

**Adopted  
AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 657**

**BY: Representative Franks**

1       **AMEND** on line 5 by deleting the word "section" and inserting  
2 the word "act"

3       **AMEND FURTHER** by inserting the following new section after  
4 line 64 and renumbering the following section:

5       "**SECTION 2. (1) Reinvestigations of disputed information.**

6               (a) Reinvestigation required.

7                       (i) In general. Subject to subsection (5) of this  
8 section, if the completeness or accuracy of any item of  
9 information contained in a consumer's file at a consumer reporting  
10 agency is disputed by the consumer and the consumer notifies the  
11 agency directly, or indirectly through a reseller, of such  
12 dispute, the agency shall, free of charge, conduct a reasonable  
13 reinvestigation to determine whether the disputed information is  
14 inaccurate and record the current status of the disputed  
15 information, or delete the item from the file in accordance with  
16 paragraph (e), before the end of the 30-day period beginning on  
17 the date on which the agency receives the notice of the dispute  
18 from the consumer or reseller.

19                       (ii) Extension of period to reinvestigate.  
20 Except as provided in subparagraph (iii), the 30-day period  
21 described in subparagraph (i) may be extended for not more than 15  
22 additional days if the consumer reporting agency receives

23 information from the consumer during that 30-day period that is  
24 relevant to the reinvestigation.

25 (iii) Limitations on extension of period to  
26 reinvestigate. Subparagraph (ii) shall not apply to any  
27 reinvestigation in which, during the 30-day period described in  
28 subparagraph (i), the information that is the subject of the  
29 reinvestigation is found to be inaccurate or incomplete or the  
30 consumer reporting agency determines that the information cannot  
31 be verified.

32 (b) Prompt notice of dispute to furnisher of  
33 information.

34 (i) In general. Before the expiration of the 5-  
35 business-day period beginning on the date on which a consumer  
36 reporting agency receives notice of a dispute from any consumer or  
37 a reseller in accordance with paragraph (a), the agency shall  
38 provide notification of the dispute to any person who provided any  
39 item of information in dispute, at the address and in the manner  
40 established with the person. The notice shall include all relevant  
41 information regarding the dispute that the agency has received  
42 from the consumer or reseller.

43 (ii) Provision of other information. The consumer  
44 reporting agency shall promptly provide to the person who provided  
45 the information in dispute all relevant information regarding the  
46 dispute that is received by the agency from the consumer or the  
47 reseller after the period referred to in subparagraph (i) and  
48 before the end of the period referred to in paragraph (a)(i).

49 (3) Determination that dispute is frivolous or  
50 irrelevant.

51 (i) In general. Notwithstanding paragraph (a), a  
52 consumer reporting agency may terminate a reinvestigation of  
53 information disputed by a consumer under that paragraph if the  
54 agency reasonably determines that the dispute by the consumer is

55 frivolous or irrelevant, including by reason of a failure by a  
56 consumer to provide sufficient information to investigate the  
57 disputed information.

58 (ii) Notice of determination. Upon making any  
59 determination in accordance with subparagraph (i) that a dispute  
60 is frivolous or irrelevant, a consumer reporting agency shall  
61 notify the consumer of such determination not later than 5  
62 business days after making such determination, by mail or, if  
63 authorized by the consumer for that purpose, by any other means  
64 available to the agency.

65 (iii) Contents of notice. A notice under  
66 subparagraph (ii) shall include:

67 1. The reasons for the determination under  
68 subparagraph (i); and

69 2. Identification of any information required  
70 to investigate the disputed information, which may consist of a  
71 standardized form describing the general nature of such  
72 information.

73 (d) Consideration of consumer information. In conducting  
74 any reinvestigation under paragraph (a) with respect to disputed  
75 information in the file of any consumer, the consumer reporting  
76 agency shall review and consider all relevant information  
77 submitted by the consumer in the period described in paragraph  
78 (a)(i) with respect to such disputed information.

79 (e) Treatment of inaccurate or unverifiable information.

80 (i) In general. If, after any reinvestigation  
81 under paragraph (a) of any information disputed by a consumer, an  
82 item of the information is found to be inaccurate or incomplete or  
83 cannot be verified, the consumer reporting agency shall:

84 1. Promptly delete that item of information  
85 from the file of the consumer, or modify that item of information,  
86 as appropriate, based on the results of the reinvestigation; and

87                   2. Promptly notify the furnisher of that  
88 information that the information has been modified or deleted from  
89 the file of the consumer.

