on a consumer credit report shall comply*



1 with the request no later than 3 days after re-
2 ceiving the request.

3 “‘A security freeze does not apply to a per-
4 son or entity, or its affiliates, or collection agen-
5 cies acting on behalf of the person or entity with
6 which you have an existing account that requests
7 information in your consumer credit report for
8 the purposes of reviewing or collecting the ac-
9 count, if you have previously given your consent
10 to this use of your consumer credit report. Re-
11 viewing the account includes activities related to
12 account maintenance, monitoring, credit line in-
13 creases, and account up-grades and enhance-
14 ments.

15 “‘If you are actively seeking credit, you
16 should understand that the procedures involved
17 in lifting a security freeze may slow your own
18 applications for credit. You should plan ahead
19 and lift a freeze, either completely or temporarily
20 if you are shopping around, or specifically for a
21 certain creditor, a few days before actually ap-
22 plying for new credit.’.

23 “(j) *EFFECT ON GLBA.*—

24 “(1) *DEPOSITORY INSTITUTIONS.*—*The current*
25 *and any future breach notice regulations and guide-*



1 *lines under section 501(b) of the Gramm-Leach-Bliley*
2 *Act with respect to depository institutions shall be su-*
3 *perseded, as of the effective date of the regulations re-*
4 *quired under subsection (k)(3)(A), relating to the spe-*
5 *cific requirements of this section.*

6 “(2) *NONDEPOSITORY INSTITUTIONS.—The cur-*
7 *rent and any future data security regulations and*
8 *guidelines under section 501(b) of the Gramm-Leach-*
9 *Bliley Act with respect to nondepository institutions*
10 *shall be superseded as of the effective date of the regu-*
11 *lations required under subsection (k)(3)(A), relating*
12 *to the responsibilities under this section.*

13 “(k) *UNIFORM DATA SECURITY SAFEGUARD REGULA-*
14 *TIONS.—*

15 “(1) *UNIFORM STANDARDS.—The Secretary of*
16 *the Treasury, the Board of Governors of the Federal*
17 *Reserve System, and the Commission shall jointly,*
18 *and the Federal functional regulatory agencies that*
19 *have issued guidance on consumer breach notification*
20 *shall jointly with respect to the entities under their*
21 *jurisdiction, develop standards and guidelines to im-*
22 *plement this section, including—*

23 “(A) *prescribing specific standards with re-*
24 *spect to subsection (g)(3) setting forth a reason-*
25 *ably unique and, pursuant to paragraph (2)(B),*



1 *exclusive color and titling of the notice, and*
2 *standardized formatting of the notice contents*
3 *described under such subsection to standardize*
4 *such communications and make them more likely*
5 *to be reviewed, and understood by, and helpful to*
6 *consumers, including to the extent possible plac-*
7 *ing the critical information for consumers in an*
8 *easily understood and prominent text box at the*
9 *top of each notice;*

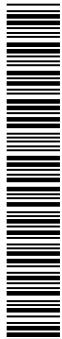
10 *“(B) providing in such standards and*
11 *guidelines that the responsibility of a consumer*
12 *reporter to provide notice under this section—*

13 *“(i) has been satisfied with respect to*
14 *any particular consumer, even if the con-*
15 *sumer reporter is unable to contact the con-*
16 *sumer, so long as the consumer reporter has*
17 *made reasonable efforts to obtain a current*
18 *address or other current contact informa-*
19 *tion with respect to such consumer;*

20 *“(ii) may be made by public notice in*
21 *appropriate cases in which—*

22 *“(I) such reasonable efforts de-*
23 *scribed in clause (i) have failed; or*

24 *“(II) a breach of data security in-*
25 *volves a loss or unauthorized acquisi-*



1 *tion of sensitive financial personal in-*
2 *formation in paper documents or*
3 *records that has been determined to be*
4 *usable, but the identities of specific*
5 *consumers are not determinable; and*

6 *“(iii) with respect to paragraph (3) of*
7 *subsection (c), may be communicated to en-*
8 *tities in addition to those specifically re-*
9 *quired under such paragraph through any*
10 *reasonable means, such as through an elec-*
11 *tronic transmission normally received by all*
12 *of the consumer reporter’s business cus-*
13 *tomers; and*

14 *“(C) providing in such standards and*
15 *guidelines elaboration on how to determine*
16 *whether a technology is generally commercially*
17 *available for the purposes of subsection (b), focus-*
18 *ing on the availability of such technology to per-*
19 *sons who potentially could seek to breach the*
20 *data security of the consumer reporter, and how*
21 *to determine whether the information is likely to*
22 *be usable under subsection (b)(3);*

23 *“(D) providing for a reasonable and fair*
24 *manner of providing required consumer notices*
25 *where the entity that directly suffered the breach*



