

## FTC Issues Final Rule on Free Credit Monitoring Service For Military

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The FTC has issued a [final rule](#) to implement a 2018 amendment to the FCRA made by the Economic Growth, Regulatory Relief, and Consumer Protection Act that requires nationwide consumer reporting agencies (CRAs) to provide free electronic credit monitoring service for active duty military consumers. The rule will be effective 30 days after its publication in the *Federal Register*, with mandatory compliance required three months after the effective date. For a period of up to one year from the final rule's effective date, CRAs will be able to comply with the requirement to provide free monitoring service by offering their existing commercial credit monitoring service for free to active duty military consumers.

The FCRA amendment requires a CRA to provide electronic notice of any "material additions or modifications" to the credit file of an active duty military consumer that provides the requisite information to the CRA. A CRA can condition electronic credit monitoring on the consumer providing appropriate proof of identity, contact information, and appropriate proof that the consumer is an "active duty military consumer."

The FTC's final rule defines "active duty military consumer" as (1) (i) a consumer in military service who is on active duty or a reservist performing duty under a call or order to active duty, and (ii) who is assigned to service away from the consumer's usual duty station, or (2) a member of the National Guard. In response to recommendations from commenters that the FTC eliminate the requirement that a military consumer be assigned to service away from his or her usual duty station, the FTC stated in the final rule's supplementary information that the statutory language limited its discretion to do so. Also, because the statutory language does not expressly require a National Guard member to be deployed away from his or her usual duty station to be eligible for free credit monitoring, the FTC's final rule gives the benefit of free credit monitoring to members of the National Guard regardless of whether they are assigned away from their usual duty station.

The "material additions or modifications" to the file of a consumer that trigger the electronic notice requirement include new accounts opened in the consumer's name and inquiries or requests for a credit report (other than for a prescreened list). A CRA must provide notice of a material change or modification within 48 hours. A consumer who receives such a notice is entitled to free access to his or her credit file.

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