



FTC Seeks Comment on Proposed Rule Implementing Law Providing Free Credit Monitoring for Active Duty Military Consumers

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The Federal Trade Commission is seeking comment on a proposed rule to implement a 2018 law requiring the nationwide consumer reporting agencies to provide free electronic credit monitoring services for active duty military consumers.

The Economic Growth, Regulatory Relief, and Consumer Protection Act, passed earlier this year, mandated that the FTC issue a rule regarding certain requirements of the law. The FTC's [Notice of Proposed Rulemaking \(NPRM\)](#) proposes a rule that would require the nationwide consumer reporting agencies (CRAs) to provide a free electronic credit monitoring service that would notify active duty military members within 24 hours of any "material" additions or modifications to their credit files. It states that contact information, appropriate proof that the consumer is an active duty member of the military, and proof of the consumer's identity may be required to take advantage of this service.

The proposed rule specifies how military consumers may prove their active duty status, such as providing a copy of their active duty orders. It also sets forth key terms such as "electronic credit monitoring service," which is defined as a service through which the CRAs provide, at a minimum, electronic notification of material additions or modifications to a consumer's file. In addition, the proposed rule prohibits the CRAs from requiring active duty military consumers to agree to terms or conditions, or representing that consumers must purchase a product or service in order to obtain the free credit monitoring service.

The NPRM seeks comment on these provisions and other aspects of the proposed rule such as:

Are the restrictions on secondary uses and disclosures of information collected from an active duty military consumer requesting the credit monitoring service necessary?

Are the methods used to verify appropriate proof of active duty military status adequate?

Does the definition of "material additions or modifications" adequately cover the changes to a consumer's file that should require notification?

Is the proposed ban on marketing until after an active duty military consumer who has indicated an interest in obtaining the free credit monitoring service has been enrolled in that service necessary? Does it impose undue burdens on the CRAs?

The proposed NPRM will be published in the Federal Register shortly along with instructions on how to submit comments. The deadline for submitting comments is January 7, 2019.

The Commission vote to approve publishing the NPRM in the Federal Register was 5-0.

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