

**ASSEMBLY BILL**

**No. 2416**

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**Introduced by Assembly Member Wilk**

February 19, 2016

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An act to repeal Section 1785.28.6 of the Civil Code, relating to escrow agent credit.

LEGISLATIVE COUNSEL'S DIGEST

AB 2416, as introduced, Wilk. Escrow agent rating service.

Existing law, 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. Existing law requires every consumer reporting agency to advise the consumer of the agency's obligation to provide a decoded written version of the file. Existing law grants the consumer the right to request and receive a decoded written version of the file. Existing law requires a consumer credit reporting agency to disclose the recipients of any consumer credit report on the consumer which the consumer credit reporting agency has furnished, as specified.

Under existing law, a consumer credit reporting agency is required to furnish a consumer credit report only under certain circumstances, including in accordance with the written instructions of the consumer to whom it relates. Existing law prohibits a consumer credit reporting agency from making any consumer credit report containing specified information. Existing law requires every consumer credit reporting agency to maintain reasonable procedures designed to avoid disclosing certain information and to limit the furnishing of consumer credit reports to specified purposes. If the completeness or accuracy of any item of

information in a consumer’s file is disputed by the consumer, existing law requires the consumer credit reporting agency to reinvestigate and record the current status of the disputed information within a specified period of time. Existing law requires each consumer credit reporting agency that compiles and reports items of information that are matters of public record to specify the source from which that information was obtained. Existing law requires a person that procures a consumer credit report for the purpose of reselling the report to take specified actions.

Existing law authorizes any consumer suffering damages as a result of a violation of the Consumer Credit Reporting Agencies Act by any person to bring a court action for damages or injunctive relief, as specified.

Existing law requires an escrow agent rating service, as defined, to comply with the provisions described above. Existing law makes an escrow agent rating service subject to the requirements applicable to a reseller of credit information if it acts in that capacity, as specified. Existing law requires an escrow agent rating service to establish policies and procedures to protect the personal information it obtains from escrow agents. Existing law authorizes an escrow agent, as defined, who suffers damages as a result of the failure of an escrow agent rating service to comply with these provisions to bring a court action for specified damages. Existing law repeals, on January 1, 2017, these escrow agent rating service requirements.

This bill would instead extend the operation of the escrow agent rating service requirements indefinitely.

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 1785.28.6 of the Civil Code is repealed.
- 2 ~~1785.28.6. This chapter shall remain in effect only until January~~
- 3 ~~1, 2017, and as of that date is repealed, unless a later enacted~~
- 4 ~~statute, that is enacted before January 1, 2017, deletes or extends~~
- 5 ~~that date.~~

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