

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5574

Chapter 476, Laws of 1993

53rd Legislature
1993 Regular Session

FAIR CREDIT REPORTING ACT

EFFECTIVE DATE: 1/1/94

Passed by the Senate April 20, 1993
YEAS 36 NAYS 0

JOEL PRITCHARD
President of the Senate

Passed by the House April 6, 1993
YEAS 98 NAYS 0

BRIAN EBERSOLE
**Speaker of the
House of Representatives**

Approved May 17, 1993

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5574** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MARTY BROWN
Secretary

FILED

May 17, 1993 - 2:12 p.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5574

AS AMENDED BY THE HOUSE

Passed Legislature - 1993 Regular Session

State of Washington 53rd Legislature 1993 Regular Session

By Senate Committee on Labor & Commerce (originally sponsored by
Senators Williams, Moore, Pelz and Franklin)

Read first time 03/03/93.

1 AN ACT Relating to consumer credit reporting agencies; adding a new
2 chapter to Title 19 RCW; prescribing penalties; and providing an
3 effective date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds and declares that
6 consumers have a vital interest in establishing and maintaining
7 creditworthiness. The legislature further finds that an elaborate
8 mechanism using credit reports has developed for investigating and
9 evaluating a consumer's creditworthiness, credit capacity, and general
10 reputation and character. As such, credit reports are used for
11 evaluating credit card, loan, mortgage, and small business financing
12 applications, as well as for decisions regarding employment and the
13 rental or leasing of dwellings. Moreover, financial institutions and
14 other creditors depend upon fair and accurate credit reports to
15 efficiently and accurately evaluate creditworthiness. Unfair or
16 inaccurate reports undermine both public and creditor confidences in
17 the reliability of credit granting systems.

18 Therefore, this chapter is necessary to assure accurate credit data
19 collection, maintenance, and reporting on the citizens of the state.

1 It is the policy of the state that credit reporting agencies maintain
2 accurate credit reports, resolve disputed reports promptly and fairly,
3 and adopt reasonable procedures to promote consumer confidentiality and
4 the proper use of credit data in accordance with this chapter.

5 NEW SECTION. **Sec. 2.** This chapter shall be known as the Fair
6 Credit Reporting Act.

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

10 (1)(a) "Adverse action" includes:

11 (i) Denial of, increase in any charge for, or reduction in the
12 amount of insurance for personal, family, or household purposes;

13 (ii) Denial of employment or any other decision for employment
14 purposes that adversely affects a current or prospective employee;

15 (iii) Action or determination with respect to a consumer's
16 application for credit that is adverse to the interests of the
17 consumer; and

18 (iv) Action or determination with respect to a consumer's
19 application for the rental or leasing of residential real estate that
20 is adverse to the interests of the consumer.

21 (b) "Adverse action" does not include:

22 (i) A refusal to extend additional credit under an existing credit
23 arrangement if:

24 (A) The applicant is delinquent or otherwise in default with
25 respect to the arrangement; or

26 (B) The additional credit would exceed a previously established
27 credit limit; or

28 (ii) A refusal or failure to authorize an account transaction at a
29 point of sale.

30 (2) "Attorney general" means the office of the attorney general.

31 (3) "Consumer" means an individual.

32 (4)(a) "Consumer report" means a written, oral, or other
33 communication of information by a consumer reporting agency bearing on
34 a consumer's creditworthiness, credit standing, credit capacity,
35 character, general reputation, personal characteristics, or mode of
36 living that is used or expected to be used or collected in whole or in
37 part for:

1 (i) The purpose of serving as a factor in establishing the
2 consumer's eligibility for credit or insurance to be used primarily for
3 personal, family, or household purposes;

4 (ii) Employment purposes; or

5 (iii) Other purposes authorized under section 4 of this act.

6 (b) "Consumer report" does not include:

7 (i) A report containing information solely as to transactions or
8 experiences between the consumer and the person making the report;

9 (ii) An authorization or approval of a specific extension of credit
10 directly or indirectly by the issuer of a credit card or similar
11 device;

12 (iii) A report in which a person who has been requested by a third
13 party to make a specific extension of credit directly or indirectly to
14 a consumer conveys his or her decision with respect to the request, if
15 the third party advises the consumer of the name and address of the
16 person to whom the request was made and the person makes the
17 disclosures to the consumer required under section 9 of this act;

18 (iv) A list compiled by a consumer reporting agency to be used by
19 its client for direct marketing of goods or services not involving an
20 offer of credit;

21 (v) A report solely conveying a decision whether to guarantee a
22 check in response to a request by a third party; or

23 (vi) A report furnished for use in connection with a transaction
24 that consists of an extension of credit to be used for a commercial
25 purpose.