1 *is unavailable to pay for such notices, because*
2 *for example the entity is bankrupt, outside of the*
3 *jurisdiction of the United States, or otherwise*
4 *can not be compelled to provide such notice;*

5 *“(E) providing for periodic instead of indi-*
6 *vidual notices to regulators and law enforcement*
7 *under subsection (c)(1) and (2) where the con-*
8 *sumer reporter determines that only a de mini-*
9 *mus number of consumers are reasonably likely*
10 *to be affected;*

11 *“(F) providing, to the extent appropriate,*
12 *notice to the United States Secret Service, a con-*
13 *sumer reporter’s functional regulator, and the*
14 *entities described in paragraphs (1) through (3)*
15 *of subsection (c), whenever the consumer report-*
16 *er’s sensitive financial personal information has*
17 *been lost or illegally obtained but such loss or ac-*
18 *quisition does not result in a breach, for example*
19 *because the information was sufficiently*
20 *encrypted or otherwise unusable; and*

21 *“(G) establishing what types of accounts*
22 *might be subject to unauthorized transactions*
23 *after a breach involving sensitive financial ac-*
24 *count information, for example because such ac-*
25 *counts are open-end credit plans or are described*



1 *in section 903(2) of the Electronic Fund Trans-*
2 *fer Act.*

3 “(2) *MODEL NOTICE FORMS.*—

4 “(A) *IN GENERAL.*—*The Secretary of the*
5 *Treasury, Board of Governors of the Federal Re-*
6 *serve System, and the Commission shall jointly*
7 *establish and publish model forms and disclosure*
8 *statements to facilitate compliance with the no-*
9 *tice requirements of subsection (g) and to aid the*
10 *consumer in understanding the information re-*
11 *quired to be disclosed relating to a breach of data*
12 *security and the options and services available to*
13 *the consumer for obtaining additional informa-*
14 *tion, consumer reports, and credit monitoring*
15 *services.*

16 “(B) *USE OPTIONAL.*—*A consumer reporter*
17 *may utilize a model notice or any model state-*
18 *ment established under this paragraph for pur-*
19 *poses of compliance with this section, at the dis-*
20 *cretion of the consumer reporter.*

21 “(C) *EFFECT OF USE.*—*A consumer re-*
22 *porter that uses a model notice form or disclo-*
23 *sure statement established under this paragraph*
24 *shall be deemed to be in compliance with the re-*



1 *quirement to provide the required disclosure to*
2 *consumers to which the form or statement relates.*

3 “(3) *ENFORCEMENT.*—

4 “(A) *REGULATIONS.*—*Each of the func-*
5 *tional regulatory agencies shall prescribe such*
6 *regulations as may be necessary, consistent with*
7 *the standards in paragraph (1), to ensure com-*
8 *pliance with this section with respect to the per-*
9 *sons subject to the jurisdiction of such agency*
10 *under subsection (l).*

11 “(B) *MISUSE OF UNIQUE COLOR AND TI-*
12 *TLES OF NOTICES.*—*Any person who uses the*
13 *unique color and titling adopted under para-*
14 *graph (1)(A) for notices under subsection (f)(1)*
15 *in a way that is likely to create a false belief in*
16 *a consumer that a communication is such a no-*
17 *tice shall be liable in the same manner and to*
18 *the same extent as a debt collector is liable under*
19 *section 813 for any failure to comply with any*
20 *provision of the Fair Debt Collection Practices*
21 *Act.*

22 “(4) *PROCEDURES AND DEADLINE.*—

23 “(A) *PROCEDURES.*—*Standards and guide-*
24 *lines issued under this subsection shall be issued*

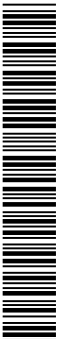


1 *in accordance with applicable requirements of*
2 *title 5, United States Code.*

3 “(B) *DEADLINE FOR INITIAL STANDARDS*
4 *AND GUIDELINES.—The standards and guidelines*
5 *required to be issued under paragraph (1) shall*
6 *be published in final form before the end of the*
7 *9-month period beginning on the date of the en-*
8 *actment of the Financial Data Protection Act of*
9 *2006.*

10 “(C) *DEADLINE FOR ENFORCEMENT REGU-*
11 *LATIONS.—The standards and guidelines re-*
12 *quired to be issued under paragraph (2) shall be*
13 *published in final form before the end of the 6-*
14 *month period beginning on the date standards*
15 *and guidelines described in subparagraph (B)*
16 *are published in final form.*

17 “(D) *AUTHORITY TO GRANT EXCEPTIONS.—*
18 *The regulations prescribed under paragraph (2)*
19 *may include such additional exceptions to this*
20 *section as are deemed jointly by the functional*
21 *regulatory agencies to be consistent with the pur-*
22 *poses of this section if such exceptions are nec-*
23 *essary because of some unique aspect of the enti-*
24 *ties regulated or laws governing such entities;*



