
SENATE BILL 6275

State of Washington

52nd Legislature

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By Senators von Reichbauer, Williams and Pelz; by request of Attorney General

Read first time 01/23/92. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to consumer credit reporting agencies; 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.** The legislature finds and declares that
5 consumers have a vital interest in establishing and maintaining
6 creditworthiness, based upon correct data, because consumer reports are
7 used as a basis for obtaining credit cards, loans, mortgages, and small
8 business financing, as well as for some employment decisions and the
9 rental or leasing of dwellings.

10 In addition, financial institutions depend upon fair and accurate
11 credit reporting. Unfair, inaccurate reports undermine public
12 confidence in the reliability of the financial service system.

13 Therefore, the provisions of this chapter are necessary to assure
14 accurate credit data collection, maintenance, and reporting on the

1 citizens of the state, and respect for the consumer's right to privacy.
2 It is the policy of the state that consumer reporting agencies maintain
3 accurate credit reports, resolve disputed reports promptly and fairly,
4 and protect consumers from inappropriate access to their credit
5 histories.

6 NEW SECTION. **Sec. 2.** This chapter shall be known as the fair
7 credit reporting act.

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

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

12 (i) Any denial of insurance for personal, family, or household
13 purposes;

14 (ii) The denial of employment or any other decision for employment
15 purposes that adversely affects any current or prospective employee;

16 (iii) Any increase in any charge for, or any reduction in the
17 amount of, insurance for personal, family, or household purposes; and

18 (iv) Any action or determination that:

19 (A) Is taken or made in connection with an application that was
20 made by, or any transaction that was initiated by, any consumer; and

21 (B) Is adverse to the interest of the consumer.

22 (b) "Adverse action" does not include a refusal to extend
23 additional credit under an existing credit arrangement if:

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

26 (ii) The additional credit would exceed a previously established
27 credit limit.

28 (2) "Consumer" means an individual.

1 (3)(a) "Consumer report" means a written, oral, or other
2 communication of information by a consumer reporting agency bearing on
3 a consumer's creditworthiness, credit standing, credit capacity,
4 character, general reputation, personal characteristics, or mode of
5 living that is used or expected to be used or collected in whole or in
6 part for the purpose of serving as a factor in establishing the
7 consumer's eligibility for:

8 (i) Credit or insurance to be used primarily for personal, family,
9 or household purposes;

10 (ii) Employment purposes; or

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

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

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

15 (ii) An authorization or approval of a specific extension of credit
16 directly or indirectly by the issuer of a credit card or similar
17 device; or

18 (iii) A report generated by a check approval and guarantee company
19 to its subscribers as the basis for check acceptance by sellers of
20 goods and services.

21 (4) "Consumer reporting agency" means a person who, for monetary
22 fees, dues, or on a cooperative nonprofit basis, regularly engages in
23 whole or in part in the practice of assembling or evaluating consumer
24 credit information or other information on consumers for the purpose of
25 furnishing consumer reports to third parties, and who uses any means or
26 facility of commerce for the purpose of preparing or furnishing
27 consumer reports. "Consumer reporting agency" does not include check
28 approval and guarantee companies.

1 (5) "Employment purposes," when used in connection with a consumer
2 report, means a report used for the purpose of evaluating a consumer
3 for employment, promotion, reassignment, or retention as an employee.

4 (6) "File," when used in connection with information on any
5 consumer, means all of the information on that consumer recorded and
6 retained by a consumer reporting agency regardless of how the
7 information is stored.

8 (7) "Investigative consumer report" means a consumer report or
9 portion of it in which information on a consumer's character, general
10 reputation, personal characteristics, or mode of living is obtained
11 through personal interviews with neighbors, friends, or associates of
12 the consumer reported on or with others with whom the consumer is
13 acquainted or who may have knowledge concerning any items of
14 information. However, the information does not include specific
15 factual information on a consumer's credit record obtained directly
16 from a creditor of the consumer or from a consumer reporting agency
17 when the information was obtained directly from a creditor of the
18 consumer or from the consumer.