26 (5) "Consumer reporting agency" means a person who, for monetary
27 fees, dues, or on a cooperative nonprofit basis, regularly engages in
28 whole or in part in the business of assembling or evaluating consumer
29 credit information or other information on consumers for the purpose of
30 furnishing consumer reports to third parties, and who uses any means or
31 facility of commerce for the purpose of preparing or furnishing
32 consumer reports. "Consumer reporting agency" does not include a
33 person solely by reason of conveying a decision whether to guarantee a
34 check in response to a request by a third party or a person who obtains
35 a consumer report and provides the report or information contained in
36 it to a subsidiary or affiliate of the person.

37 (6) "Credit transaction that is not initiated by the consumer" does
38 not include the use of a consumer report by an assignee for collection
39 or by a person with which the consumer has an account, for purposes of

1 (a) reviewing the account, or (b) collecting the account. For purposes
2 of this subsection "reviewing the account" includes activities related
3 to account maintenance and monitoring, credit line increases, and
4 account upgrades and enhancements.

5 (7) "Direct solicitation" means the process in which the consumer
6 reporting agency compiles or edits for a client a list of consumers who
7 meet specific criteria and provides this list to the client or a third
8 party on behalf of the client for use in soliciting those consumers for
9 an offer of a product or service.

10 (8) "Employment purposes," when used in connection with a consumer
11 report, means a report used for the purpose of evaluating a consumer
12 for employment, promotion, reassignment, or retention as an employee.

13 (9) "File," when used in connection with information on any
14 consumer, means all of the information on that consumer recorded and
15 retained by a consumer reporting agency regardless of how the
16 information is stored.

17 (10) "Investigative consumer report" means a consumer report or
18 portion of it in which information on a consumer's character, general
19 reputation, personal characteristics, or mode of living is obtained
20 through personal interviews with neighbors, friends, or associates of
21 the consumer reported on or with others with whom the consumer is
22 acquainted or who may have knowledge concerning any items of
23 information. However, the information does not include specific
24 factual information on a consumer's credit record obtained directly
25 from a creditor of the consumer or from a consumer reporting agency
26 when the information was obtained directly from a creditor of the
27 consumer or from the consumer.

28 (11) "Medical information" means information or records obtained,
29 with the consent of the individual to whom it relates, from a licensed
30 physician or medical practitioner, hospital, clinic, or other medical
31 or medically related facility.

32 (12) "Person" includes an individual, corporation, government or
33 governmental subdivision or agency, business trust, estate, trust,
34 partnership, association, and any other legal or commercial entity.

35 (13) "Prescreening" means the process in which the consumer
36 reporting agency compiles or edits for a client a list of consumers who
37 meet specific credit criteria and provides this list to the client or
38 a third party on behalf of the client for use in soliciting those
39 consumers for an offer of credit.

1 NEW SECTION. **Sec. 4.** (1) A consumer reporting agency may furnish
2 a consumer report only under the following circumstances:

3 (a) In response to the order of a court having jurisdiction to
4 issue the order;

5 (b) In accordance with the written instructions of the consumer to
6 whom it relates; or

7 (c) To a person that the agency has reason to believe:

8 (i) Intends to use the information in connection with a credit
9 transaction involving the consumer on whom the information is to be
10 furnished and involving the extension of credit to, or review or
11 collection of an account of, the consumer;

12 (ii) Intends to use the information for employment purposes;

13 (iii) Intends to use the information in connection with the
14 underwriting of insurance involving the consumer;

15 (iv) Intends to use the information in connection with a
16 determination of the consumer's eligibility for a license or other
17 benefit granted by a governmental instrumentality required by law to
18 consider an applicant's financial responsibility or status; or

19 (v) Otherwise has a legitimate business need for the information in
20 connection with a business transaction involving the consumer.