1 *and such exemptions are narrowly tailored to*
2 *protect the purposes of this Act.*

3 “(E) *CONSULTATION AND COORDINATION.*—
4 *The Secretary of the Treasury, the Board of Gov-*
5 *ernors of the Federal Reserve System, and the*
6 *Commission shall consult and coordinate with*
7 *the other functional regulatory agencies to the ex-*
8 *tent appropriate in prescribing regulations*
9 *under this subsection.*

10 “(F) *FAILURE TO MEET DEADLINE.*—*Any*
11 *agency or authority required to publish stand-*
12 *ards and guidelines or regulations under this*
13 *subsection that fails to meet the deadline for such*
14 *publishing shall submit a report to the Congress*
15 *within 30 days of such deadline describing—*

16 “(i) *the reasons for the failure to meet*
17 *such deadline;*

18 “(ii) *when the agency or authority ex-*
19 *pects to complete the publication required;*
20 *and*

21 “(iii) *the detriment such failure to*
22 *publish by the required deadline will have*
23 *on consumers and other affected parties.*

24 “(G) *UNIFORM IMPLEMENTATION AND IN-*
25 *TERPRETATION.*—*It is the intention of the Con-*



1 gress that the agencies and authorities described
2 in subsection (l)(1)(G) will implement and inter-
3 pret their enforcement regulations, including any
4 exceptions provided under subparagraph (D), in
5 a uniform manner.

6 “(5) *APPROPRIATE EXEMPTIONS OR MODIFICA-*
7 *TIONS.—The Secretary of the Treasury, the Board of*
8 *Governors of the Federal Reserve System, and the*
9 *Commission, in consultation with the Administrator*
10 *of the Small Business Administration and the func-*
11 *tional regulatory agencies, shall provide appropriate*
12 *exemptions or modifications from requirements of this*
13 *section relating to sensitive financial personal infor-*
14 *mation for consumer reporters that do not maintain,*
15 *service, or communicate a large quantity of such in-*
16 *formation, taking into account the degree of sensi-*
17 *tivity of such information, the likelihood of misuse,*
18 *and the degree of potential harm or inconvenience to*
19 *the related consumer.*

20 “(6) *COORDINATION.—*

21 “(A) *IN GENERAL.—Each functional regu-*
22 *latory agency shall consult and coordinate with*
23 *each other functional regulatory agency so that,*
24 *to the extent possible, the regulations prescribed*
25 *by each agency are consistent and comparable.*



1 “(B) *MODEL REGULATIONS.*—*In prescribing*
2 *implementing regulations under paragraph (1),*
3 *the functional regulatory agencies agencies re-*
4 *ferred to in such paragraph shall use the*
5 *Gramm-Leach-Bliley Act (including the guid-*
6 *ance and regulations issued thereunder) as a*
7 *base, adding such other consumer protections as*
8 *appropriate under this section.*

9 “(l) *ADMINISTRATIVE ENFORCEMENT.*—

10 “(1) *IN GENERAL.*—*Notwithstanding section 616,*
11 *617, or 621, compliance with this section and the reg-*
12 *ulations prescribed under this section shall be en-*
13 *forced by the functional regulatory agencies with re-*
14 *spect to financial institutions and other persons sub-*
15 *ject to the jurisdiction of each such agency under ap-*
16 *plicable law, as follows:*

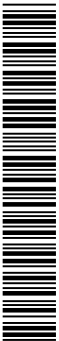
17 “(A) *Under section 8 of the Federal Deposit*
18 *Insurance Act, in the case of—*

19 “(i) *national banks, Federal branches*
20 *and Federal agencies of foreign banks, and*
21 *any subsidiaries of such entities (except bro-*
22 *kers, dealers, persons providing insurance,*
23 *investment companies, and investment ad-*
24 *visers), by the Comptroller of the Currency;*



1 “(ii) member banks of the Federal Re-
2 serve System (other than national banks),
3 branches and agencies of foreign banks
4 (other than Federal branches, Federal agen-
5 cies, and insured State branches of foreign
6 banks), commercial lending companies
7 owned or controlled by foreign banks, orga-
8 nizations operating under section 25 or 25A
9 of the Federal Reserve Act, and bank hold-
10 ing companies and their nonbank subsidi-
11 aries or affiliates (except brokers, dealers,
12 persons providing insurance, investment
13 companies, and investment advisers), by the
14 Board of Governors of the Federal Reserve
15 System;

16 “(iii) banks insured by the Federal De-
17 posit Insurance Corporation (other than
18 members of the Federal Reserve System), in-
19 sured State branches of foreign banks, and
20 any subsidiaries of such entities (except bro-
21 kers, dealers, persons providing insurance,
22 investment companies, and investment ad-
23 visers), by the Board of Directors of the
24 Federal Deposit Insurance Corporation; and



1 “(iv) savings associations the deposits
2 of which are insured by the Federal Deposit
3 Insurance Corporation, and any subsidi-
4 aries of such savings associations (except
5 brokers, dealers, persons providing insur-
6 ance, investment companies, and investment
7 advisers), by the Director of the Office of
8 Thrift Supervision.

