

ASSEMBLY BILL

No. 2868

Introduced by Assembly Member Wright

February 25, 2002

An act to amend Section 1785.20.3 of, and to add Section 1785.16.3 to the Civil Code, relating to consumer credit, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2868, as introduced, Wright. Consumer credit reporting agencies.

(1) Existing law establishes a process by which a consumer may dispute the accuracy of information in a consumer credit report. Existing law requires a consumer credit reporting agency to promptly and permanently block information in specified instances, and establishes requirements for unblocking information after an allegation of identity theft.

This bill would exclude from these provisions a consumer reporting agency that acts only as a reseller of credit information, as specified, and that does not maintain a permanent database of credit information from which new credit reports are produced.

(2) Existing law requires a user of a consumer credit report in connection with a credit transaction who discovers that the address on the consumer credit report does not match the address of the consumer requesting or being offered credit to take reasonable steps to verify the accuracy of the consumer's address.

This bill would exclude from these provisions a United States Armed Forces Post Office or a United States Fleet Post Office address.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1 SECTION 1. Section 1785.16.3 is added to the Civil Code, to
2 read:

3 1785.16.3. The provisions of subdivisions (k) and (l) of
4 Section 1785.16 do not apply to a consumer reporting agency that
5 acts only as a reseller of credit information by assembling and
6 merging information contained in the database of another
7 consumer reporting agency or agencies, and that does not maintain
8 a permanent database of credit information from which new credit
9 reports are produced.

10 SEC. 2. Section 1785.20.3 of the Civil Code is amended to
11 read:

12 1785.20.3. (a) Any person who uses a consumer credit report
13 in connection with a credit transaction, and who discovers that the
14 address on the consumer credit report does not match the address
15 of the consumer requesting or being offered credit, shall take
16 reasonable steps to verify the accuracy of the consumer’s address,
17 and shall either communicate to consumer by telephone, or write
18 the consumer, to confirm that the credit transaction is not the result
19 of identity theft, as defined in Section 1798.90.

20 (b) Any person who uses a consumer credit report in
21 connection with a credit transaction, and who receives a clearly
22 identifiable notification, consisting of more than a tradeline, from
23 a consumer credit reporting agency that information in the report
24 has been blocked pursuant to Section 1785.16 as the result of an
25 identity theft, shall not lend money or extend credit without taking
26 reasonable steps to verify the consumer’s identity and to confirm
27 that the credit transaction is not the result of identity theft.

28 (c) Any consumer who suffers damages as a result of a violation
29 of this section by any person may bring an action in a court of
30 appropriate jurisdiction against that person to recover actual
31 damages, court costs, attorney’s fees, and punitive damages of not
32 more than thirty thousand dollars (\$30,000) for each violation, as
33 the court deems proper.



1 (d) As used in this section, “identity theft” has the meaning
2 given in Section 1798.90.

3 (e) *This section does not apply to a United States Armed Forces*
4 *Post Office address or a United States Fleet Post Office address.*

5 SEC. 3. This act is an urgency statute necessary for the
6 immediate preservation of the public peace, health, or safety
7 within the meaning of Article IV of the Constitution and shall go
8 into immediate effect. The facts constituting the necessity are:

9 In order to provide relief to our service men and women by
10 addressing the negative effects of recent legislation on their ability
11 to create new sources of credit, and thereby endangering the public
12 peace, health, and safety, it is necessary that this act take
13 immediate effect.