21 (2)(a) A person may not procure a consumer report, or cause a
22 consumer report to be procured, for employment purposes with respect to
23 any consumer who is not an employee at the time the report is procured
24 or caused to be procured unless:

25 (i) A clear and conspicuous disclosure has been made in writing to
26 the consumer before the report is procured or caused to be procured
27 that a consumer report may be obtained for purposes of considering the
28 consumer for employment. The disclosure may be contained in a written
29 statement contained in employment application materials; or

30 (ii) The consumer authorizes the procurement of the report.

31 (b) A person may not procure a consumer report, or cause a consumer
32 report to be procured, for employment purposes with respect to any
33 employee unless the employee has received, at any time after the person
34 became an employee, written notice that consumer reports may be used
35 for employment purposes. A written statement that consumer reports may
36 be used for employment purposes that is contained in employee
37 guidelines or manuals available to employees or included in written
38 materials provided to employees constitutes written notice for purposes
39 of this subsection. This subsection does not apply with respect to a

1 consumer report of an employee who the employer has reasonable cause to
2 believe has engaged in specific activity that constitutes a violation
3 of law.

4 (c) In using a consumer report for employment purposes, before
5 taking any adverse action based in whole or part on the report, a
6 person shall provide to the consumer to whom the report relates: (i)
7 The name, address, and telephone number of the consumer reporting
8 agency providing the report; (ii) a description of the consumer's
9 rights under this chapter pertaining to consumer reports obtained for
10 employment purposes; and (iii) a reasonable opportunity to respond to
11 any information in the report that is disputed by the consumer.

12 NEW SECTION. **Sec. 5.** (1) A consumer reporting agency may provide
13 a consumer report relating to a consumer under section 4(1)(c)(i) of
14 this act in connection with a credit transaction that is not initiated
15 by the consumer only if:

16 (a) The consumer authorized the consumer reporting agency to
17 provide the report to such a person; or

18 (b) The consumer has not elected in accordance with subsection (3)
19 of this section to have the consumer's name and address excluded from
20 such transactions.

21 (2) A consumer reporting agency may provide only the following
22 information under subsection (1) of this section:

23 (a) The name and address of the consumer; and

24 (b) Information pertaining to a consumer that is not identified or
25 identifiable with particular accounts or transactions of the consumer.

26 (3)(a) A consumer may elect to have his or her name and address
27 excluded from any list provided by a consumer reporting agency through
28 prescreening under subsection (1) of this section or from any list
29 provided by a consumer reporting agency for direct solicitation
30 transactions that are not initiated by the consumer by notifying the
31 consumer reporting agency. The notice must be made in writing through
32 the notification system maintained by the consumer reporting agency
33 under subsection (4) of this section and must state that the consumer
34 does not consent to any use of consumer reports relating to the
35 consumer in connection with any transaction that is not initiated by
36 the consumer.

37 (b) An election of a consumer under (a) of this subsection is
38 effective with respect to a consumer reporting agency and any affiliate

1 of the consumer reporting agency, within five business days after the
2 consumer reporting agency receives the consumer's notice.

3 (4) A consumer reporting agency that provides information intended
4 to be used in a prescreened credit transaction or direct solicitation
5 transaction that is not initiated by the consumer shall:

6 (a) Maintain a notification system that facilitates the ability of
7 a consumer in the agency's data base to notify the agency to promptly
8 withdraw the consumer's name from lists compiled for prescreened credit
9 transactions and direct solicitation transactions not initiated by the
10 consumer; and

11 (b) Publish at least annually in a publication of general
12 circulation in the area served by the agency, the address for consumers
13 to use to notify the agency of the consumer's election under subsection
14 (3) of this section.

15 (5) A consumer reporting agency that maintains consumer reports on
16 a nation-wide basis shall establish a system meeting the requirements
17 of subsection (4) of this section on a nation-wide basis, and may
18 operate such a system jointly with any other consumer reporting
19 agencies.

20 (6) Compliance with the requirements of this section by any
21 consumer reporting agency constitutes compliance by the agency's
22 affiliates.