9 “(B) Under the Federal Credit Union Act,
10 by the Board of the National Credit Union Ad-
11 ministration with respect to any federally in-
12 sured credit union, and any subsidiaries of such
13 an entity.

14 “(C) Under the Securities Exchange Act of
15 1934, by the Securities and Exchange Commis-
16 sion with respect to any broker, dealer, or
17 nonbank transfer agent.

18 “(D) Under the Investment Company Act of
19 1940, by the Securities and Exchange Commis-
20 sion with respect to investment companies.

21 “(E) Under the Investment Advisers Act of
22 1940, by the Securities and Exchange Commis-
23 sion with respect to investment advisers reg-
24 istered with the Commission under such Act.



1 “(F) Under the provisions of title XIII of
2 the Housing and Community Development Act of
3 1992, by the Director of the Office of Federal
4 Housing Enterprise Oversight (and any suc-
5 cessor to such functional regulatory agency) with
6 respect to the Federal National Mortgage Asso-
7 ciation, the Federal Home Loan Mortgage Cor-
8 poration, and any other entity or enterprise or
9 bank (as defined in such title XIII) subject to the
10 jurisdiction of such functional regulatory agency
11 under such title, including any affiliate of any
12 such enterprise.

13 “(G) Under State insurance law, in the case
14 of any person engaged in the business of insur-
15 ance, by the applicable State insurance authority
16 of the State in which the person is domiciled.

17 “(H) Under the Federal Home Loan Bank
18 Act, by the Federal Housing Finance Board
19 (and any successor to such functional regulatory
20 agency) with respect to the Federal home loan
21 banks and any other entity subject to the juris-
22 diction of such functional regulatory agency, in-
23 cluding any affiliate of any such bank.

24 “(I) Under the Federal Trade Commission
25 Act, by the Commission for any other person



1 *that is not subject to the jurisdiction of any*
2 *agency or authority under subparagraphs (A)*
3 *through (G) of this subsection, except that for the*
4 *purposes of this subparagraph a violation of this*
5 *section shall be treated as an unfair and decep-*
6 *tive act or practice in violation of a regulation*
7 *under section 18(a)(1)(B) of the Federal Trade*
8 *Commission Act regarding unfair or deceptive*
9 *acts or practices.*

10 “(2) *EXERCISE OF CERTAIN POWERS.—For the*
11 *purpose of the exercise by any agency referred to in*
12 *paragraph (1) of its powers under any Act referred*
13 *to in such paragraph, a violation of any requirement*
14 *imposed under this section shall be deemed to be a*
15 *violation of a requirement imposed under that Act. In*
16 *addition to its powers under any provision of law*
17 *specifically referred to in paragraph (1), each of the*
18 *agencies referred to in that paragraph may exercise,*
19 *for the purpose of enforcing compliance with any re-*
20 *quirement imposed under this section, any other au-*
21 *thority conferred on it by law.*

22 “(3) *USE OF UNDISTRIBUTED FUNDS FOR FINAN-*
23 *CIAL EDUCATION.—If—*

24 “(A) *in connection with any administrative*
25 *action under this section, a fund is created or a*



1 *functional regulatory agency has obtained*
2 *disgorgement; and*

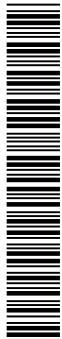
3 “(B) *the functional regulatory agency deter-*
4 *mines that—*

5 “(i) *due to the size of the fund to be*
6 *distributed, the number of individuals af-*
7 *ected, the nature of the underlying viola-*
8 *tion, or for other reasons, it would be infea-*
9 *sible to distribute such fund or disgorgement*
10 *to the victims of the violation; or*

11 “(ii) *there are excess monies remaining*
12 *after the distribution of the fund or*
13 *disgorgement to victims,*

14 *the functional regulatory agency may issue an order*
15 *in an administrative proceeding requiring that the*
16 *undistributed amount of the fund or disgorgement be*
17 *used in whole or in part by the functional regulatory*
18 *agency for education programs and outreach activi-*
19 *ties of consumer groups, community based groups,*
20 *and the Financial Literacy and Education Commis-*
21 *sion established under the Fair and Accurate Credit*
22 *Transactions Act of 2003 that are consistent with and*
23 *further the purposes of this title.*

24 “(m) *DEFINITIONS.—For purposes of this section, the*
25 *following definitions shall apply:*



