

116TH CONGRESS
1ST SESSION

H. R. 3618

To establish requirements relating to credit scores and educational credit scores, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 5, 2019

Mrs. BEATTY introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To establish requirements relating to credit scores and educational credit scores, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Free Credit Scores
5 for Consumers Act of 2019”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) While nationwide consumer reporting agen-
9 cies (“CRAs”) are required by law to supply con-
10 sumers with a free copy of their credit report annu-

1 ally, they can charge consumers to obtain a credit
2 score disclosure.

3 (2) A July 2011 report by the Consumer Fi-
4 nancial Protection Bureau (“Consumer Bureau”) ti-
5 tled “The Impact of Differences between Consumer-
6 and Creditor-Purchased Credit Scores” found that
7 the credit scores made available to and purchased by
8 consumers from CRAs are unlikely to be the same
9 credit scores used by creditors and lenders to evalu-
10 ate consumers’ creditworthiness.

11 (3) That report found that the scarcity of pub-
12 lic educational tools to inform consumers of the dif-
13 ferences among credit scores, the large combined
14 market share and brand recognition of FICO credit
15 scores, and the marketing practices of some credit
16 score sellers may perpetuate consumers’ confusion
17 about credit scores. As a result, some consumers
18 may be purchasing an educational credit score or
19 subscribing to a credit monitoring service sold by a
20 CRA, without realizing the limitations and useful-
21 ness of these products and services.

22 (4) Similarly, a September 2012 Consumer Bu-
23 reau report titled “Analysis of Differences between
24 Consumer- and Creditor-Purchased Credit Scores”
25 found that consumers do not know before they pur-

1 chase a credit score from a CRA whether this credit
2 score will closely track or vary significantly from the
3 credit score sold to creditors or lenders. Given the
4 lack of transparency about the usefulness of credit
5 scores that are marketed for purchase by consumers
6 from CRAs and the resulting consumer confusion,
7 the Consumer Bureau recommended that companies
8 selling scores to consumers clearly inform consumers
9 that the scores marketed to consumers for purchase
10 by CRAs can vary, sometimes substantially, from
11 the scores that are actually sold to and used by
12 creditors and lenders.

13 (5) A February 2011 study by Consumer Fed-
14 eration of America and VantageScore also found
15 that half of the consumers surveyed did not know
16 that a credit score is designed to indicate the risk
17 of not repaying a credit obligation. Consumers also
18 did not know who makes credit scores available,
19 what numerical range constitutes excellent credit
20 standing, or the financial implications of having a
21 low credit score.

22 (6) Many consumers do not realize that they
23 have more than just “one” credit score. Because the
24 submission of credit information to CRAs is vol-
25 untary and not all furnishers submit information to

1 every CRA, the information contained in a report
2 also varies among CRAs. As a result, the credit
3 score generated by each CRA is also likely to vary,
4 resulting in potentially different credit decisions
5 based on an evaluation of different credit reports ob-
6 tained from different CRAs.

7 (7) A February 2015 Consumer Bureau report
8 titled “Consumer Voices on Credit Reports and
9 Scores” found that consumers had questions about
10 what actions to take to improve their scores once
11 they had seen them, suggesting that additional dis-
12 closures and educational content would be helpful to
13 consumers. The Consumer Bureau found that con-
14 sumers were confused by conflicting advice on how
15 to improve their scores.

16 (8) That report also noted that consumers
17 found the process for obtaining consumer reports
18 and credit scores confusing. Consumers also were
19 uncertain about whether, and under what cir-
20 cumstances, they could obtain a consumer report for
21 free.

1 **SEC. 3. CREDIT SCORE AND EDUCATIONAL CREDIT SCORE**

2 **DEFINITIONS.**

3 (a) IN GENERAL.—Section 603 of the Fair Credit
4 Reporting Act (15 U.S.C. 1681a) is amended by adding
5 at the end the following new subsection:

6 “(bb) CREDIT SCORE AND EDUCATIONAL CREDIT
7 SCORE DEFINITIONS.—

8 “(1) CREDIT SCORE.—The term ‘credit score’
9 means a numerical value or a categorization derived
10 from a statistical tool or modeling system used by a
11 person who makes or arranges a loan or extends
12 credit to predict the likelihood of certain credit be-
13 haviors, including default, as determined by the Bu-
14 reau.