19 (8) "Medical information" means information or records obtained,
20 with the consent of the individual to whom it relates, from a licensed
21 physician or medical practitioner, hospital, clinic, or other medical
22 or medically related facility.

23 (9) "Person" includes an individual, corporation, government or
24 governmental subdivision or agency, business trust, estate, trust,
25 partnership, association, and any other legal or commercial entity.

26 (10) "User" when used in connection with the use of a consumer
27 report means any recipient of a consumer report or an investigative
28 consumer report other than the subject of the report.

1 NEW SECTION. **Sec. 4.**

(1) A consumer reporting agency may

2 furnish a consumer report under the following circumstances only:

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) Subject to (b) of this subsection, a consumer reporting
22 agency may furnish a consumer report, and a person may use a consumer
23 report, for employment purposes under the following circumstances only:

24 (i) The employment requires or is expected to require a security
25 clearance issued by a state or local law enforcement agency or an
26 agency of the United States as a condition for employment;

27 (ii) The employment requires or is expected to require an employee
28 to be covered by a fidelity bond;

1 (iii) The employment requires or is expected to require an
2 employee, on a regular basis and as part of the normal duties of
3 employment:

4 (A) To handle or otherwise have access to substantial amounts of
5 cash, trade secrets, or other things of substantial financial value of
6 the employer; or

7 (B) To engage in any conduct or activity with respect to which the
8 employee has a fiduciary duty.

9 (b) A consumer reporting agency may only furnish a consumer report
10 for employment purposes if the person who obtains such report directly
11 or indirectly from the agency certifies to the agency that:

12 (i) The disclosure required under (c) or (d) of this subsection, as
13 the case may be, with respect to the consumer report has been made; and

14 (ii) Information from the consumer report will not be used in
15 violation of any applicable federal or state equal employment
16 opportunity law or regulation.

17 (c) A person may not procure a consumer report, or cause a consumer
18 report to be procured, for employment purposes with respect to any
19 consumer who is not an employee at the time the report is procured or
20 caused to be procured unless:

21 (i) A clear and prominent disclosure has been made in writing to
22 the consumer before the report is procured or caused to be procured
23 that a consumer report may be obtained for purposes of considering the
24 consumer for employment; and

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

26 (d)(i) Except as provided in (d)(ii) of this subsection, a person
27 may not procure a consumer report, or cause a consumer report to be
28 procured, for employment purposes with respect to any employee unless
29 the employee has received, at any time after the person became an

1 employee, written notice that credit reports may be used for employment
2 purposes.

3 (ii) (d)(i) of this subsection shall not apply with respect to a
4 consumer report of an employee who the employer has reasonable cause to
5 believe has engaged in specific activity that constitutes a violation
6 of law.

7 (iii) A written statement that consumer reports may be used for
8 employment purposes that is contained in employee guidelines or manuals
9 available to employees or included in written materials provided to
10 employees shall constitute written notice for purposes of (d)(i) of
11 this subsection.

12 NEW SECTION. **Sec. 5.** (1) In cases of credit transactions not
13 initiated by a consumer, and involving the intended extension of
14 credit, or review or collection of the account of that consumer by
15 prescreening, a consumer reporting agency may only provide a credit
16 report or other credit information regarding that consumer if the
17 following conditions are met:

18 (a) The consumer authorized the agency directly to provide the
19 report or information; or

20 (b)(i) The consumer has received notice that information from the
21 consumer's file may be used in connection with a prescreened
22 transaction that is not initiated by the consumer and involves a firm
23 offer of credit or business solicitation to the consumer; and

24 (ii) The consumer has had an opportunity to notify the agency,
25 directly or indirectly, that the consumer does not consent to the use
26 of information from the consumer's file in connection with any
27 prescreened credit or business transaction that is not initiated by the
28 consumer; and

1 (iii) The consumer has not notified the agency, directly or
2 indirectly, of the lack of consent.