1 “(1) *BREACH OF DATA SECURITY.*—*The term*
2 *‘breach of data security’ or ‘data security breach’*
3 *means any loss, unauthorized acquisition, or misuse*
4 *of sensitive financial personal information handled by*
5 *a consumer reporter that could be misused to commit*
6 *financial fraud (such as identity theft or fraudulent*
7 *transactions made on financial accounts) in a man-*
8 *ner causing harm or inconvenience to a consumer.*

9 “(2) *CONSUMER.*—*The term ‘consumer’ means*
10 *an individual.*

11 “(3) *CONSUMER REPORTER AND RELATED*
12 *TERMS.*—

13 “(A) *CONSUMER FINANCIAL FILE AND CON-*
14 *SUMER REPORTS.*—*The term ‘consumer financial*
15 *file and consumer reports’ includes any written,*
16 *oral, or other communication of any information*
17 *by a consumer reporter bearing on a consumer’s*
18 *credit worthiness, credit standing, credit capac-*
19 *ity, character, general reputation, personal char-*
20 *acteristics, personal identifiers, financial account*
21 *information, or mode of living.*

22 “(B) *CONSUMER REPORTER.*—*The term*
23 *‘consumer reporter’ means any consumer report-*
24 *ing agency or financial institution, or any per-*
25 *son which, for monetary fees, dues, on a coopera-*



1 *tive nonprofit basis, or otherwise regularly en-*
2 *gages in whole or in part in the practice of as-*
3 *sembling or evaluating consumer financial file*
4 *and consumer reports, consumer credit informa-*
5 *tion, or other information on consumers, for the*
6 *purpose of furnishing consumer reports to third*
7 *parties or to provide or collect payment for or*
8 *market products and services, or for employment*
9 *purposes, and which uses any means or facility*
10 *of interstate commerce for such purposes.*

11 “(4) *FINANCIAL INSTITUTION.*—*The term ‘finan-*
12 *cial institution’ means—*

13 “(A) *any person the business of which is en-*
14 *gaging in activities that are financial in nature*
15 *as described in or determined under section 4(k)*
16 *of the Bank Holding Company Act;*

17 “(B) *any person that is primarily engaged*
18 *in activities that are subject to the Fair Credit*
19 *Reporting Act; and*

20 “(C) *any person that is maintaining, re-*
21 *ceiving, or communicating sensitive financial*
22 *personal information on an ongoing basis for the*
23 *purposes of engaging in interstate commerce.*

24 “(5) *FUNCTIONAL REGULATORY AGENCY.*—*The*
25 *term ‘functional regulatory agency’ means any agen-*



1 *cy described in subsection (l) with respect to the fi-*
2 *nancial institutions and other persons subject to the*
3 *jurisdiction of such agency.*

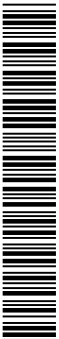
4 “(6) *HANDLED BY.*—*The term ‘handled by’ in-*
5 *cludes with respect to sensitive financial personal in-*
6 *formation, any access to or generation, maintenance,*
7 *servicing, or ownership of such information, as well*
8 *as any transfer to or allowed access to or similar*
9 *sharing or servicing of such information by or with*
10 *a third party on a consumer reporter’s behalf.*

11 “(7) *NATIONWIDE CONSUMER REPORTING AGEN-*
12 *CY.*—*The term ‘nationwide consumer reporting agen-*
13 *cy’ means—*

14 “(A) *a consumer reporting agency described*
15 *in section 603(p);*

16 “(B) *any person who notifies the Commis-*
17 *sion that the person reasonably expects to become*
18 *a consumer reporting agency described in section*
19 *603(p) within a reasonable time; and*

20 “(C) *a consumer reporting agency described*
21 *in section 603(w) that notifies the Commission*
22 *that the person wishes to receive breach of data*
23 *security notices under this section that involve*
24 *information of the type maintained by such*
25 *agency.*



1 “(8) *NEURAL NETWORK*.—The term ‘neural net-
2 work’ means an information security program that
3 monitors financial account transactions for potential
4 fraud, using historical patterns to analyze and iden-
5 tify suspicious financial account transactions.

6 “(9) *SENSITIVE FINANCIAL ACCOUNT INFORMA-*
7 *TION*.—The term ‘sensitive financial account informa-
8 tion’ means a financial account number of a con-
9 sumer, such as a credit card number or debit card
10 number, in combination with any required security
11 code, access code, biometric code, password, or other
12 personal identification information that would allow
13 access to the financial account.

14 “(10) *SENSITIVE FINANCIAL IDENTITY INFORMA-*
15 *TION*.—The term ‘sensitive financial identity infor-
16 mation’ means the first and last name, the address,
17 or the telephone number of a consumer, in combina-
18 tion with any of the following of the consumer:

19 “(A) Social Security number.

