

1999 ASSEMBLY BILL 289

April 22, 1999 - Introduced by Representatives SCHNEIDER, TRAVIS, MUSSER, F. LASEE, GRONEMUS, ALBERS, TURNER, MILLER and BLACK. Referred to Committee on Financial Institutions.

1 **AN ACT to renumber** 425.401; and **to create** subchapter VI of chapter 422
2 [precedes 422.601] and 425.401 (2) of the statutes; **relating to:** disclosure of
3 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, 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 certain disclosures prohibited under federal law. A person who violates this bill may be fined up to \$500 for a first offense

ASSEMBLY BILL 289

and may be fined up to \$1,000 or imprisoned for up to six months or both for a subsequent offense within six months.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** Subchapter VI of chapter 422 [precedes 422.601] of the statutes is
2 created to read:

3 **CHAPTER 422**

4 SUBCHAPTER VI

5 CONSUMER REPORTING AGENCIES

6 **422.601 Definitions.** In this subchapter:

7 **(1)** “Consumer report” has the meaning given in 15 USC 1681a (d).

8 **(2)** “Consumer reporting agency” has the meaning given in 15 USC 1681a (f).

9 **(3)** “File” has the meaning given in 15 USC 1681a (g).

10 **(4)** “Investigative consumer report” has the meaning given in 15 USC 1681a
11 (e).

12 **(5)** “Summary of rights” means the information a consumer reporting agency
13 is required to provide under 15 USC 1681g (c).

14 **422.602 Disclosure to individual. (1)** IN GENERAL. A consumer reporting
15 agency shall, upon the written request of an individual, provide the individual with
16 a written disclosure report within 5 business days after receiving the written
17 request.

18 **(2) CONTENTS.** The written disclosure report provided under sub. (1) shall
19 contain all of the following:

20 (a) A current consumer report pertaining to the individual.

ASSEMBLY BILL 289

1 (b) The date of each request for credit information pertaining to the individual
2 received by the consumer reporting agency during the 12 months before the date that
3 the consumer reporting agency provides the written disclosure report.

4 (c) The name of each person requesting credit information pertaining to the
5 individual during the 12 months before the date that the consumer reporting agency
6 provides the written disclosure report.

7 (d) The dates, original payees and amounts of any checks upon which any
8 adverse characterization of the consumer is based.

9 (e) Any other information contained in the individual's file.

10 (f) A clear and concise explanation of the contents of the written disclosure
11 report.

12 (g) A summary of rights.

13 **(3) COST.** A consumer reporting agency shall provide the written disclosure
14 report required under sub. (1) free of charge, unless the individual has requested a
15 written disclosure report from the consumer reporting agency during the preceding
16 12 months.

17 **422.603 Exceptions.** Notwithstanding s. 422.602 (2), a consumer reporting
18 agency shall not disclose to an individual making a request under s. 422.602 (1) any
19 of the following:

20 **(1)** 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 **(2)** Any credit score or other risk score or predictor relating to the consumer.

23 **422.604 Penalty.** A violation of this subchapter is subject to s. 425.401 (2).

24 **SECTION 2.** 425.401 of the statutes is renumbered 425.401 (1).

25 **SECTION 3.** 425.401 (2) of the statutes is created to read:

