

Introduced by Senators Leno and Correa

February 11, 2013

An act to amend Section 1788.2 of the Civil Code, relating to debt collection.

LEGISLATIVE COUNSEL'S DIGEST

SB 233, as introduced, Leno. Fair debt collection practices.

The Rosenthal Fair Debt Collection Practices Act regulates the collection of debts and defines relevant terms for the purposes of its provisions.

This bill would make technical, nonsubstantive changes to the definitions in the act.

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 1788.2 of the Civil Code is amended to
2 read:
3 1788.2. (a) Definitions and rules of construction set forth in
4 this section are applicable for the purpose of this title.
5 (b) The term "debt collection" means any act or practice in
6 connection with the collection of consumer debts.
7 (c) The term "debt collector" means any person who, in the
8 ordinary course of business, regularly, on behalf of himself or
9 herself or others, engages in debt collection. The term includes
10 any person who composes and sells, or offers to compose and sell,
11 forms, letters, and other collection media used or intended to be

1 used for debt collection, but does not include an attorney or
2 counselor at law.

3 (d) The term “debt” means money, property, or their equivalent,
4 which is due or owing, or alleged to be due or owing, from a natural
5 person to another person.

6 (e) The term “consumer credit transaction” means a transaction
7 between a natural person and another person in which property,
8 services, or money is acquired on credit by that natural person
9 from ~~such~~ *the* other person primarily for personal, family, or
10 household purposes.

11 (f) The terms “consumer debt” and “consumer credit” mean
12 money, property, or their equivalent, due or owing, or alleged to
13 be due or owing, from a natural person by reason of a consumer
14 credit transaction.

15 (g) The term “person” means a natural person, partnership,
16 corporation, limited liability company, trust, estate, cooperative,
17 association, or other similar entity.

18 (h) Except as provided in Section 1788.18, the term “debtor”
19 means a natural person from whom a debt collector seeks to collect
20 a consumer debt ~~which~~ *that* is due and owing, or alleged to be due
21 and owing, from ~~such~~ *that* person.

22 (i) The term “creditor” means a person who extends consumer
23 credit to a debtor.

24 (j) (1) The term “consumer credit report” means any written,
25 oral, or other communication of any information by a consumer
26 reporting agency bearing on a consumer’s creditworthiness, credit
27 standing, credit capacity, character, general reputation, personal
28 characteristics or mode of living which is used or expected to be
29 used or collected in whole or in part for the purpose of serving as
30 a factor in establishing the consumer’s eligibility for (1) credit or
31 insurance to be used primarily for person, family, or household
32 purposes, or (2) employment purposes, or (3) other purposes
33 authorized under any applicable federal or state law or regulation.

34 The

35 (2) *The term “consumer credit report” does not include ~~(a) any~~*
36 *report any of the following:*

37 (A) *A report containing information solely as to transactions or*
38 *experiences between the consumer and the person making the*
39 *report; ~~(b) any authorization report.~~*

1 (B) *An authorization* or approval of a specific extension of credit
2 directly or indirectly by the issuer of a credit card or similar ~~device;~~
3 ~~or (c) any report device.~~

4 (C) *A report* in which a person who has been requested by a
5 third party to make a specific extension of credit directly or
6 indirectly to a consumer conveys his or her decision with respect
7 to that request, if the third party advises the consumer of the name
8 and address of the person to whom the request was made and ~~such~~
9 *that* person makes the disclosures to the consumer required under
10 any applicable federal or state law or regulation.

11 (k) The term “consumer reporting agency” means ~~any person~~
12 ~~which~~ *a person who*, for monetary fees, dues, or on a cooperative
13 nonprofit basis, regularly engages, in whole or in part, in the
14 practice of assembling or evaluating consumer credit information
15 or other information on consumers for the purpose of furnishing
16 consumer credit reports to third parties, and ~~which~~ uses any means
17 or facility for the purpose of preparing or furnishing consumer
18 credit reports.