20 “(B) Driver’s license number or equivalent
21 State identification number.

22 “(C) IRS Individual Taxpayer Identifica-
23 tion Number.

24 “(D) IRS Adoption Taxpayer Identification
25 Number.



1 “(E) *The consumer’s deoxyribonucleic acid*
2 *profile or other unique biometric data, including*
3 *fingerprint, voice print, retina or iris image, or*
4 *any other unique physical representation.*

5 “(11) *SENSITIVE FINANCIAL PERSONAL INFORMA-*
6 *TION.—The term ‘sensitive financial personal infor-*
7 *mation’ means any information that is sensitive fi-*
8 *nancial account information, sensitive financial iden-*
9 *tity information, or both.*

10 “(12) *HARM OR INCONVENIENCE.—The term*
11 *‘harm or inconvenience’, with respect to a consumer,*
12 *means financial loss to or civil or criminal penalties*
13 *imposed on the consumer or the need for the consumer*
14 *to expend significant time and effort to correct erro-*
15 *neous information relating to the consumer, including*
16 *information maintained by consumer reporting agen-*
17 *cies, financial institutions, or government entities, in*
18 *order to avoid the risk of financial loss or increased*
19 *costs or civil or criminal penalties.*

20 “(n) *RELATION TO STATE LAWS.—*

21 “(1) *IN GENERAL.—No requirement or prohibi-*
22 *tion may be imposed under the laws of any State*
23 *with respect to the responsibilities of any consumer*
24 *reporter or the functional equivalent of such*
25 *responsibilities—*



1 “(A) to protect the security or confiden-
2 tiality of information on consumers maintained
3 by or on behalf of the person;

4 “(B) to safeguard such information from
5 potential misuse;

6 “(C) to investigate or provide notices of any
7 unauthorized access to information concerning
8 the consumer, or the potential misuse of such in-
9 formation, for fraudulent purposes;

10 “(D) to mitigate any loss or harm resulting
11 from such unauthorized access or misuse; or

12 “(E) involving restricting credit reports
13 from being provided, or imposing any require-
14 ment on such provision, for a permissible pur-
15 pose pursuant to section 604, such as—

16 “(i) the responsibilities of a consumer
17 reporting agency to honor a request, or
18 withdrawal of such a request, to prohibit
19 the consumer reporting agency from releas-
20 ing any type of information from the file of
21 a consumer;

22 “(ii) the process by which such a re-
23 quest or withdrawal of such a request is
24 made, honored, or denied;



1 “(iii) any notice that is required to be
2 provided to the consumer in connection with
3 such a request or withdrawal of such a re-
4 quest; or

5 “(iv) the ability of a consumer report-
6 ing agency to update or change information
7 in a consumer’s file as a result of such a re-
8 quest or withdrawal of such a request; or

9 “(v) the responsibilities of third parties
10 if information from a consumer’s file is un-
11 available as a result of such a request.

12 “(2) *EXCEPTION FOR CERTAIN STATE LAWS.*—
13 Paragraph (1) shall not apply with respect to—

14 “(A) State laws governing professional con-
15 fidentiality; or

16 “(B) State privacy laws limiting the pur-
17 poses for which information may be disclosed.

18 “(3) *EXCEPTION FOR CERTAIN COVERED ENTI-*
19 *TIES.*—Paragraph (1) shall not apply with respect to
20 the entities described in subsection (l)(1)(G) to the ex-
21 tent that such entities are acting in accordance with
22 subsection (k)(4)(G) in a manner that is consistent
23 with this section and the implementation of this sec-
24 tion by the regulators described in subsection (k)(1).”.



1 (b) *CLERICAL AMENDMENT.*—*The table of sections for*
2 *the Fair Credit Reporting Act is amended by inserting after*
3 *the item relating to section 629 the following new item:*

 “630. *Data security safeguards.*”.

4 (c) *EFFECTIVE DATE.*—*The provisions of section 630*
5 *of the Fair Credit Reporting Act (as added by this section),*
6 *other than subsection (k) of such section, shall take effect*
7 *on the date of publication of the regulations required under*
8 *paragraph (3) of such subsection, with respect to any person*
9 *under the jurisdiction of each regulatory agency publishing*
10 *such regulations.*

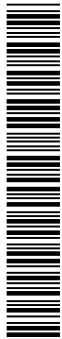
11 **SEC. 3. NATIONAL SUMMIT ON DATA SECURITY.**

12 *Not later than April 30, 2008, the President or the des-*
13 *ignee of the President shall convene a National Summit on*
14 *Data Security Safeguards for Sensitive Personal Financial*
15 *Information in the District of Columbia.*

