

Amendment Offered by Ms. Lee

To the Amendment in the Nature of a Substitute Offered by Mr. Oxley

Page 55, after line 20, insert the following new section (and conform the table of contents accordingly):

1 **SEC. 507. REGULATION OF THE USE OF THE NUMBER OF**
2 **ENQUIRIES AS NEGATIVE FACTOR IN CREDIT**
3 **SCORES.**

4 Section 605 of the Fair Credit Reporting Act (15
5 U.S.C. 1681c) is amended by inserting after subsection
6 (l) (as added by section 203 of this Act) the following new
7 subsection:

8 “(m) REGULATION OF THE USE OF THE NUMBER OF
9 ENQUIRIES AS NEGATIVE FACTOR IN CREDIT SCORES.—

10 “(1) IN GENERAL.—Except to the extent per-
11 mitted under regulations prescribed by the Board
12 and the Commission under paragraph (2), a con-
13 sumer reporting agency may not include any credit
14 score (as defined in section 609(e)(2)) in a consumer
15 report on any consumer, and a person who uses a
16 consumer report in making any determination with
17 regard to a consumer may not use any credit score



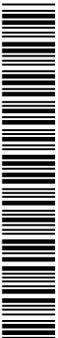
1 in connection with such determination, if the number
2 of enquiries made with respect to such report or con-
3 sumer is treated, directly or indirectly, as a negative
4 factor in computing such credit score.

5 “(2) REGULATIONS.—The Board and the Com-
6 mission shall jointly prescribe regulations to—

7 “(A) implement the requirement contained
8 in paragraph (1); and

9 “(B) provide such exceptions as the Board
10 may determine to be appropriate, in accordance
11 with standards established by the Board, to
12 permit enquiries to be taken into account as a
13 negative factor in computing credit scores
14 under specific types of circumstances in which
15 it can be empirically demonstrated that
16 enquiries represent the existence of a risk fac-
17 tor.

18 “(3) ENQUIRY DEFINED.—For purposes of this
19 subsection, the term ‘enquiry’ includes any request
20 for access to information in a file on a consumer at
21 a consumer reporting agency, whether the request is
22 made for the purpose of, or in connection with, a
23 credit transaction that is not initiated by the con-
24 sumer (including an enquiry that does not result in



[Regulation of use of number of enquiries as negative factor]

3

- 1 a firm offer of credit), a transaction initiated by the
- 2 consumer, or otherwise.”.