15 “(2) EDUCATIONAL CREDIT SCORE.—The term
16 ‘educational credit score’ means a numerical value or
17 categorization derived from a statistical tool or mod-
18 eling system based upon information from a con-
19 sumer report that assists consumers in under-
20 standing how a lender or creditor may view the con-
21 sumer’s creditworthiness in deciding whether to
22 make a loan or extend credit to that consumer.

23 “(3) KEY FACTORS.—The term ‘key factors’
24 means relevant elements or reasons affecting the
25 credit score for the particular individual, listed in
26 the order of importance based on the effect of each

1 element or reason on the credit score or educational
 2 credit score.

3 “(4) CREDIT SCORING MODEL.—The term
 4 ‘credit scoring model’ means a scoring algorithm,
 5 formula, model, program, or mechanism used to gen-
 6 erate a credit score or an educational credit score.”.

7 (b) CONFORMING AMENDMENTS.—The Fair Credit
 8 Reporting Act (15 U.S.C. 1681 et seq.) is amended—

9 (1) in section 605(d)(2), by striking “(as de-
 10 fined in section 609(f)(2)(B))”; and

11 (2) in section 615—

12 (A) by striking “as defined in section
 13 609(f)(2)(A)” each place that term appears;
 14 and

15 (B) in subsection (a)(2)(B), by striking
 16 “set forth in subparagraphs (B) through (E) of
 17 section 609(f)(1)” and inserting “with respect
 18 to a credit score described in section 609(f)(2),
 19 if available” each place that term appears.

20 **SEC. 4. EXPANDS EXPLANATORY INFORMATION GIVEN TO**
 21 **CONSUMERS ABOUT HOW SCORES ARE CAL-**
 22 **CULATED.**

23 Section 609(f) of the Fair Credit Reporting Act (15
 24 U.S.C. 1681g(f)) is amended to read as follows:

1 “(f) DISCLOSURE OF CREDIT SCORE AND EDU-
2 CATIONAL CREDIT SCORE BY CONSUMER REPORTING
3 AGENCIES.—

4 “(1) IN GENERAL.—Upon the request of a con-
5 sumer for a credit score or educational credit score,
6 a consumer reporting agency shall supply to the con-
7 sumer a statement—

8 “(A) containing—

9 “(i) a current credit score at the time
10 of the request generated using a commonly
11 used credit scoring model to generate cred-
12 it scores, subject to regulations of the Bu-
13 reau;

14 “(ii) an educational credit score at the
15 time of the request, if it is not practicable
16 to generate such a credit score, as deter-
17 mined by the Bureau; or

18 “(iii) an explanation that the con-
19 sumer’s file does not have sufficient infor-
20 mation from which to generate such a
21 credit score or educational credit score;
22 and

23 “(B) with respect to each previous credit
24 score in the file of the consumer—

1 “(i) the date on which the credit score
2 was generated;

3 “(ii) the name of any entity that the
4 credit score was provided to; and

5 “(iii) the credit score itself.

6 “(2) REQUIREMENTS.—A statement provided
7 under clause (i) or (ii) of paragraph (1)(A) shall in-
8 clude—

9 “(A) a minimum of 4 key factors, if avail-
10 able, that adversely affected the credit score or
11 educational credit score, except that if one of
12 the key factors consists of the number of
13 enquiries made with respect to a consumer re-
14 port, that factor shall be provided to the con-
15 sumer in addition to the factors required by
16 this subparagraph;

17 “(B) to the extent possible, specific actions
18 a consumer could take with respect to each key
19 factor listed in subparagraph (A) to improve
20 the consumer’s credit score or educational cred-
21 it score;

22 “(C) a minimum of 4 key factors, if avail-
23 able, that positively affected the credit score or
24 educational credit score;