23 **NEW SECTION.** **Sec. 6.** (1) Except as authorized under subsection
24 (2) of this section, no consumer reporting agency may make a consumer
25 report containing any of the following items of information:

26 (a) Bankruptcies that, from date of adjudication of the most recent
27 bankruptcy, antedate the report by more than ten years;

28 (b) Suits and judgments that, from date of entry, antedate the
29 report by more than seven years or until the governing statute of
30 limitations has expired, whichever is the longer period;

31 (c) Paid tax liens that, from date of payment, antedate the report
32 by more than seven years;

33 (d) Accounts placed for collection or charged to profit and loss
34 that antedate the report by more than seven years;

35 (e) Records of arrest, indictment, or conviction of crime that,
36 from date of disposition, release, or parole, antedate the report by
37 more than seven years;

1 (f) Any other adverse item of information that antedates the report
2 by more than seven years.

3 (2) Subsection (1) of this section is not applicable in the case of
4 a consumer report to be used in connection with:

5 (a) A credit transaction involving, or that may reasonably be
6 expected to involve, a principal amount of fifty thousand dollars or
7 more;

8 (b) The underwriting of life insurance involving, or that may
9 reasonably be expected to involve, a face amount of fifty thousand
10 dollars or more; or

11 (c) The employment of an individual at an annual salary that
12 equals, or that may reasonably be expected to equal, twenty thousand
13 dollars or more.

14 NEW SECTION. **Sec. 7.** (1) A person may not procure or cause to be
15 prepared an investigative consumer report on a consumer unless:

16 (a) It is clearly and accurately disclosed to the consumer that an
17 investigative consumer report including information as to the
18 consumer's character, general reputation, personal characteristics, and
19 mode of living, whichever are applicable, may be made, and the
20 disclosure:

21 (i) Is made in a writing mailed, or otherwise delivered, to the
22 consumer not later than three days after the date on which the report
23 was first requested; and

24 (ii) Includes a statement informing the consumer of the consumer's
25 right to request the additional disclosures provided for under
26 subsection (2) of this section and the written summary of the rights of
27 the consumer prepared under section 10(7) of this act; or

28 (b) The report is to be used for employment purposes for which the
29 consumer has not specifically applied.

30 (2) A person who procures or causes to be prepared an investigative
31 consumer report on a consumer shall make, upon written request made by
32 the consumer within a reasonable period of time after the receipt by
33 the consumer of the disclosure required in subsection (1)(a) of this
34 section, a complete and accurate disclosure of the nature and scope of
35 the investigation requested. This disclosure must be made in a writing
36 mailed, or otherwise delivered, to the consumer not later than the
37 latter of five days after the date on which the request for the

1 disclosure was either received from the consumer or the report was
2 first requested.

3 (3) No person may be held liable for a violation of subsection (1)
4 or (2) of this section if the person shows by a preponderance of the
5 evidence that at the time of the violation the person maintained
6 reasonable procedures to assure compliance with subsection (1) or (2)
7 of this section.

8 (4) A consumer reporting agency shall maintain a detailed record
9 of:

10 (a) The identity of the person to whom an investigative consumer
11 report or information from a consumer report is provided by the
12 consumer reporting agency; and

13 (b) The certified purpose for which an investigative consumer
14 report on a consumer, or any other information relating to a consumer,
15 is requested by the person.

16 For purposes of this subsection, "person" does not include an
17 individual who requests the report unless the individual obtains the
18 report or information for his or her own individual purposes.

19 NEW SECTION. **Sec. 8.** (1) A consumer reporting agency shall
20 maintain reasonable procedures designed to avoid violations of section
21 6 of this act and to limit the furnishing of consumer reports to the
22 purposes listed under section 4 of this act. These procedures must
23 require that prospective users of the information identify themselves,
24 certify the purposes for which the information is sought, and certify
25 that the information will be used for no other purpose. A consumer
26 reporting agency shall make a reasonable effort to verify the identity
27 of a new prospective user and the uses certified by the prospective
28 user before furnishing the user a consumer report. No consumer
29 reporting agency may furnish a consumer report to a person if the
30 agency has reasonable grounds for believing that the consumer report
31 will not be used for a purpose listed in section 4 of this act.

32 (2) Whenever a consumer reporting agency prepares a consumer report
33 it shall follow reasonable procedures to assure maximum possible
34 accuracy of the information concerning the individual about whom the
35 report relates.

36 (3) Notwithstanding section 4 of this act, a consumer reporting
37 agency may furnish identifying information about a consumer, limited to

1 the consumer's name, address, former addresses, places of employment,
2 or former places of employment, to a governmental agency.

