On March 5, 1970, after Senate passage of Senate Bill 823, Representative Leonor Sullivan introduced House of Representatives Bill 16340, the “Good Name Protection Act.” It was in general more pro-consumer than the Senate bill. Extensive public hearings were held.

However, before the House was able to act on its own bill, the Senate bill became law. On May 25, 1970, the House of Representatives passed a Bank Records Foreign Transactions Act. It contained no reference to consumer reporting. The Senate passed its own Financial Recordkeeping Bill on September 18th. The Senate added Senate Bill 823 to the Senate Financial Recordkeeping Bill, and the matter went to a House-Senate Conference Committee. The Conference Committee kept the Fair Credit Reporting Act as part of this larger, more urgent bill.

Senate Bill 823 was accepted by the Conference Committee largely intact, but with two quite significant changes. First, for the first time the bill required CRAs to follow reasonable procedures to ensure maximum possible accuracy in their reports. Second, the bill eliminated the floor and ceiling on punitive damages.

The Senate voted to accept the Conference Report on September 9th, and the House on October 13th. Thus the FCRA become law without separate House action on its own bill and with few compromises between House and Senate interests.

Footnotes


171 [166] Some of the differences were that: the House bill provided for regulations and the Senate bill did not; the House bill provided for no immunity and the Senate bill did; the House Bill permitted consumer access to the file itself without any waiver of state law tort rights while the Senate Bill required access only to information about the contents of the files and provided in return partial immunity from state tort laws; the House Bill required the grantor to disclose reasons for rejecting a consumer’s application, but not the Senate bill; under the House bill, but not the Senate bill, a grantor was required to disclose third party information; the House Bill required a grantor to keep reports to CRAs current while the Senate bill had no provisions in this regard; the House bill required adverse information to be discarded after three years while the Senate had a seven year limitation; and the House bill required notice to consumers when public record information is reported and required that it be updated within seven previous days, while the Senate bill had no similar provisions.


175 [170] A consumer would no longer be entitled to a minimum of $100 and a maximum of $1000 of “punitive” damages. Instead, in order not to limit damages which a consumer might receive for injury to their reputation or harm to their access to credit, the limits on punitive damages were removed. See Hearings on S. 823 Before the Subcomm. on Financial Institutions of the S. Comm. on Banking and Currency, 91st Cong. (1969) (testimony of Virginia Knauer).