1 “(D) the range of possible credit scores or
2 educational credit scores under the credit scor-
3 ing model used;

4 “(E) the distribution of credit scores or
5 educational credit scores among consumers who
6 are scored under the same credit scoring model
7 by the consumer reporting agency, and using
8 the same scale as that of the score that is pro-
9 vided to a creditor or consumers—

10 “(i) in the form of a bar graph con-
11 taining a minimum of 6 bars that illus-
12 trates the percentage of consumers with
13 credit scores or educational credit scores
14 within the range of scores represented by
15 each bar; or

16 “(ii) by another clear and readily un-
17 derstandable graphical depiction, state-
18 ment, or illustration comparing the con-
19 sumer’s credit score or educational credit
20 score to the scores of other consumers, as
21 determined by the Bureau;

22 “(F) the date on which the credit score or
23 educational credit score was created; and

24 “(G) the name of the person that devel-
25 oped the credit scoring model on which the

1 credit score or educational credit score was
2 based.

3 “(3) APPLICABILITY TO CERTAIN USES.—This
4 subsection shall not be construed so as to compel a
5 consumer reporting agency to—

6 “(A) develop or disclose a credit score if
7 the agency does not distribute credit scores
8 used by a person who makes or arranges a loan
9 or extends credit to predict the likelihood of
10 certain credit behaviors; or

11 “(B) develop or disclose an educational
12 credit score if the agency does not develop edu-
13 cational credit scores that assist in under-
14 standing the general credit behavior of a con-
15 sumer and predicting the future credit behavior
16 of the consumer.

17 “(4) MAINTENANCE OF CREDIT SCORES.—

18 “(A) IN GENERAL.—All consumer report-
19 ing agencies shall maintain in the consumer’s
20 file credit scores relating to the consumer for a
21 period of 2 years from the date on which such
22 information is generated.

23 “(B) DISCLOSURE ONLY TO CON-
24 SUMERS.—A past credit score maintained in a
25 consumer’s file pursuant to subparagraph (A)

1 may only be provided to the consumer to which
2 the credit score relates and may not be included
3 in a consumer report or used as a factor in gen-
4 erating a credit score or educational credit
5 score.

6 “(C) REMOVAL OF PAST CREDIT
7 SCORES.—A past credit score maintained in a
8 consumer’s file pursuant to subparagraph (A)
9 shall be removed from the consumer’s file after
10 the end of the 2-year period described under
11 subparagraph (A).”.

12 **SEC. 5. REQUIRES CONSUMER REPORTING AGENCIES TO**
13 **DISCLOSE PROMINENTLY THE DIFFERENCES**
14 **BETWEEN AND LIMITATIONS OF CREDIT**
15 **SCORES AND EDUCATIONAL CREDIT SCORES**
16 **REQUIRED PRIOR TO A CONSUMER OBTAIN-**
17 **ING SUCH SCORES.**

18 Section 609(f) of the Fair Credit Reporting Act (15
19 U.S.C. 1681g(f)), as amended by section 3, is further
20 amended by adding at the end the following new para-
21 graphs:

22 “(5) WEBSITE DISCLAIMER.—A consumer re-
23 porting agency that generates or provides credit
24 scores or educational credit scores shall clearly and
25 conspicuously display on the home page of the agen-

1 cy’s Internet website, and as part of any application,
2 solicitation, or marketing material or media pro-
3 viding information related to a credit score or edu-
4 cational credit score, the following notice, in boldface
5 type of 18-point font or larger and in a text box
6 with boldface outer borders:

7 **“CREDIT SCORE DISCLAIMER.**

8 “‘There is no “one” credit score. There are many
9 scoring formulas derived from a wide variety of models
10 available to a consumer and used by lenders and creditors.
11 Different lenders and creditors use different scoring for-
12 mulas to determine whether to extend credit or make a
13 loan to you, and the terms of the credit or loan. An edu-
14 cational credit score is not a credit score that a person
15 who makes a loan or extends credit to you is likely to use.
16 Educational credit scores are merely intended to be used
17 as an educational tool to help consumers understand how
18 the information contained in a consumer report may affect
19 the terms and conditions of a loan or extension of credit
20 that may be available to a consumer. Lenders and credi-
21 tors may also rely on information not contained in your
22 consumer report and not reflected in the calculation of
23 your credit score.’.

