



2001 SENATE BILL 135

April 11, 2001 - Introduced by Senators ERPENBACH, BURKE, RISSER, GEORGE, DARLING and HANSEN, cosponsored by Representatives GUNDERSON, ZIEGELBAUER, SCHNEIDER, YOUNG, POCAN, BOCK, MUSSER, WOOD, TURNER, MILLER, BALOW, CULLEN, J. LEHMAN, BERCEAU and MORRIS-TATUM. Referred to Committee on Privacy, Electronic Commerce and Financial Institutions.

- 1 **AN ACT to create** subchapter V of chapter 224 [precedes 224.991] of the statutes;
2 **relating to:** disclosure of credit reports and providing a penalty.

Analysis by the Legislative Reference Bureau

Wisconsin law currently does not specifically regulate the disclosure of credit reports to consumers by a credit reporting agency (agency). However, under current federal law, an agency must provide a consumer with five pieces of information upon request: all nonmedical information contained in the agency's files on the consumer, the sources of that information, the recipients of any credit report concerning the consumer, information regarding any checks that form the basis of an adverse characterization of the consumer, and a record of certain inquiries received by the agency that identified the consumer. Generally, unless the consumer's request is pursuant to a denial of credit or to a notice that the consumer's credit may be adversely affected, the agency may charge up to \$8 for this disclosure. In certain circumstances, federal law prohibits an agency from disclosing the sources of information in a consumer's file.

This bill requires an agency to notify any individual whenever the agency discloses information concerning the individual to anyone other than the individual. The agency must also inform the individual of the identity of the person to whom the information was disclosed. This bill also requires an agency, upon request, to provide one free written disclosure report to a consumer per year. In addition to the disclosure required by the federal law, this bill requires the agency to provide the consumer with a current credit report and a clear and concise explanation of the contents of the written disclosure report. This bill prohibits an agency from making

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- 1 (a) A current consumer report pertaining to the individual.
- 2 (b) The date of each request for credit information pertaining to the individual
3 received by the consumer reporting agency during the 12 months before the date that
4 the consumer reporting agency provides the written disclosure report.
- 5 (c) The name of each person requesting credit information pertaining to the
6 individual during the 12 months before the date that the consumer reporting agency
7 provides the written disclosure report.
- 8 (d) The dates, original payees, and amounts of any checks upon which any
9 adverse characterization of the consumer is based.
- 10 (e) Any other information contained in the individual's file.
- 11 (f) A clear and concise explanation of the contents of the written disclosure
12 report.
- 13 (g) A summary of rights.
- 14 **(3) COST.** A consumer reporting agency shall provide the written disclosure
15 report required under sub. (1) free of charge, unless the individual has requested a
16 written disclosure report from the consumer reporting agency during the preceding
17 12 months.
- 18 **(4) EXCEPTIONS.** A consumer reporting agency may not disclose to an individual
19 making a request under sub. (1) any of the following:
- 20 (a) The sources of any information that was both acquired solely for use in
21 preparing an investigative consumer report and used for no other purpose.
- 22 (b) Any credit score or other risk score or predictor relating to the consumer.
- 23 **224.995 Notification of individuals regarding disclosure.** If a consumer
24 reporting agency discloses information concerning an individual to any person other

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1 than that individual, the consumer reporting agency shall promptly notify the
2 individual, in writing, of all of the following:

3 (1) The fact that the consumer reporting agency has disclosed information
4 concerning the individual.

5 (2) The date of the disclosure.

6 (3) The name and address of the person to whom the disclosure was made.

7 **224.997 Penalties.** Any person who violates this subchapter may be fined not
8 more than \$500 for the first offense and may be fined not more than \$1,000 or
9 imprisoned for not more than 6 months or both for each subsequent offense occurring
10 within 6 months.

11 (END)