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(Original Signature of Member)

111TH CONGRESS  
1ST SESSION

# H. R.

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To amend the Fair Credit Reporting Act to provide for an exclusion from Red Flag Guidelines for certain businesses.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. ADLER of New Jersey introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To amend the Fair Credit Reporting Act to provide for an exclusion from Red Flag Guidelines for certain businesses.

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. EXCLUSION FOR CERTAIN SMALL BUSINESSES.**

4 (a) IN GENERAL.—Section 615(e) of the Fair Credit  
5 Reporting Act (15 U.S.C. 1681m(e)) is amended by add-  
6 ing at the end the following new paragraphs:

7 “(4) EXCLUSION FOR CERTAIN BUSINESSES.—

8 For purposes of this subsection, the term ‘creditor’  
9 shall not include—

1           “(A) a health care practice with 20 or  
2 fewer employees;

3           “(B) an accounting practice with 20 or  
4 fewer employees;

5           “(C) a legal practice with 20 or fewer em-  
6 ployees; or

7           “(D) any other business, if the Commis-  
8 sion determines, following an application for ex-  
9 clusion by such business, that such business—

10           “(i) knows all of its customers or cli-  
11 ents individually;

12           “(ii) only performs services in or  
13 around the residences of its customers; or

14           “(iii) has not experienced incidents of  
15 identity theft and identity theft is rare for  
16 businesses of that type.

17           “(5) LIMITATION ON EXCLUSION FOR BUSI-  
18 NESSES NO-LONGER ELIGIBLE.—To the extent that  
19 a business can no longer demonstrate that it meets  
20 the criteria under paragraph (4) that permitted its  
21 exclusion from the term ‘creditor’, such exclusion  
22 shall no longer apply.

23           “(6) DEFINITIONS.—For purposes of this sub-  
24 section:

1           “(A) EMPLOYEE.—With respect to a busi-  
2           ness, the term ‘employee’ means any individual  
3           who works for such business and is paid either  
4           wages or a salary.

5           “(B) HEALTH CARE PRACTICE.—

6                   “(i) IN GENERAL.—The term ‘health  
7                   care practice’ means a business that’s pri-  
8                   mary service is providing health care via  
9                   health care professionals employed by the  
10                  business.

11                   “(ii) HEALTH CARE PROFESSIONAL.—  
12                  For purposes of subparagraph (A), the  
13                  term ‘health care professional’ means an  
14                  individual engaged in providing health care  
15                  and licensed under State law, including  
16                  physicians, dentists, podiatrists, chiroprac-  
17                  tors, physical therapists, occupational  
18                  therapists, marriage and family therapists,  
19                  optometrists, speech therapists, language  
20                  therapists, hearing therapists, and veteri-  
21                  narians.”.

22           (b) PROCESS FOR EXCLUSION APPLICATIONS.—Not  
23           later than 180 days after the date of the enactment of  
24           this Act, the Federal Trade Commission shall issue regula-  
25           tions, in accordance with section 553 of title 5, United

- 1 States Code, that set forth the process by which a business
- 2 may apply for an exclusion under section 615(e)(4)(D) of
- 3 the Fair Credit Reporting Act.