24 “(6) ADDITIONAL REQUIREMENTS FOR EDU-
25 CATIONAL CREDIT SCORES.—

1 “(A) DISCLAIMER.—If an educational
2 credit score is provided pursuant to paragraph
3 (1), a consumer reporting agency shall clearly
4 and conspicuously include in a prominent loca-
5 tion on the statement, in boldface type of 18-
6 point font or larger, and in a text box with
7 boldface outer borders, the following notice:

8 **“‘EDUCATIONAL CREDIT SCORE DISCLAIMER.**

9 ““The educational credit score provided to you is not
10 a credit score that a lender or creditor is likely to use to
11 make a loan or extend credit to you. There are many dif-
12 ferent credit scores derived from a wide variety of models
13 used by lenders and creditors. An educational credit score
14 is merely an educational tool. It is intended to provide con-
15 sumers with a basic understanding of how the information
16 contained in a consumer report may affect the terms and
17 conditions of credit that are available. The credit scores
18 you receive directly from different lenders and creditors
19 may not be the same as an educational credit score. There
20 are a number of reasons for this:

21 “(1) Each company may use a different for-
22 mula for calculating credit scores and the differences
23 in the formulas may lead to differences in your
24 scores.

1 “(2) Companies may produce scores that give
2 results on different scales.

3 “(3) Not all lenders or creditors report to
4 every consumer reporting agency, and therefore the
5 information contained in your consumer report that
6 the consumer reporting agencies use to calculate
7 your educational credit score may differ among
8 agencies.’.

9 “(B) PROHIBITION ON MISLEADING REP-
10 RESENTATIONS.—A consumer reporting agency
11 may not refer to an educational credit score as
12 a credit score in any application, solicitation,
13 marketing, or other informational materials or
14 media.

15 “(7) MODIFICATION OF DISCLAIMERS.—The
16 Bureau may modify the content, format, and man-
17 ner of the disclaimers required under paragraphs (5)
18 and (6), if warranted, after conducting consumer
19 testing or research.”.

1 **SEC. 6. PROVIDES CONSUMERS WITH FREE CREDIT SCORE**
2 **DISCLOSURES WITH THEIR FREE ANNUAL**
3 **CONSUMER REPORTS UPON REQUEST AND**
4 **CREATES INSTANCES WHEN CONSUMERS**
5 **AUTOMATICALLY RECEIVE FREE CONSUMER**
6 **REPORTS AND CREDIT SCORES.**

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

9 (1) in subsection (a)—

10 (A) in paragraph (1)—

11 (i) in subparagraph (A), by inserting
12 after “section 609” the following: “(includ-
13 ing the disclosure of a credit score or edu-
14 cational credit score under subsection (f)
15 of such section)”; and

16 (ii) in subparagraph (C)—

17 (I) by striking “Commission”
18 and inserting “Bureau”; and

19 (II) by inserting “, credit scores,
20 and educational credit scores (as ap-
21 plicable)” after “consumer reports”
22 each place that term appears;

23 (B) in paragraph (2)—

24 (i) by striking “15 days” and insert-
25 ing “3 business days”; and

1 (ii) by inserting “, credit score, or
2 educational credit score” after “consumer
3 report”;

4 (C) in paragraph (3), by inserting “, credit
5 score, or educational credit score” after “con-
6 sumer report”; and

7 (D) in paragraph (4), by inserting “, credit
8 scores, or educational credit scores” after “con-
9 sumer reports”;

10 (2) in subsection (b), by inserting “(including
11 the disclosure of a credit score or educational credit
12 score, as applicable, under subsection (f) of such sec-
13 tion)” after “section 609”;

14 (3) in subsection (c)—

15 (A) by inserting “(including the disclosure
16 of a credit score or educational credit score
17 under subsection (f) of such section)” after
18 “pursuant to section 609”;