3 (4) A consumer reporting agency shall maintain a detailed record
4 of:

5 (a) The identity of any person to whom a consumer report or
6 information from a consumer report is provided by the consumer
7 reporting agency; and

8 (b) The certified purpose for which a consumer report on a
9 consumer, or any other information relating to a consumer, is requested
10 by any person.

11 For purposes of this subsection, "person" does not include an
12 individual who requests the report unless the individual obtains the
13 report or information for his or her own purposes.

14 NEW SECTION. **Sec. 9.** A consumer reporting agency shall, upon
15 request by the consumer, clearly and accurately disclose:

16 (1) All information in the file on the consumer at the time of
17 request, except that medical information may be withheld. The agency
18 shall inform the consumer of the existence of medical information, and
19 the consumer has the right to have that information disclosed to the
20 health care provider of the consumer's choice. Nothing in this chapter
21 prevents, or authorizes a consumer reporting agency to prevent, the
22 health care provider from disclosing the medical information to the
23 consumer. The agency shall inform the consumer of the right to
24 disclosure of medical information at the time the consumer requests
25 disclosure of his or her file.

26 (2) All items of information in its files on that consumer,
27 including disclosure of the sources of the information, except that
28 sources of information acquired solely for use in an investigative
29 report may only be disclosed to a plaintiff under appropriate discovery
30 procedures.

31 (3) Identification of (a) each person who for employment purposes
32 within the two-year period before the request, and (b) each person who
33 for any other purpose within the six-month period before the request,
34 procured a consumer report.

35 (4) A record identifying all inquiries received by the agency in
36 the six-month period before the request that identified the consumer in
37 connection with a credit transaction that is not initiated by the
38 consumer.

(5) An identification of a person under subsection (3) or (4) of this section must include (a) the name of the person or, if applicable, the trade name under which the person conducts business; and (b) upon request of the consumer, the address of the person.

NEW SECTION. Sec. 10. (1) A consumer reporting agency shall make the disclosures required under section 9 of this act during normal business hours and on reasonable notice.

(2) The consumer reporting agency shall make the disclosures required under section 9 of this act to the consumer:

(a) In person if the consumer appears in person and furnishes proper identification;

(b) By telephone if the consumer has made a written request, with proper identification, for telephone disclosure and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer; or

(c) By any other reasonable means that are available to the consumer reporting agency if that means is authorized by the consumer.

(3) A consumer reporting agency shall provide trained personnel to explain to the consumer, information furnished to the consumer under section 9 of this act.

(4) The consumer reporting agency shall permit the consumer to be accompanied by one other person of the consumer's choosing, who shall furnish reasonable identification. A consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in the other person's presence.

(5) If a credit score is provided by a consumer reporting agency to a consumer, the agency shall provide an explanation of the meaning of the credit score.

(6) Except as provided in section 17 of this act, no consumer may bring an action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information against a consumer reporting agency or a user of information, based on information disclosed under this section or section 9 of this act, except as to false information furnished with malice or willful intent to injure the consumer. Except as provided in section 17 of this act, no consumer may bring an action or proceeding against a person who

1 provides information to a consumer reporting agency in the nature of
2 defamation, invasion of privacy, or negligence for unintentional error.

3 (7)(a) A consumer reporting agency must provide to a consumer, with
4 each written disclosure by the agency to the consumer under section 9
5 of this act, a written summary of all rights and remedies the consumer
6 has under this chapter.

7 (b) The summary of the rights and remedies of consumers under this
8 chapter must include:

9 (i) A brief description of this chapter and all rights and remedies
10 of consumers under this chapter;

11 (ii) An explanation of how the consumer may exercise the rights and
12 remedies of the consumer under this chapter; and

13 (iii) A list of all state agencies, including the attorney
14 general's office, responsible for enforcing any provision of this
15 chapter and the address and appropriate phone number of each such
16 agency.

17 NEW SECTION. **Sec. 11.** (1) If the completeness or accuracy of an
18 item of information contained in a consumer's file at a consumer
19 reporting agency is disputed by the consumer and the consumer notifies
20 the agency directly of the dispute, the agency shall reinvestigate
21 without charge and record the current status of the disputed
22 information before the end of thirty business days, beginning on the
23 date the agency receives the notice from the consumer.

24 (2) Before the end of the five business-day period beginning on the
25 date a consumer reporting agency receives notice of a dispute from a
26 consumer in accordance with subsection (1) of this section, the agency
27 shall notify any person who provided an item of information in dispute.