3 (2) Any consumer reporting agency that provides information
4 intended to be used in a prescreened credit transaction not initiated
5 by the consumer shall:

6 (a) Maintain a notification system that facilitates the ability of
7 any consumer in the agency's data base to notify the agency to promptly
8 withdraw the consumer's name from access by prescreeners; and

9 (b) Publish at least annually in a publication of general
10 circulation in the area served by the agency, the address and toll-free
11 telephone number for consumers to use to notify the agency of the
12 consumer's election under this section.

13 (3) Any consumer reporting agency that maintains consumer reports
14 on a nation-wide basis shall establish a system meeting the
15 requirements of subsection (2) of this section on a nation-wide basis,
16 and may operate such a system jointly with any other consumer reporting
17 agencies.

18 (4) Compliance with the requirements of this section by any
19 consumer reporting agency shall constitute compliance by the agency's
20 affiliates.

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

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

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

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

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

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

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

10 (2) The provisions of subsection (1) of this section are not
11 applicable in the case of a consumer credit report to be used in
12 connection with:

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

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

19 (c) The employment of any individual at an annual salary that
20 equals, or that may reasonably be expected to equal, thirty thousand
21 dollars or more.

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

24 (a) It is clearly and accurately disclosed to the consumer that an
25 investigative consumer report including information as to the
26 consumer's character, general reputation, personal characteristics, and
27 mode of living, whichever are applicable, may be made, and the
28 disclosure:

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

4 (ii) Includes a statement informing the consumer of the consumer's
5 right to request the additional disclosures provided for under
6 subsection (2) of this section; or

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

9 (2) A person who procures or causes to be prepared an investigative
10 consumer report on a consumer shall make, upon written request made by
11 the consumer within a reasonable period of time after the receipt by
12 the consumer of the disclosure required in subsection (1)(a) of this
13 section, a complete and accurate disclosure of the nature and scope of
14 the investigation requested. This disclosure shall be made in a
15 writing mailed, or otherwise delivered, to the consumer not later than
16 the latter of five days after the date on which the request for the
17 disclosure was either received from the consumer or the report was
18 first requested.

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

24 (4) Each consumer reporting agency shall maintain a detailed record
25 of:

26 (a) The identity of any person to whom an investigative consumer
27 report or information from a consumer report is provided, including any
28 person who receives such consumer report or uses any information
29 contained in the report from the person to whom such report is provided
30 by the agency;

1 (b) The certified purpose for which any investigative consumer
2 report on any consumer, or any other information relating to any
3 consumer, is requested by any person.

4 (5) Whenever a consumer reporting agency prepares an investigative
5 consumer report, any adverse information in the consumer report, other
6 than information which is a matter of public record, may not be
7 included in a subsequent investigative consumer report unless the
8 adverse information has been verified in the process of making the
9 subsequent investigative consumer report or the adverse information was
10 received within the three-month period preceding the date the
11 subsequent report is furnished.

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

25 (2) Whenever a consumer reporting agency prepares a consumer report
26 it shall follow reasonable procedures to assure maximum possible
27 accuracy of the information concerning the individual about whom the
28 report relates.

1 (3) Notwithstanding the provisions of section 4 of this act, a
2 consumer reporting agency may furnish identifying information
3 respecting any consumer, limited to the consumer's name, address,
4 former addresses, places of employment, or former places of employment,
5 to a governmental agency.

6 (4) Each consumer reporting agency shall maintain a detailed record
7 of:

8 (a) The identity of any person to whom a consumer report or
9 information from a consumer report is provided, including any person
10 who receives such consumer report or uses any information contained in
11 the report from the person to whom such report is provided by the
12 agency;

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

16 NEW SECTION. **Sec. 9.** (1) Consumer reporting agencies shall,
17 upon request by the consumer, clearly and accurately disclose:

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

28 (b) All items of information in its files on that consumer,
29 including disclosure of the sources of such information, except that

1 sources of information acquired solely for use in an investigative
2 report may only be disclosed to a plaintiff under appropriate discovery
3 procedures.