19 (B) in paragraph (2), by striking “; or”
20 and inserting a semicolon;

21 (C) in paragraph (3), by striking the pe-
22 riod at the end and inserting a semicolon; and

23 (D) by adding at the end the following new
24 paragraphs:

1 “(4) has disputed information, or submitted an
2 appeal of an investigation or reinvestigation of such
3 information, under section 611 or 623, regardless of
4 whether the consumer has already received a credit
5 report, credit score, or educational credit score
6 under section 611 or 623; or

7 “(5) has had information that was previously
8 deleted under section 611(a)(5) reinserted into the
9 consumer’s file, regardless of whether the consumer
10 has already received a credit report, credit score, or
11 educational credit score under such section.”;

12 (4) in subsection (d), by inserting “(including
13 the disclosure of a credit score or educational credit
14 score under subsection (f) of such section)” after
15 “section 609”;

16 (5) in subsection (f)(1)—

17 (A) by striking “reasonable charge” and
18 all that follows through “section 609” and in-
19 serting “reasonable charge on a consumer for
20 providing a consumer report to a consumer”;

21 (B) by striking subparagraph (B);

22 (C) by redesignating clauses (i) and (ii) as
23 subparagraphs (A) and (B), respectively (and
24 conforming the margins accordingly); and

1 (D) in subparagraph (B) (as so redesign-
2 nated), by striking “disclosure; and” and insert-
3 ing “disclosure.”; and

4 (6) by adding at the end the following new sub-
5 sections:

6 “(h) CENTRALIZED SOURCE FOR OBTAINING FREE
7 COPY OF CONSUMER REPORT AND SCORES.—

8 “(1) NATIONWIDE CONSUMER REPORTING
9 AGENCIES.—

10 “(A) IN GENERAL.—Not later than 180
11 days after the date of enactment of this sub-
12 section, each consumer reporting agency de-
13 scribed under subsection (p) of section 603
14 shall prominently display on the home page of
15 the agency’s website—

16 “(i) a hyperlink labeled ‘Get Your
17 Free Annual Credit Reports along with ei-
18 ther your Credit Scores or Educational
19 Credit Scores provided for under Federal
20 Law’ or substantially similar text, as deter-
21 mined by the Bureau; and

22 “(ii) a disclosure titled ‘Consumer’s
23 Right to Free Credit Scores, Educational
24 Credit Scores, and Reports under Federal
25 Law’ or substantially similar text, as deter-

1 mined by the Bureau that includes the fol-
2 lowing statement:

3 ““All consumers are entitled to obtain a free copy of
4 their consumer report and credit score or educational cred-
5 it score annually from each of the nationwide consumer
6 reporting agencies. Under Federal law, a consumer is enti-
7 tled to obtain additional free copies of their consumer re-
8 ports, along with a copy of either the consumer’s credit
9 score or educational credit score (under certain cir-
10 cumstances), including:

11 “(1) When a consumer is unemployed and in-
12 tends to apply for employment within 60 days.

13 “(2) When a consumer is a recipient of public
14 welfare assistance.

15 “(3) When a consumer has a reasonable belief
16 that their report contains inaccuracies as a result of
17 fraud.

18 “(4) When a consumer asserts in good faith a
19 suspicion that the consumer has been or is about to
20 become a victim of identity theft, fraud, or a related
21 crime, or harmed by the unauthorized disclosure of
22 the consumer’s financial or personally identifiable in-
23 formation.

24 “(5) When a consumer files a dispute or an
25 appeal of the results of a dispute with a consumer

1 reporting agency or a person who furnished informa-
2 tion to the consumer reporting agency regarding the
3 accuracy or completeness of the information con-
4 tained on their report.

5 ““(6) After a furnisher of information discovers
6 it has furnished inaccurate or incomplete informa-
7 tion to a consumer reporting agency, and the fur-
8 nisher notifies the agency of the error.

9 ““(7) After an adverse action is taken against
10 a consumer or a consumer receives a risk-based pric-
11 ing notice.

