

119TH CONGRESS
1ST SESSION

S. _____

To amend the Credit Repair Organizations Act to add additional protections against harmful practices within the credit repair organization industry, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. COONS (for himself and Ms. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Credit Repair Organizations Act to add additional protections against harmful practices within the credit repair organization industry, 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 “Ending Scam Credit
5 Repair Act” or the “ESCRA Act”.

6 **SEC. 2. CREDIT REPAIR ORGANIZATION DEFINITION.**

7 Section 403(3) of the Credit Repair Organizations
8 Act (15 U.S.C. 1679a(3))—

1 (1) in subparagraph (A), by inserting “(not in-
2 cluding anything received in return for representing
3 a consumer in preparation for or during litigation)”
4 after “consideration”; and

5 (2) in subparagraph (B)—

6 (A) in the matter preceding clause (i), by
7 inserting “an entity or individual that is, in
8 good faith and not for the purpose of evading
9 this title” after “include”;

10 (B) in clause (ii), by striking “or” at the
11 end;

12 (C) in clause (iii), by striking the period
13 and inserting “; or”; and

14 (D) by adding at the end the following:

15 “(iv) any attorney that provides legal
16 services rendered or to be rendered to a
17 consumer in contemplation of or in connec-
18 tion with a case filed, or to be filed within
19 12 months, under title 11, United States
20 Code, or the Consumer Credit Protection
21 Act (15 U.S.C. 1601 et seq.), by an attor-
22 ney within the same law firm.”.

23 **SEC. 3. PROHIBITED PRACTICES.**

24 (a) **UNTRUE OR MISLEADING STATEMENTS.**—

1 (1) IN GENERAL.—Section 404(a)(1) of the
2 Credit Repair Organizations Act (15 U.S.C.
3 1679b(a)(1)) is amended—

4 (A) in the matter preceding subparagraph
5 (A), by inserting “knowingly” before “make any
6 statement, or”;

7 (B) in subparagraph (A), by striking “or”
8 at the end; and

9 (C) by adding at the end the following:

10 “(C) the Bureau of Consumer Financial
11 Protection directly or through an online portal
12 established to receive complaints, disputes, or
13 reports of fraud;

14 “(D) the Federal Trade Commission di-
15 rectly or through an online portal established to
16 receive complaints, disputes, or reports of
17 fraud; or

18 “(E) any Federal, State, local, or Tribal
19 law enforcement agency directly or through an
20 online portal established to receive complaints,
21 disputes, or reports of fraud;”.

22 (2) FINDING.—The Congress finds that it is
23 unlawful, as of the date of enactment of this Act, to
24 make materially false, fictitious, or fraudulent state-

1 ments or representations to the Bureau of Consumer
2 Financial Protection.

3 (b) ADDITIONAL PROHIBITED PRACTICES.—Section
4 404 of the Credit Repair Organizations Act (15 U.S.C.
5 1679b) is amended—

6 (1) in subsection (a)(2)—

7 (A) in subparagraph (B)(ii), by striking
8 the semicolon and inserting “; or”; and

9 (B) by adding at the end the following:

10 “(C) the Bureau of Consumer Financial
11 Protection or the Federal Trade Commission;”;

12 (2) by amending subsection (b) to read as fol-
13 lows:

14 “(b) PAYMENT IN ADVANCE.—

15 “(1) IN GENERAL.—No credit repair organiza-
16 tion may request or receive payment of any fee or
17 consideration from a consumer for services rep-
18 resented to remove derogatory or inaccurate infor-
19 mation from, or improve, the credit history of such
20 consumer’s credit history, credit record, or credit
21 rating, or services related to such a representation,
22 until the credit repair organization has provided
23 such consumer with documentation in the form of a
24 consumer report, issued not earlier than 180 days
25 after the date on such service is rendered, from a

1 consumer reporting agency that demonstrates that
2 such representation has been achieved.

3 “(2) RULE OF CONSTRUCTION.—Nothing in
4 this subsection shall be construed to alter the per-
5 missible purposes of furnishing a consumer report
6 described in section 604 of the Fair Credit Report-
7 ing Act.”; and

8 (3) by adding at the end the following:

9 “(c) JAMMING.—A credit repair organization may not
10 submit multiple disputes described in section 611 of the
11 Fair Credit Reporting Act of the same information unless
12 all of the following are true:

13 “(1) The consumer reporting agency or data
14 furnisher has had the time permitted under the Fair
15 Credit Reporting Act to conduct a reasonable inves-
16 tigation on the prior dispute.

17 “(2) The consumer reporting agency or data
18 furnisher has returned the results of its investigation
19 to the consumer with respect to such dispute, unless
20 there are material changes to the information sub-
21 mitted with the dispute.

22 “(3) The credit repair organization includes
23 with the resubmitted dispute a specific description of
24 what information is inaccurate.”.

1 **SEC. 4. DISCLOSURES.**

2 Section 405 of the Credit Repair Organizations Act
3 (15 U.S.C. 1679c) is amended—

4 (1) in the written statement in subsection (a)—

5 (A) in the second undesignated paragraph,
6 by inserting “Credit repair organizations do not
7 provide any services that you cannot do yourself
8 for free.” after the period at the end of the
9 fourth sentence;

10 (B) in the eighth undesignated paragraph,
11 by striking “regulates” and inserting “and the
12 Bureau of Consumer Financial Protection regu-
13 late”; and

14 (C) by inserting “The Bureau of Consumer
15 Financial Protection 1700 G St. NW, Wash-
16 ington, DC, 20552 Tel: 855-411-2372 TTY/
17 TTD: 855-729-2372” after “20580”; and

18 (2) in subsection (c)—

19 (A) in paragraph (1), by inserting “and
20 any recordings of telephone communications
21 with the consumer” before the period at the
22 end; and

23 (B) in paragraph (2)—

24 (i) in the heading, by striking “2” and
25 inserting “5”;

1 (ii) by inserting “and any telephone
2 recordings with the consumer” after “con-
3 sumer’s statement”;

4 (iii) by striking “2” and inserting
5 “5”; and

6 (iv) by striking “statement is signed
7 by the consumer” and inserting “statement
8 or the telephone recordings are created”.