90                   (ii) Requirements relating to reinsertion of  
91 previously deleted material.

92                   1. Certification of accuracy of information.  
93 If any information is deleted from a consumer's file pursuant to  
94 subparagraph (i), the information may not be reinserted in the  
95 file by the consumer reporting agency unless the person who  
96 furnishes the information certifies that the information is  
97 complete and accurate.

98                   2. Notice to consumer. If any information  
99 that has been deleted from a consumer's file pursuant to  
100 subparagraph (i) is reinserted in the file, the consumer reporting  
101 agency shall notify the consumer of the reinsertion in writing not  
102 later than 5 business days after the reinsertion or, if authorized  
103 by the consumer for that purpose, by any other means available to  
104 the agency.

105                   3. Additional information. As part of, or in  
106 addition to, the notice under clause 2., a consumer reporting  
107 agency shall provide to a consumer in writing not later than 5  
108 business days after the date of the reinsertion:

109                   a. A statement that the disputed  
110 information has been reinserted;

111                   b. The business name and address of any  
112 furnisher of information contacted and the telephone number of  
113 such furnisher, if reasonably available, or of any furnisher of  
114 information that contacted the consumer reporting agency, in  
115 connection with the reinsertion of such information; and

116                   c. A notice that the consumer has the  
117 right to add a statement to the consumer's file disputing the  
118 accuracy or completeness of the disputed information.

119 (iii) Procedures to prevent reappearance. A  
120 consumer reporting agency shall maintain reasonable procedures  
121 designed to prevent the reappearance in a consumer's file, and in  
122 consumer reports on the consumer, of information that is deleted  
123 pursuant to this paragraph (other than information that is  
124 reinserted in accordance with subparagraph (ii)1.).

125 (iv) Automated reinvestigation system. Any  
126 consumer reporting agency that compiles and maintains files on  
127 consumers on a nationwide basis shall implement an automated  
128 system through which furnishers of information to that consumer  
129 reporting agency may report the results of a reinvestigation that  
130 finds incomplete or inaccurate information in a consumer's file to  
131 other such consumer reporting agencies.

132 (f) Notice of results of reinvestigation.

133 (i) In general. A consumer reporting agency shall  
134 provide written notice to a consumer of the results of a  
135 reinvestigation under this subsection not later than 5 business  
136 days after the completion of the reinvestigation, by mail or, if  
137 authorized by the consumer for that purpose, by other means  
138 available to the agency.

139 (ii) Contents. As part of, or in addition to, the  
140 notice under subparagraph (i), a consumer reporting agency shall  
141 provide to a consumer in writing before the expiration of the 5-  
142 day period referred to in subparagraph (i):

143 1. A statement that the reinvestigation is  
144 completed;

145 2. A consumer report that is based upon the  
146 consumer's file as that file is revised as a result of the  
147 reinvestigation;

148 3. A notice that, if requested by the  
149 consumer, a description of the procedure used to determine the  
150 accuracy and completeness of the information shall be provided to

151 the consumer by the agency, including the business name and  
152 address of any furnisher of information contacted in connection  
153 with such information and the telephone number of such furnisher,  
154 if reasonably available;

155                   4. A notice that the consumer has the right to  
156 add a statement to the consumer's file disputing the accuracy or  
157 completeness of the information; and

158                   5. A notice that the consumer has the right to  
159 request under subsection (4) of this section that the consumer  
160 reporting agency furnish notifications under that subsection.

161                   (g) Description of reinvestigation procedure. A  
162 consumer reporting agency shall provide to a consumer a  
163 description referred to in paragraph (f)(ii)3. by not later than  
164 15 days after receiving a request from the consumer for that  
165 description.