16 **SEC. 4. GAO STUDY.**

17 (a) *STUDY REQUIRED.*—*The Comptroller General*
18 *shall conduct a study to determine a system that would pro-*
19 *vide notices of data breaches to consumers in languages*
20 *other than English and identify what barriers currently*
21 *exist to the implementation of such a system.*

22 (b) *REPORT.*—*The Comptroller General shall submit*
23 *a report to the Congress before the end of the 1-year period*
24 *beginning on the date of the enactment of this Act con-*
25 *taining the findings and conclusion of the study under sub-*



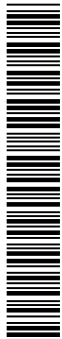
1 *section (a) and such recommendations for legislative and*
2 *administrative action as the Comptroller General may de-*
3 *termine to be appropriate.*

4 **SEC. 5. ENHANCED DATA COLLECTION ON DATA SECURITY**
5 **BREACHES AND ACCOUNT FRAUD.**

6 *In order to improve law enforcement efforts relating*
7 *to data security breaches and fighting identity theft and*
8 *account fraud, the Federal Trade Commission shall compile*
9 *information on the race and ethnicity of consumers, as de-*
10 *finied and volunteered by the consumers, who are victims*
11 *of identity theft, account fraud, and other types of financial*
12 *fraud. The Commission shall consult with the various inter-*
13 *national, national, State, and local law enforcement officers*
14 *and agencies who work with such victims for the purpose*
15 *of enlisting the cooperation of such officers and agencies in*
16 *the compilation of such information. Notwithstanding any*
17 *other provision of law, such compilation of information*
18 *shall be made available exclusively to the Commission and*
19 *law enforcement entities.*

20 **SEC. 6. CLARIFICATION RELATING TO CREDIT MONITORING**
21 **SERVICES.**

22 *(a) IN GENERAL.—Section 403 of the Credit Repair*
23 *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 access*
11 *to, credit reports, credit monitoring notifications,*
12 *credit scores and scoring algorithms, and other*
13 *credit score-related tools to a consumer (includ-*
14 *ing generation of projections and forecasts of*
15 *such consumer’s potential credit scores under*
16 *various prospective trends or hypothetical or al-*
17 *ternative 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 the*
23 *services described in subparagraph (A) or (B),*
24 *the provision of materials or services to assist a*
25 *consumer who is a victim of identity theft,*



1 *shall not be treated as activities described in clause*
2 *(i) of subsection (a)(3)(A).*

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

7 “(A) *the person does not represent, expressly*
8 *or by implication, that such person—*

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

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

20 “(B) *in any case in which the person rep-*
21 *resents, expressly or by implication, that it will*
22 *or can modify or remove, or assist the consumer*
23 *in modifying or removing, any information in*
24 *the consumer’s credit report, except for a rep-*
25 *resentation with respect to any requirement im-*



1 posed on the person under section 611 or 623(b)
2 of the Fair Credit Reporting Act, the person dis-
3 closes, clearly and conspicuously, before the con-
4 sumer pays or agrees to pay any money or other
5 valuable consideration to such person, whichever
6 occurs first, the following statement:

7 “NOTICE: Neither you nor any-
8 one else has the right to have accurate
9 and current information removed from
10 your credit report. If information in
11 your report is inaccurate, you have the
12 right to dispute it by contacting the
13 credit bureau directly.’;

14 “(C) the person provides the consumer in
15 writing with the following statement before any
16 contract or agreement between the consumer and
17 the person is executed:

18 “Your Rights Concerning Your Con-
19 sumer Credit File

20 “You have a right to obtain a free
21 copy of your credit report once every 12
22 months from each of the nationwide con-
23 sumer reporting agencies. To request your
24 free annual credit report, you may go to
25 www.annualcreditreport.com, or call 877-



1 322–8228, or complete the Annual Credit
2 Report Request Form and mail it to: An-
3 nual Credit Report Request Service, P.O.
4 Box 105281, Atlanta, GA 30348–5281. You
5 can obtain additional copies of your credit
6 report from a credit bureau, for which you
7 may be charged a reasonable fee. There is
8 no fee, however, if you have been turned
9 down for credit, employment, insurance, or
10 a rental dwelling because of information in
11 your credit report within the preceding 60
12 days. The credit bureau must provide some-
13 one to help you interpret the information in
14 your credit file. You are entitled to receive
15 a free copy of your credit report if you are
16 unemployed and intend to apply for em-
17 ployment in the next 60 days, if you are a
18 recipient of public welfare assistance, or if
19 you have reason to believe that there is in-
20 accurate information in your credit report
21 due to fraud.