9 **SEC. 5. CONSUMER CONTRACT REQUIRED.**

10 Section 407 of the Credit Repair Organizations Act
11 (15 U.S.C. 1679e) is amended by striking subsection (c)
12 and inserting the following:

13 “(c) CONSUMER COPY OF CONTRACT AND COMMU-
14 NICATIONS REQUIRED.—

15 “(1) CONTRACT.—Any consumer who enters
16 into any contract with any credit repair organization
17 shall be given, by the organization—

18 “(A) a copy of the completed contract and
19 the disclosure statement required under section
20 405; and

21 “(B) a copy of any other document the
22 credit repair organization requires the consumer
23 to sign,

24 at the time the contract or the other document is
25 signed.

1 “(2) COMMUNICATIONS.—Any consumer de-
2 scribed in paragraph (1) shall be given, by the orga-
3 nization copies of all communications sent on behalf
4 of the consumer, at the time the communication is
5 sent.”.

6 **SEC. 6. NONCOMPLIANCE.**

7 Section 408 of the Credit Repair Organizations Act
8 (15 U.S.C. 1679f) is amended by adding at the end fol-
9 lowing:

10 “(d) LEGAL SERVICES WITHIN CREDIT REPAIR OR-
11 GANIZATIONS.—A credit repair organization shall be sub-
12 ject to this title regardless of whether the organization is,
13 or employs, an attorney who also provides legal services
14 to a consumer, except if such attorney is an attorney de-
15 scribed in section 403(3)(B)(iv).

16 “(e) CREDIT REPAIR ORGANIZATIONS WITHOUT A
17 STATE LICENSE.—On or after January 1, 2026, no per-
18 son may act as a credit repair organization unless such
19 person is licensed by a State.”.

20 **SEC. 7. CREDIT REPAIR ORGANIZATION COMMUNICATIONS**
21 **WITH FURNISHERS OF INFORMATION.**

22 (a) IN GENERAL.—The Credit Repair Organizations
23 Act (15 U.S.C. 1679 et seq.) is amended by inserting after
24 section 408 the following:

1 **“SEC. 408A. CREDIT REPAIR ORGANIZATION COMMUNICA-**
2 **TIONS WITH FURNISHERS OF INFORMATION.**

3 “Disputes submitted to a person who furnishes infor-
4 mation to a consumer reporting agency by or on behalf
5 of a credit repair organization shall meet the following re-
6 quirements:

7 “(1) If sent by mail, the dispute shall be trans-
8 mitted by first class mail and list on the envelope
9 the—

10 “(A) name of the credit repair organiza-
11 tion; and

12 “(B) State license number of the credit re-
13 pair organization, if applicable.

14 “(2) The dispute shall list the—

15 “(A) name of the credit repair organiza-
16 tion;

17 “(B) State license number of the credit re-
18 pair organization, if applicable; and

19 “(C) name of the consumer on whose be-
20 half the dispute is submitted.

21 “(3) In the case of any additional communica-
22 tion after an initial dispute, the additional commu-
23 nication shall clearly and conspicuously identify any
24 material changes to the information provided in the
25 initial written dispute and include the information
26 described in paragraphs (1) and (2).

1 “(4) In the case where a credit repair organiza-
2 tion sells or otherwise provides an online or paper
3 blank dispute form to be completed and filed by the
4 consumer, such form must contain the—

5 “(A) name and address of such credit re-
6 pair organization; and

7 “(B) State license number of such credit
8 repair organization, if applicable.

9 “(5) In the case where the person responds to
10 a dispute submitted by a credit repair organization
11 seeking clarifying information, verifying if the cus-
12 tomer has actually engaged with the credit repair or-
13 ganization, or denying the accuracy of the under-
14 lying claim, the credit repair organization shall re-
15 spond in writing within 15 business days.

16 “(6) In the case where the credit repair organi-
17 zation is an attorney, the attorney shall certify that
18 any communication is consistent with any informa-
19 tion or documentation provided by the consumer,
20 confirmed based upon methods or means proven to
21 be historically reliable and accurate.

22 “(7) A credit repair organization, when sending
23 a dispute, shall disclose the fact that it is a credit
24 repair organization by placing the following disclo-
25 sure on the dispute letter: ‘This communication was

1 submitted or prepared on behalf of the consumer by
2 a credit repair organization, as defined in section
3 403 of the Credit Repair Organizations Act (15
4 U.S.C. 1679a).’”.

5 (b) CLERICAL AMENDMENT.—The table of contents
6 for the Credit Repair Organizations Act is amended by
7 inserting after the item relating to section 408 the fol-
8 lowing:

“408A. Credit repair organization communications with furnishers of informa-
tion.”.

9 **SEC. 8. CIVIL LIABILITY.**

10 Section 409(a)(1) of the Credit Repair Organizations
11 Act (15 U.S.C. 1679g(a)(1)) is amended—

12 (1) in the heading, by striking “ACTUAL DAM-
13 AGES” and inserting “DAMAGES”;

14 (2) in subparagraph (A), by striking “or” at
15 the end;

16 (3) in subparagraph (B), by striking the period
17 at the end and inserting “; or”; and

18 (4) by adding at the end the following:

19 “(C) damages of \$500 for each violation of
20 this title.”.