28 (3)(a) Notwithstanding subsection (1) of this section, a consumer
29 reporting agency may terminate a reinvestigation of information
30 disputed by a consumer under subsection (1) of this section if the
31 agency determines that the dispute by the consumer is frivolous or
32 irrelevant, including by reason of a failure of the consumer to provide
33 sufficient information.

34 (b) Upon making a determination in accordance with (a) of this
35 subsection that a dispute is frivolous or irrelevant, a consumer
36 reporting agency shall notify the consumer within five business days of
37 the determination. The notice shall be made in writing or any other
38 means authorized by the consumer that are available to the agency, but

1 the notice shall include the reasons for the determination and a notice
2 of the consumer's rights under subsection (6) of this section.

3 (4) In conducting a reinvestigation under subsection (1) of this
4 section with respect to disputed information in the file of any
5 consumer, the consumer reporting agency shall review and consider all
6 relevant information submitted by the consumer in the period described
7 in subsection (1) of this section with respect to the disputed
8 information.

9 (5)(a) If, after a reinvestigation under subsection (1) of this
10 section of information disputed by a consumer, the information is found
11 to be inaccurate or cannot be verified, the consumer reporting agency
12 shall promptly delete the information from the consumer's file.

13 (b)(i) If information is deleted from a consumer's file under (a)
14 of this subsection, the information may not be reinserted in the file
15 after the deletion unless the person who furnishes the information
16 verifies that the information is complete and accurate.

17 (ii) If information that has been deleted from a consumer's file
18 under (a) of this subsection is reinserted in the file in accordance
19 with (b)(i) of this subsection, the consumer reporting agency shall
20 notify the consumer of the reinsertion within thirty business days.
21 The notice shall be in writing or any other means authorized by the
22 consumer that are available to the agency.

23 (6) If the reinvestigation does not resolve the dispute or if the
24 consumer reporting agency determines the dispute is frivolous or
25 irrelevant, the consumer may file a brief statement setting forth the
26 nature of the dispute. The consumer reporting agency may limit these
27 statements to not more than one hundred words if it provides the
28 consumer with assistance in writing a clear summary of the dispute.

29 (7) After the deletion of information from a consumer's file under
30 this section or after the filing of a statement of dispute under
31 subsection (6) of this section, the consumer reporting agency shall, at
32 the request of the consumer, furnish notification that the item of
33 information has been deleted or that item of information is disputed.
34 In the case of disputed information, the notification shall include the
35 statement filed under subsection (6) of this section. The notification
36 shall be furnished to any person specifically designated by the
37 consumer, who has, within two years before the deletion or filing of a
38 dispute, received a consumer report concerning the consumer for
39 employment purposes, or who has, within six months of the deletion or

1 the filing of the dispute, received a consumer report concerning the
2 consumer for any other purpose, if these consumer reports contained the
3 deleted or disputed information.

4 (8)(a) Upon completion of the reinvestigation under this section,
5 a consumer reporting agency shall provide notice, in writing or by any
6 other means authorized by the consumer, of the results of a
7 reinvestigation within five business days.

8 (b) The notice required under (a) of this subsection must include:

9 (i) A statement that the reinvestigation is completed;

10 (ii) A consumer report that is based upon the consumer's file as
11 that file is revised as a result of the reinvestigation;

12 (iii) A description or indication of any changes made in the
13 consumer report as a result of those revisions to the consumer's file;

14 (iv) If requested by the consumer, a description of the procedure
15 used to determine the accuracy and completeness of the information
16 shall be provided to the consumer by the agency, including the name,
17 business address, and telephone number of any person contacted in
18 connection with the information;

19 (v) If the reinvestigation does not resolve the dispute, a summary
20 of the consumer's right to file a brief statement as provided in
21 subsection (6) of this section; and

22 (vi) If information is deleted or disputed after reinvestigation,
23 a summary of the consumer's right to request notification to persons
24 who have received a consumer report as provided in subsection (7) of
25 this section.

26 (9) In the case of a consumer reporting agency that compiles and
27 maintains consumer reports on a nationwide basis, the consumer
28 reporting agency must provide to a consumer who has undertaken to
29 dispute the information contained in his or her file a toll-free
30 telephone number that the consumer can use to communicate with the
31 agency. A consumer reporting agency that provides a toll-free number
32 required by this subsection shall also provide adequately trained
33 personnel to answer basic inquiries from consumers using the toll-free
34 number.