12 ““(8) When a mortgage lender, private edu-
13 cational lender, indirect auto lender, or motor vehicle
14 lender obtains and uses a consumer’s reports or
15 scores for underwriting purposes.’.

16 ““(B) HYPERLINK REQUIREMENTS.—The
17 hyperlink described in subparagraph (A)(i) shall
18 be prominently located on the top of the home
19 page and should link directly to the website of
20 the centralized source established pursuant to
21 section 211(d) of the Fair and Accurate Credit
22 Transactions Act of 2003 (15 U.S.C. 1681j
23 note).

24 ““(C) MODIFICATIONS.—The Bureau may
25 modify the disclosure described in subparagraph

1 (A)(ii) as necessary to include other cir-
2 cumstances under which a consumer has the
3 right to receive a free consumer report, credit
4 score, or educational credit score.

5 “(2) NATIONWIDE SPECIALTY CONSUMER RE-
6 PORTING AGENCIES.—

7 “(A) IN GENERAL.—Not later than 180
8 days after the date of enactment of this sub-
9 section, each nationwide specialty consumer re-
10 porting agency shall prominently display on the
11 Internet home webpage of the agency a disclo-
12 sure titled ‘Consumer’s Right to Free Con-
13 sumer Reports and Credit Score or Educational
14 Credit Score (as applicable) under Federal
15 Law’. Such disclosure shall include the fol-
16 lowing statement:

17 “‘Upon request, all consumers are entitled to obtain
18 a free copy of their consumer report and credit score or
19 educational credit score (as applicable) during any 12-
20 month period from each of the nationwide specialty con-
21 sumer reporting agencies. Federal law also provides fur-
22 ther circumstances under which a consumer is entitled to
23 obtain additional free copies of their consumer report and
24 credit score or educational credit score (as applicable) in-
25 cluding:

1 “(1) When a consumer is unemployed and in-
2 tends to apply for employment within 60 days.

3 “(2) When a consumer is a recipient of public
4 welfare assistance.

5 “(3) When a consumer has a reasonable belief
6 that their report contains inaccuracies as a result of
7 fraud.

8 “(4) When a consumer files a dispute or an
9 appeal of the results of a dispute with a consumer
10 reporting agency or a person who furnished informa-
11 tion to the consumer reporting agency regarding the
12 accuracy or completeness of the information con-
13 tained on their report.

14 “(5) After a furnisher of information discovers
15 it has furnished inaccurate or incomplete informa-
16 tion to a consumer reporting agency, and the fur-
17 nisher notifies the agency of the error.

18 “(6) After an adverse action is taken against
19 a consumer or a consumer receives a risk-based pric-
20 ing notice.

21 “(7) When a mortgage lender, private edu-
22 cational lender, indirect auto lender, or motor vehicle
23 lender obtains and uses a consumer’s reports or
24 scores for underwriting purposes.’.

1 “(B) MODIFICATIONS.—The Bureau may
2 modify the disclosure described in subparagraph
3 (A) as necessary to include other circumstances
4 under which a consumer has the right to receive
5 a free consumer report and credit score or edu-
6 cational credit score (as applicable).

7 “(C) TOLL-FREE TELEPHONE ACCESS.—
8 The information described in this paragraph
9 shall also be made available via a toll-free tele-
10 phone number. Such number shall be promi-
11 nently displayed on the home page of the
12 website of each nationwide specialty consumer
13 reporting agency. Each of the circumstances
14 under which a consumer may obtain a free con-
15 sumer report and credit score or educational
16 credit score (as applicable) shall be presented in
17 an easily understandable format and consumers
18 shall be directed to an individual who is a cus-
19 tomer service representative not later than 2
20 minutes after the initial phone connection is
21 made by the consumer. Information provided
22 through such telephone number shall comply
23 with the requirements of section 633.

24 “(D) ONLINE CONSUMER REPORTS; EX-
25 EMPTION.—Upon receipt of a request by a con-

1 sumer for a consumer report, each nationwide
2 specialty consumer reporting agency shall pro-
3 vide access to such report electronically on the
4 Internet website described in section 611(h).