166                   (h) Expedited dispute resolution. If a dispute  
167 regarding an item of information in a consumer's file at a  
168 consumer reporting agency is resolved in accordance with paragraph  
169 (e)(i) by the deletion of the disputed information by not later  
170 than 3 business days after the date on which the agency receives  
171 notice of the dispute from the consumer in accordance with  
172 paragraph (a)(i), then the agency shall not be required to comply  
173 with paragraphs (b), (f), and (g) with respect to that dispute if  
174 the agency:

175                   (i) Provides prompt notice of the deletion to the  
176 consumer by telephone;

177                   (ii) Includes in that notice, or in a written  
178 notice that accompanies a confirmation and consumer report  
179 provided in accordance with subparagraph (iii), a statement of the  
180 consumer's right to request under subsection (4) of this section  
181 that the agency furnish notifications under that subsection; and

182 (iii) Provides written confirmation of the deletion  
183 and a copy of a consumer report on the consumer that is based on  
184 the consumer's file after the deletion, not later than 5 business  
185 days after making the deletion.

186 (2) **Statement of dispute.** If the reinvestigation does not  
187 resolve the dispute, the consumer may file a brief statement  
188 setting forth the nature of the dispute. The consumer reporting  
189 agency may limit such statements to not more than one hundred  
190 words if it provides the consumer with assistance in writing a  
191 clear summary of the dispute.

192 (3) **Notification of consumer dispute in subsequent consumer**  
193 **reports.** Whenever a statement of a dispute is filed, unless there  
194 is reasonable grounds to believe that it is frivolous or  
195 irrelevant, the consumer reporting agency shall, in any subsequent  
196 consumer report containing the information in question, clearly  
197 note that it is disputed by the consumer and provide either the  
198 consumer's statement or a clear and accurate codification or  
199 summary thereof.

200 (4) **Notification of deletion of disputed information.**  
201 Following any deletion of information which is found to be  
202 inaccurate or whose accuracy can no longer be verified or any  
203 notation as to disputed information, the consumer reporting agency  
204 shall, at the request of the consumer, furnish notification that  
205 the item has been deleted or the statement, codification or  
206 summary pursuant to subsection (2) or (3) of this section to any  
207 person specifically designated by the consumer who has within two  
208 years prior thereto received a consumer report for employment  
209 purposes, or within six months prior thereto received a consumer  
210 report for any other purpose, which contained the deleted or  
211 disputed information.

212 (5) **Reinvestigation requirement applicable to resellers.**

213 (a) Exemption from general reinvestigation requirement.  
214 Except as provided in paragraph (b), a reseller shall be exempt  
215 from the requirements of this section.

216 (b) Action required upon receiving notice of a dispute  
217 If a reseller receives a notice from a consumer of a dispute  
218 concerning the completeness or accuracy of any item of information  
219 contained in a consumer report on such consumer produced by the  
220 reseller, the reseller shall, within 5 business days of receiving  
221 the notice, and free of charge:

222 (i) Determine whether the item of information is  
223 incomplete or inaccurate as a result of an act or omission of the  
224 reseller; and

225 (ii) If:

226 1. The reseller determines that the item of  
227 information is incomplete or inaccurate as a result of an act or  
228 omission of the reseller, not later than 20 days after receiving  
229 the notice, correct the information in the consumer report or  
230 delete it; or

231 2. If the reseller determines that the item of  
232 information is not incomplete or inaccurate as a result of an act  
233 or omission of the reseller, convey the notice of the dispute,  
234 together with all relevant information provided by the consumer,  
235 to each consumer reporting agency that provided the reseller with  
236 the information that is the subject of the dispute, using an  
237 address or a notification mechanism specified by the consumer  
238 reporting agency for such notices.

239 (c) Responsibility of consumer reporting agency to  
240 notify consumer through reseller. Upon the completion of a  
241 reinvestigation under this section of a dispute concerning the  
242 completeness or accuracy of any information in the file of a  
243 consumer by a consumer reporting agency that received notice of  
244 the dispute from a reseller under paragraph (b):



245 (i) The notice by the consumer reporting agency  
246 under paragraph (f), (g), or (h) of subsection (1) of this section  
247 shall be provided to the reseller in lieu of the consumer; and

248 (ii) The reseller shall immediately reconvey such  
249 notice to the consumer, including any notice of a deletion by  
250 telephone in the manner required under paragraph (h)(i).

251 (d) Reseller reinvestigations. No provision of this  
252 subsection shall be construed as prohibiting a reseller from  
253 conducting a reinvestigation of a consumer dispute directly."

254 **AMEND FURTHER** the title by inserting the following after the  
255 semicolon on line 3: "TO PROVIDE THE PROCEDURE TO FOLLOW IN CASE  
256 OF DISPUTED ACCURACY OF INFORMATION IN A CONSUMER'S FILE;"