22 “‘You have the right to cancel your
23 contract with a credit monitoring service
24 without fee or penalty at any time, and in
25 the case in which you have prepaid for a



1 *credit monitoring service, you are entitled*
2 *to a pro rata refund for the remaining term*
3 *of the credit monitoring service.*

4 *“The Federal Trade Commission regu-*
5 *lates credit bureaus and credit monitoring*
6 *services. For more information contact:*

7 *“Federal Trade Commission*

8 *“Washington, D.C. 20580*

9 *“1-877-FTC-HELP*

10 *“www.ftc.gov.’; and*

11 *“(D) in any case in which the person offers*
12 *a subscription to a credit file monitoring pro-*
13 *gram to a consumer, the consumer may cancel*
14 *the subscription at any time upon written notice*
15 *to the person without penalty or fee for such can-*
16 *cellation and, in any case in which the consumer*
17 *is billed for the subscription on other than a*
18 *monthly basis, within 60 days of receipt of the*
19 *consumer’s notice of cancellation, the person*
20 *shall make a pro rata refund to the consumer of*
21 *a subscription fee prepaid by the consumer, cal-*
22 *culated from the date that the person receives the*
23 *consumer’s notice of cancellation until the end of*
24 *the subscription period.”.*

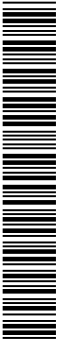


1 **(b) CLARIFICATION OF NONEXEMPT STATUS.**—Section
2 403(a) of the Credit Repair Organizations Act (15 U.S.C.
3 1679a) (as so redesignated by subsection (a) of this section)
4 is amended, in paragraph (3)(B)(i), by inserting “and is
5 not for its own profit or for that of its members” before
6 the semicolon at the end.

7 **(c) REVISION OF DISCLOSURE REQUIREMENT.**—Sec-
8 tion 405(a) of the Credit Repair Organizations Act (15
9 U.S.C. 1679c) is amended by striking everything after the
10 heading of the disclosure statement contained in such sec-
11 tion and inserting the following new text of the disclosure
12 statement:

13 “You have a right to dispute inaccurate infor-
14 mation in your credit report by contacting the credit
15 bureau directly. However, neither you nor any “credit
16 repair” company or credit repair organization has
17 the right to have accurate, current, and verifiable in-
18 formation removed from your credit report. The credit
19 bureau must remove accurate, negative information
20 from your report only if it is over 7 years old. Bank-
21 ruptcy information can be reported for 10 years.

22 “You have a right to obtain a free copy of your
23 credit report once every 12 months from each of the
24 nationwide consumer reporting agencies. To request
25 your free annual credit report, you may go to



1 *www.annualcreditreport.com, or call 877-322-8228,*
2 *or complete the Annual Credit Report Request Form*
3 *and mail it to: Annual Credit Report Request Serv-*
4 *ice, P.O. Box 105281, Atlanta, GA 30348-5281. You*
5 *can obtain additional copies of your credit report*
6 *from a credit bureau, for which you may be charged*
7 *a reasonable fee. There is no fee, however, if you have*
8 *been turned down for credit, employment, insurance,*
9 *or a rental dwelling because of information in your*
10 *credit report within the preceding 60 days. The credit*
11 *bureau must provide someone to help you interpret*
12 *the information in your credit file. You are entitled*
13 *to receive a free copy of your credit report if you are*
14 *unemployed and intend to apply for employment in*
15 *the next 60 days, if you are a recipient of public wel-*
16 *fare assistance, or if you have reason to believe that*
17 *there is inaccurate information in your credit report*
18 *due to fraud.*

19 *“You have a right to sue a credit repair organi-*
20 *zation that violates the Credit Repair Organization*
21 *Act. This law prohibits deceptive practices by credit*
22 *repair organizations.*

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



1 *“Credit bureaus are required to follow reason-*
2 *able procedures to ensure that the information they*
3 *report is accurate. However, mistakes may occur.*

4 *“You may, on your own, notify a credit bureau*
5 *in writing that you dispute the accuracy of informa-*
6 *tion in your credit file. The credit bureau must then*
7 *reinvestigate and modify or remove inaccurate or in-*
8 *complete information. The credit bureau may not*
9 *charge any fee for this service. Any pertinent infor-*
10 *mation and copies of all documents you have con-*
11 *cerning an error should be given to the credit bureau.*

12 *“If the credit bureau’s reinvestigation does not*
13 *resolve the dispute to your satisfaction, you may send*
14 *a brief statement to the credit bureau, to be kept in*
15 *your file, explaining why you think the record is in-*
16 *accurate. The credit bureau must include a summary*
17 *of your statement about disputed information with*
18 *any report it issues about you.*

19 *“The Federal Trade Commission regulates cred-*
20 *it bureaus and credit repair organizations. For more*
21 *information contact:*

22 *“Federal Trade Commission*
23 *“Washington, D.C. 20580*
24 *“1-877-FTC-HELP*
25 *“(877 382-4357)*



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“‘*www.ftc.gov.*’”.

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