5 “(i) AUTOMATIC PROVISION OF FREE CONSUMER
6 REPORTS AND CREDIT SCORES OR EDUCATIONAL CREDIT
7 SCORES.—A consumer reporting agency shall provide to
8 a consumer a free copy of the file and credit score or edu-
9 cational credit score of the consumer who—

10 “(1) obtains a fraud alert, extended alert, active
11 duty alert, or security freeze as described in section
12 605A; or

13 “(2) has disputed information, or submitted an
14 appeal of an investigation or reinvestigation of such
15 information, under section 611 or 623.”.

16 (b) TECHNICAL AMENDMENT.—Section 615(h)(7) of
17 such Act (15 U.S.C. 1681m(h)(7)) is amended by striking
18 “section” and inserting “subsection”.

1 **SEC. 7. REQUIRES PRIVATE EDUCATIONAL LENDERS TO**
2 **PROVIDE CONSUMERS WITH FREE COPIES OF**
3 **ANY CONSUMER REPORTS AND CREDIT**
4 **SCORES THAT THEY USED FOR UNDER-**
5 **WRITING BEFORE CONSUMERS SIGN LOAN**
6 **AGREEMENTS.**

7 Section 609 of the Fair Credit Reporting Act (15
8 U.S.C. 1681g) is amended by adding at the end the fol-
9 lowing new subsection:

10 “(h) DISCLOSURE OF CONSUMER REPORTS AND
11 CREDIT SCORES BY PRIVATE EDUCATIONAL LENDERS.—

12 “(1) IN GENERAL.—If a private educational
13 lender obtains a copy of any consumer reports or
14 credit scores and uses such reports or scores in con-
15 nection with an application of a consumer for a pri-
16 vate education loan, the private educational lender
17 shall provide to the consumer, not later than 3 busi-
18 ness days after obtaining such reports or scores and
19 before the date on which the consumer enters into
20 a loan agreement with the private educational lend-
21 er, a copy of any such reports or scores, along with
22 the statement described under subsection (f)(2).

23 “(2) COSTS.—None of the costs to the private
24 educational lender associated with procuring con-
25 sumer reports or credit scores under this subsection

1 may be charged, directly or indirectly, to the con-
2 sumer.

3 “(3) RULE OF CONSTRUCTION.—Nothing in
4 this subsection shall be construed to eliminate any
5 requirement for creditors and lenders to provide
6 credit score disclosures, including the statement de-
7 scribed under subsection (f)(2), to consumers as
8 part of an adverse action or risk-based pricing no-
9 tice.”.

10 **SEC. 8. REQUIRES MOTOR VEHICLE LENDERS OR INDIRECT**
11 **AUTO LENDERS TO PROVIDE CONSUMERS**
12 **WITH FREE COPIES OF ANY CONSUMER RE-**
13 **PORTS AND CREDIT SCORES THAT THEY**
14 **USED FOR UNDERWRITING BEFORE CON-**
15 **SUMERS SIGN LEASE OR LOAN AGREEMENTS.**

16 Section 609 of the Fair Credit Reporting Act (15
17 U.S.C. 1681g), as amended by section 6, is further
18 amended by adding at the end the following new sub-
19 section:

20 “(i) DISCLOSURE OF CONSUMER REPORTS AND
21 CREDIT SCORES USED BY MOTOR VEHICLE LENDERS OR
22 INDIRECT AUTO LENDERS.—

23 “(1) IN GENERAL.—If a motor vehicle lender or
24 indirect auto lender obtains a copy of any consumer
25 reports or credit scores and uses such reports or

1 scores in connection with an application of a con-
2 sumer for a motor vehicle loan or lease, the motor
3 vehicle lender or indirect auto lender shall provide to
4 the consumer a document, separate from the con-
5 sumer's lease or purchase agreement and before the
6 consumer enters into a lease or purchase agreement,
7 disclosing any consumer reports and credit scores,
8 including the statement described in subsection
9 (f)(2), used by the lender to determine whether to
10 extend credit to the consumer.

