

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0668/P1dn
RJM:cmh:km

February 25, 1999

1. The attached draft requires a credit reporting agency (agency) to provide one free disclosure report to a consumer per calendar year. The federal Fair Credit Reporting Act would generally allow the agency to charge up to \$8 for each additional disclosure. The federal law also requires free disclosure if the consumer's request is in response to a denial of credit or to a notice that the consumer's credit rating may be adversely affected. If this fee arrangement is not what you intended, please let me know.

2. I have incorporated the definitions contained in the federal law into this draft. Please contact me, if the federal definitions are not consistent with your intent.

3. The federal law requires an agency to disclose five pieces of information to a consumer 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. This draft requires the agency to disclose certain additional information. I modeled these disclosure requirements after a combination of other states' laws. Please review the disclosure requirements and let me know if you desire any changes.

4. I have left the penalty section of this draft blank. Typically, violations of the Wisconsin Consumer Act (Act) are subject to one of the blanket penalty provisions in the Act. These penalty provisions are contained in ss. 425.302 to 425.304. Generally, for violations unrelated to an underlying consumer transaction, these provisions would require a payment to the consumer of either \$25 or \$100, plus damages. The Connecticut consumer credit reporting law requires a \$100 fine for a first offense and escalating criminal penalties for subsequent offenses. In addition, the federal law provides different levels of penalties for wilful, knowing, and negligent noncompliance. After you have determined what type and amount of penalty you intend, please give me a call.

Once you have reviewed the above issues, please contact me and I will incorporate your requested changes into this draft. I will then be able to redraft the bill in introducible form. Also, please feel free to call, if you have any other questions.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us