

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2564

Introduced by Assembly Member Nestande

February 21, 2014

An act to amend Section ~~1785.10~~ 1785.43 of the Civil Code, relating to ~~consumer~~ commercial credit reporting.

LEGISLATIVE COUNSEL'S DIGEST

AB 2564, as amended, Nestande. ~~Consumer~~–Commercial credit reporting agencies.

Existing law authorizes a commercial credit reporting agency to protect the identity of sources of information to be used in commercial credit reports. Existing law requires an agency to furnish a printed copy of a report to the subject of the report, upon request of a representative of the subject, at a cost no greater than the cost usually charged to 3rd parties. Existing law also sets forth a procedure for the correction of inaccuracies in these reports. Existing law defines terms for these purposes.

This bill would require an agency to furnish a source of information to the subject of a commercial credit report upon the request of a representative of the subject. The bill would require the printed copy to be provided at no cost to the subject of a report. The bill would prohibit an agency, or a business affiliate of that agency, from assessing a fee upon the subject of a report in connection with ensuring the proper data is contained within the commercial credit report of the subject. The bill would require an agency to endeavor to maintain the most accurate data possible regarding the subject of a report.

~~The Consumer Credit Reporting Agencies Act requires every consumer credit reporting agency, upon request and proper identification of any consumer, to allow the consumer to visually inspect all files maintained regarding that consumer at the time of the request. The act requires every consumer reporting agency, upon contact by a consumer regarding information which may be contained in the agency files regarding that consumer, to inform the consumer of specified rights and agency obligations.~~

~~This bill would make technical, nonsubstantives changes to those provisions:~~

Vote: majority. 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 1785.43 of the Civil Code is amended to
2 read:

3 1785.43. (a) ~~Commercial~~*A commercial credit reporting*
4 ~~agencies~~ *agency* may protect the identity of ~~sources~~ *a source* of
5 information to be used in a commercial credit ~~reports~~ *report*, but
6 shall furnish the source of information to the subject of the report
7 upon the request of a representative of the subject.

8 (b) Upon the request of a representative of the subject of a
9 report, the commercial credit reporting agency shall provide one
10 printed copy of the subject’s commercial credit report in a format
11 routinely made available to third parties, at a cost ~~no greater than~~
12 ~~the cost usually charged to third parties~~ *no cost*.

13 (c) ~~In the event that~~ *If* the subject of a commercial credit report
14 believes the report contains an inaccurate statement of fact, a
15 representative of the subject of the ~~report may~~ *report*, within 30
16 days of receipt of the report pursuant to subdivision (b), *may* file
17 with the commercial credit reporting agency a written summary
18 statement of not more than 50 words identifying the particular
19 statement of fact that is disputed, and indicating the nature of the
20 disagreement with the statement in the report. Within 30 days of
21 receipt of a subject’s summary statement of disagreement, the
22 commercial credit reporting agency shall either delete the disputed
23 item of information from the report, or include in the report an
24 indication that the subject’s summary statement of disagreement
25 will be provided upon request.

1 (d) A commercial credit reporting agency, or a business affiliate
2 of that agency, shall not assess a fee upon the subject of a report
3 in connection with ensuring the proper data is contained within
4 the commercial credit report of the subject.

5 (e) A commercial credit reporting agency shall endeavor to
6 maintain the most accurate data possible regarding the subject of
7 a report.

8 SECTION 1. ~~Section 1785.10 of the Civil Code is amended~~
9 ~~to read:~~

10 ~~1785.10. (a) Every consumer credit reporting agency, upon~~
11 ~~request and proper identification of any consumer, shall allow the~~
12 ~~consumer to visually inspect all files maintained regarding that~~
13 ~~consumer at the time of the request.~~

14 ~~(b) (1) Every consumer credit reporting agency, upon contact~~
15 ~~by a consumer by telephone, mail, or in person regarding~~
16 ~~information which may be contained in the agency files regarding~~
17 ~~that consumer, shall promptly advise the consumer of his or her~~
18 ~~rights under Sections 1785.11.8, 1785.19, and 1785.19.5, and of~~
19 ~~the obligation of the agency to provide disclosure of the files in~~
20 ~~person, by mail, or by telephone pursuant to Section 1785.15,~~
21 ~~including the obligation of the agency to provide a decoded written~~
22 ~~version of the file or a written copy of the file with an explanation~~
23 ~~of any code, including any credit score used, and the key factors,~~
24 ~~as defined in Section 1785.15.1, if the consumer so requests that~~
25 ~~copy. The disclosure shall be provided in the manner selected by~~
26 ~~the consumer, chosen from among any reasonable means available~~
27 ~~to the consumer credit reporting agency.~~

28 ~~(2) The agency shall determine the applicability of subdivision~~
29 ~~(a) of Section 1785.17 and, where applicable, the agency shall~~
30 ~~inform the consumer of the rights under that section.~~

31 ~~(c) All information on a consumer in the files of a consumer~~
32 ~~credit reporting agency at the time of a request for inspection under~~
33 ~~subdivision (a), shall be available for inspection, including the~~
34 ~~names, addresses and, if provided by the sources of information,~~
35 ~~the telephone numbers identified for customer service for the~~
36 ~~sources of information.~~

37 ~~(d) (1) The consumer credit reporting agency shall also disclose~~
38 ~~the recipients of any consumer credit report on the consumer which~~
39 ~~the consumer credit reporting agency has furnished:~~

1 ~~(A) For employment purposes within the two-year period~~
2 ~~preceding the request.~~

3 ~~(B) For any other purpose within the 12-month period preceding~~
4 ~~the request.~~

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

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

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

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

29 ~~(h) This section shall become operative on January 1, 2003.~~