Assembly Bill No. 488

CHAPTER 236

An act to amend Sections 1785.5 and 1785.10 of the Civil Code, relating to consumer credit.

[Approved by Governor September 1, 2001. Filed with Secretary of State September 4, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

AB 488, Kehoe. Consumer credit reporting agencies: information: disclosure.

Existing law, operative July 1, 2001, governs the collection and disclosure of consumer credit reports. A consumer credit reporting agency must disclose the recipients of any consumer credit report regarding a consumer which the agency has furnished under specified circumstances. A consumer credit reporting agency must also make specified disclosures of, or provide notice regarding, information contained in a consumer credit report upon request of the consumer.

This bill, operative January 1, 2003, would require a consumer credit reporting agency to disclose, upon request of the consumer, the addresses and, if provided by the sources and recipients of the consumer’s credit information, telephone numbers identified for customer services for the sources and recipients. This bill would exempt any consumer credit reporting agency that procures a credit report from another credit reporting agency for the purpose of reselling the report from requirements that they provide to the consumer upon request the address and telephone number of the source and recipient of the consumer credit information, and a record of specified inquiries not initiated by the consumer. This bill would also exempt any consumer credit reporting agency that provides a consumer credit report to another consumer credit reporting agency that procures the consumer credit report for the purpose of resale from requirements that they provide to the consumer upon request the address and telephone number of the prospective user of the consumer credit information.

Existing law also provides that any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in the practice of assembling, evaluating, or disseminating information on the checking account experiences of consumer customers is subject to the same laws that govern consumer credit reporting agencies.

This bill, operative January 1, 2003, would exclude this person from the proposed requirements upon consumer credit reporting agencies to
provide the address and, if available, the phone number of sources and recipients of consumer credit information to the consumer upon request.

The people of the State of California do enact as follows:

SECTION 1. Section 1785.5 of the Civil Code is amended to read:

1785.5. Any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling, evaluating, or disseminating information on the checking account experiences of consumer customers of banks or other financial institutions is, with the exception of compliance with the requirements of Section 1785.10, subdivisions (c), (d), and (e), only with regard to the provision of the address and telephone number, subject to the same laws which govern consumer credit reporting agencies.

SEC. 2. Section 1785.10 of the Civil Code, as amended by Section 1 of Chapter 978 of the Statutes 2000, is amended to read:

1785.10. (a) Every consumer credit reporting agency shall, upon request and proper identification of any consumer, allow the consumer to visually inspect all files maintained regarding that consumer at the time of the request.

(b) Every consumer reporting agency, upon contact by a consumer by telephone, mail, or in person regarding information which may be contained in the agency files regarding that consumer, shall promptly advise the consumer of his or her rights under Sections 1785.19 and 1785.19.5, and of the obligation of the agency to provide disclosure of the files in person, by mail, or by telephone pursuant to Section 1785.15, including the obligation of the agency to provide a decoded written version of the file or a written copy of the file with an explanation of any code, including any credit score used, and the key factors, as defined in Section 1785.15.1, if the consumer so requests that copy. The disclosure shall be provided in the manner selected by the consumer, chosen from among any reasonable means available to the consumer credit reporting agency.

The agency shall determine the applicability of subdivision (1) of Section 1785.17 and, where applicable, the agency shall inform the consumer of the rights under that section.

(c) All information on a consumer in the files of a consumer credit reporting agency at the time of a request for inspection under subdivision (a), shall be available for inspection, including the names, addresses and, if provided by the sources of information, the telephone numbers identified for customer service for the sources of information.
(d) (1) The consumer credit reporting agency shall also disclose the recipients of any consumer credit report on the consumer which the consumer credit reporting agency has furnished:
   (A) For employment purposes within the two-year period preceding the request.
   (B) For any other purpose within the 12-month period preceding the request.

   (2) Disclosure of recipients of consumer credit reports for purposes of this subdivision shall include the name of the recipient or, if applicable, the fictitious business name under which the recipient does business disclosed in full. The identification shall also include the address and, if provided by the recipient, the telephone number identified for customer service for the recipient.

(e) The consumer credit reporting agency shall also disclose a record of all inquiries received by the agency in the 12-month period preceding the request that identified the consumer in connection with a credit transaction which is not initiated by the consumer. This record of inquiries shall include the name, address and, if provided by the recipient, the telephone number identified for customer service for each recipient making an inquiry.

(f) Any consumer credit reporting agency when it is subject to the provisions of Section 1785.22 is exempted from the requirements of subdivisions (c), (d), and (e), only with regard to the provision of the address and telephone number.

(g) Any consumer credit reporting agency, that provides a consumer credit report to another consumer credit reporting agency that procures the consumer credit report for the purpose of resale and is subject to Section 1785.22, is exempted from the requirements of subdivisions (d) and (e), only with regard to the provision of the address and telephone number regarding each prospective user to which the consumer credit report was sold.

SEC. 3. This act shall become operative on January 1, 2003.