11 “(2) COSTS.—None of the costs to the motor
12 vehicle lender or indirect auto lender associated with
13 procuring consumer reports or credit scores under
14 this subsection may be charged, directly or indi-
15 rectly, to the consumer.

16 “(3) RULE OF CONSTRUCTION.—Nothing in
17 this subsection shall be construed to eliminate any
18 requirement for creditors and lenders to provide
19 credit score disclosures, including the statement de-
20 scribed under subsection (f)(2), to consumers as
21 part of an adverse action or risk-based pricing no-
22 tice.

23 “(4) DEFINITIONS.—

24 “(A) INDIRECT AUTO LENDER.—The term
25 ‘indirect auto lender’ has the meaning given the

term by the Bureau, and shall include a person extending a loan made with respect to a car, boat, motorcycle, recreational vehicle, or other similar vehicle used primarily for personal or household purposes.

“(B) MOTOR VEHICLE LENDER.—The term ‘motor vehicle lender’ has the meaning given the term by the Board of Governors of the Federal Reserve System, and shall include a person extending a loan made with respect to a car, boat, motorcycle, recreational vehicle, or other similar vehicle used primarily for personal or household purposes.”.

SEC. 9. REQUIRES RESIDENTIAL MORTGAGE LENDERS TO PROVIDE CONSUMERS WITH FREE COPIES OF ANY CONSUMER REPORTS AND CREDIT SCORES THAT THEY USED FOR UNDERWRITING BEFORE CONSUMERS SIGN LOAN AGREEMENTS.

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

- (1) by redesignating paragraph (2) as paragraph (5);
- (2) in paragraph (1)—

1 (A) by striking “a consumer credit score”
2 and inserting “any consumer reports or credit
3 scores”;

4 (B) by striking “, as defined in subsection
5 (f),”;

6 (C) by striking “the following to the con-
7 sumer as soon as reasonably practicable.” and
8 inserting “, not later than 3 business days after
9 using such reports or scores, a document dis-
10 closing any consumer reports and credit scores
11 used by the lender to determine whether to ex-
12 tend credit to the consumer along with the
13 statement described in subsection (f)(2).”;

14 (D) by striking subparagraphs (A), (B),
15 (C), (E), and (F);

16 (E) by redesignating subparagraph (D) as
17 paragraph (3) (and adjusting the margins ac-
18 cordingly); and

19 (F) by redesignating subparagraph (G) as
20 paragraph (4) (and adjusting the margins ac-
21 cordingly);

22 (3) by inserting before paragraph (3) (as so re-
23 designated) the following new paragraph:

24 “(2) RULE OF CONSTRUCTION.—Nothing in
25 this subsection shall be construed to eliminate any

1 requirement for lenders to provide credit score dis-
2 closures, including the statement described under
3 subsection (f)(2), to consumers as part of an adverse
4 action or risk-based pricing notice.”;

5 (4) in paragraph (3) (as so redesignated), in
6 the quoted material—

7 (A) by inserting “, free of charge,” after
8 “disclose to you”; and

9 (B) by striking “affecting your credit
10 scores” and inserting “affecting your credit
11 score or scores”;

12 (5) in paragraph (5) (as so redesignated) by in-
13 serting “or scores” after “credit score” each place
14 such term appears; and

15 (6) by adding at the end the following new
16 paragraphs:

17 “(6) ACTIONS NOT REQUIRED.—This subsection
18 shall not require any person to disclose any credit
19 score or related information obtained by the person
20 after a loan has closed.

21 “(7) NO PROCUREMENT COSTS.—None of the
22 costs to the creditor or lender associated with pro-
23 curing any consumer reports or scores under this
24 subsection may be charged, directly or indirectly, to
25 the consumer.”.

1 **SEC. 10. RULEMAKING.**

2 Not later than the end of the 2-year period beginning
3 on the date of the enactment of this Act, the Bureau of
4 Consumer Financial Protection shall issue final rules to
5 implement the amendments made by this Act.

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