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SENATE BILL 5516

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State of Washington

52nd Legislature

1991 Regular Session

By Senators Williams, Moore and Pelz.

Read first time February 4, 1991. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to consumer credit information; adding a new  
2 chapter to Title 19 RCW; and prescribing penalties.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
5 encourage the use of positive identification systems to the maximum  
6 extent possible in consumer credit reporting by consumer reporting  
7 agencies and business reporting agencies in order to improve  
8 identification of information on reports. The legislature finds that  
9 consumers and businesses are being denied credit or experiencing credit  
10 difficulties due to inaccuracies in credit reporting, reporting of  
11 others' credit problems on their credit reports, and inappropriate  
12 credit denial practices.

1        NEW SECTION.    **Sec. 2.**        Unless the context clearly requires  
2 otherwise, the definitions in this section apply throughout this  
3 chapter.

4        (1) "Business reporting agency" means an entity that reports on the  
5 credit history of any business, including sole proprietorships,  
6 partnerships, and corporations.

7        (2) "Consumer reporting agency" means an entity that reports on the  
8 credit history of an individual as defined in the federal fair credit  
9 reporting act, 15 U.S.C. Sec. 1681a (d) and (f). This definition is  
10 not intended to prevent reporting of individuals doing business as sole  
11 proprietorships or partnerships, or who are principals in a corporate  
12 entity.

13        (3) "Credit applicant" means a person or business on whom a credit  
14 report is being or has been created.

15        (4) "Credit reporting agency" means a business reporting agency or  
16 a consumer reporting agency.

17        (5) "Report user" means an entity that accesses or uses credit  
18 history information generated by consumer or business reporting  
19 agencies.

20        NEW SECTION.    **Sec. 3.**        (1) Credit reporting agencies and report  
21 users shall use, in addition to any other identifying information, a  
22 credit applicant's social security number if made available by the  
23 applicant, a federal taxpayer information number, or other positive  
24 identification system to avoid confusion with other buyers' credit  
25 reports.

26        (2) Nothing in this chapter may be used to coerce an individual who  
27 does not wish to do so to reveal his or her social security number or  
28 other identifying information. Notification to an individual in the  
29 form of a brief statement that providing such identifying information

1 increases the accuracy of consumer and business credit and financial  
2 reports shall not be construed as coercion for the purposes of this  
3 chapter.

4 (3) Individuals or businesses shall not knowingly and with intent  
5 to defraud provide inaccurate identifying information, including, but  
6 not limited to, inaccurate social security numbers or federal taxpayer  
7 identification numbers, to the report user.

8 NEW SECTION. **Sec. 4.** (1) A credit reporting agency as defined  
9 in chapter 19.134 RCW shall not provide the names of entities that have  
10 requested credit information of a credit applicant without specific  
11 written authority to do so by the applicant.

12 (2) A person shall not be denied credit solely because he or she  
13 has refused to authorize the release of names of entities seeking  
14 credit information.

15 NEW SECTION. **Sec. 5.** Credit inquiries into a person's credit  
16 report shall not be used as the sole factor in denying credit.

17 NEW SECTION. **Sec. 6.** (1) Credit agencies shall correct  
18 inaccuracies in credit reports within thirty days of discovering the  
19 inaccuracy. Written notice of the correction shall be sent to the  
20 credit applicant at the credit applicant's last known address within  
21 sixty days after discovering the inaccuracy.

22 (2) A credit applicant's written objections to information  
23 contained in his or her credit report shall be included in the same  
24 portion of the report as the disputed information.

25 NEW SECTION. **Sec. 7.** Upon request, credit applicants may  
26 receive one free copy of their credit report per year from each credit

1 agency compiling credit reports on them. Applicants may request and  
2 receive a free credit report if they are rejected for credit.

3 NEW SECTION. **Sec. 8.** (1) Any person who violates this chapter  
4 shall be subject to a civil penalty not to exceed two hundred fifty  
5 dollars for each violation, to be assessed and collected in a civil  
6 action brought by the credit applicant, by the attorney general, or by  
7 the prosecuting or city attorney of the county or city in which the  
8 violation occurred. However, no civil penalty may be assessed for a  
9 violation of this chapter if the defendant shows by a preponderance of  
10 the evidence that the violation was not intentional and resulted from  
11 a bona fide error made notwithstanding the defendant's maintenance of  
12 procedures reasonably adopted to avoid such an error.

13 (2) The attorney general, or any prosecuting or city attorney  
14 within his or her respective jurisdiction, may bring an action in the  
15 superior court in the name of the people of the state of Washington to  
16 enjoin violations of this chapter and, upon notice to the defendant of  
17 not less than five days, to temporarily restrain and enjoin the  
18 violation. If it appears to the satisfaction of the court that the  
19 defendant has, in fact, violated this chapter, the court may issue an  
20 injunction restraining further violations without requiring proof that  
21 any person has been damaged by the violation. In these proceedings, if  
22 the court finds that the defendant has violated this chapter, the court  
23 may direct the defendant to pay any or all costs incurred by the  
24 attorney general or prosecuting or city attorney in seeking or  
25 obtaining injunctive relief pursuant to this subsection.

26 NEW SECTION. **Sec. 9.** This chapter shall be known and cited as  
27 the fair credit reporting act.

1        NEW SECTION.    **Sec. 10.**        Sections 1 through 9 of this act shall  
2    constitute a new chapter in Title 19 RCW.