35 NEW SECTION. **Sec. 12.** (1) Except as provided in subsections (2)
36 and (3) of this section, a consumer reporting agency may charge the
37 following fees to the consumer:

1 (a) For making a disclosure under sections 9 and 10 of this act,
2 the consumer reporting agency may charge a fee not exceeding eight
3 dollars. Beginning January 1, 1995, the eight-dollar charge may be
4 adjusted on January 1st of each year based on corresponding changes in
5 the Consumer Price Index with fractional changes rounded to the nearest
6 half dollar.

7 (b) For furnishing a notification, statement, or summary to a
8 person under section 11(7) of this act, the consumer reporting agency
9 may charge a fee not exceeding the charge that the agency would impose
10 on each designated recipient for a consumer report. The amount of any
11 charge must be disclosed to the consumer before furnishing the
12 information.

13 (2) A consumer reporting agency shall make all disclosures under
14 sections 9 and 10 of this act and furnish all consumer reports under
15 section 11 of this act without charge, if requested by the consumer
16 within sixty days after receipt by the consumer of a notification of
17 adverse action under section 13 of this act or of a notification from
18 a debt collection agency affiliated with that consumer reporting agency
19 stating that the consumer's credit rating may be or has been adversely
20 affected.

21 (3) A consumer reporting agency shall not impose any charge for (a)
22 providing notice to a consumer required under section 11 of this act,
23 or (b) notifying a person under section 11(7) of this act of the
24 deletion of information that is found to be inaccurate or that can no
25 longer be verified, if the consumer designates that person to the
26 agency before the end of the thirty-day period beginning on the date of
27 notice under section 11(8) of this act.

28 NEW SECTION. **Sec. 13.** If a person takes an adverse action with
29 respect to a consumer that is based, in whole or in part, on
30 information contained in a consumer report, the person shall:

31 (1) Provide written notice of the adverse action to the consumer,
32 except verbal notice may be given by a person in an adverse action
33 involving a business regulated by the Washington utilities and
34 transportation commission or involving an application for the rental or
35 leasing of residential real estate if such verbal notice does not
36 impair a consumer's ability to obtain a credit report without charge
37 under section 12(2) of this act; and

(2) Provide the consumer with the name, address, and telephone number of the consumer reporting agency that furnished the report to the person.

NEW SECTION. **Sec. 14.** An action to enforce a liability created under this chapter is permanently barred unless commenced within two years after the cause of action accrues, except that where a defendant has materially and willfully misrepresented information required under this chapter to be disclosed to an individual and the information so misrepresented is material to the establishment of the defendant's liability to that individual under this chapter, the action may be brought at any time within two years after discovery by the individual of the misrepresentation.

NEW SECTION. **Sec. 15.** A person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses is subject to a fine of up to five thousand dollars or imprisonment for up to one year, or both.

NEW SECTION. **Sec. 16.** An officer or employee of a consumer reporting agency who knowingly and willfully provides information concerning an individual from the agency's files to a person not authorized to receive that information is subject to a fine of up to five thousand dollars or imprisonment for up to one year, or both.

NEW SECTION. **Sec. 17.** The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the Consumer Protection Act, chapter 19.86 RCW. Violations of this chapter are not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the Consumer Protection Act, chapter 19.86 RCW. The burden of proof in an action alleging a violation of this chapter shall be by a preponderance of the evidence, and the applicable statute of limitation shall be as set forth in section 14 of this act. For purposes of a judgment awarded pursuant to an action by a consumer under chapter 19.86 RCW, the consumer shall be awarded actual damages and costs of the action together with reasonable attorney's fees as determined by the court.

1 However, where there has been willful failure to comply with any
2 requirement imposed under this chapter, the consumer shall be awarded
3 actual damages, a monetary penalty of one thousand dollars, and the
4 costs of the action together with reasonable attorneys' fees as
5 determined by the court.

6 NEW SECTION. **Sec. 18.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

10 NEW SECTION. **Sec. 19.** Sections 1 through 18 of this act shall
11 constitute a new chapter in Title 19 RCW.

12 NEW SECTION. **Sec. 20.** This act takes effect January 1, 1994.

Passed the Senate April 20, 1993.

Passed the House April 6, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.