4 (2) A consumer shall be entitled to receive a copy of his or her
5 consumer report, free of charge to the consumer, under the following
6 circumstances:

7 (a) When the consumer report has been requested from a consumer
8 reporting agency by a user, the consumer reporting agency shall send a
9 copy of the consumer report to the consumer within one day of the
10 consumer report being sent to the user, once each calendar year. The
11 consumer report shall contain a notice indicating that the consumer
12 report was generated in response to the named user's request for the
13 consumer report in compliance with this section and shall state that
14 the consumer is entitled to receive only one free consumer report each
15 calendar year; or

16 (b) At the consumer's request once each calendar year.

17 (3) Except as provided in subsection (1)(a) or (b) of this section
18 and section 12 of this act, the consumer reporting agency may charge a
19 reasonable fee not to exceed five dollars to the consumer for
20 furnishing a copy of the consumer's file. The fee shall be indicated
21 to the consumer prior to making the disclosure.

22 (4) A consumer reporting agency is not required to send a copy of
23 the consumer report to the consumer at the same time the report is sent
24 to the user, apart from the provisions of subsection (1)(a) of this
25 section.

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

1 (2) The disclosures required under section 9 of this act shall be
2 made to the consumer:

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

5 (b) By telephone if the consumer has made a written request, with
6 proper identification, for telephone disclosure; or

7 (c) In writing, upon the consumer's written request.

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

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

17 (5) If any credit score is provided by any credit reporting agency
18 to any consumer, the agency shall provide a simple, brief explanation
19 of the meaning of the credit score.

20 (6) Except as provided in sections 14 and 17 of this act, no
21 consumer may bring any action or proceeding in the nature of
22 defamation, invasion of privacy, or negligence with respect to the
23 reporting of information against any consumer reporting agency or any
24 user of information, based on information disclosed under this section
25 or section 9 of this act, except as to false information furnished with
26 malice or willful intent to injure the consumer. Except as provided in
27 sections 14 and 17 of this act, no consumer may bring any action or
28 proceeding against a person who provides information to a consumer
29 reporting agency in the nature of defamation, invasion of privacy, or
30 negligence for unintentional error.

1 (7)(a) Any disclosure by any consumer reporting agency to any
2 consumer pursuant to section 9 of this act shall include a simple,
3 written, and readily understandable summary of all rights and remedies
4 the consumer has under this chapter and a toll-free telephone number
5 that the consumer can use to communicate with the agency.

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

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

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

12 (iii) A list of all state agencies responsible for enforcing any
13 provision of this chapter, the address and any appropriate phone number
14 of each such agency, and a brief description of the relevant
15 enforcement responsibilities.

16 (8) A consumer reporting agency shall provide a sufficient number
17 of adequately trained personnel to answer basic inquiries from
18 consumers using the toll-free number required by this section.

19 NEW SECTION. **Sec. 11.** (1) If the completeness or accuracy of
20 any item of information contained in any consumer's file at any
21 consumer reporting agency is disputed by the consumer and the consumer
22 notifies the agency directly of such dispute, the agency shall
23 reinvestigate and record the current status of the disputed information
24 before the end of the thirty-day period beginning on the date the
25 agency receives the notice from the consumer.

26 (2) Before the end of the five-day period beginning on the date a
27 consumer reporting agency receives notice of a dispute from any
28 consumer in accordance with subsection (1) of this section, the agency

1 shall notify any person who provided any item of information in
2 dispute.

3 (3)(a) Notwithstanding subsection (1) of this section, a consumer
4 reporting agency may terminate a reinvestigation of information
5 disputed by a consumer under subsection (1) of this section if the
6 agency determines that the dispute by the consumer is frivolous or
7 irrelevant.

8 (b) Upon making a determination in accordance with (a) of this
9 subsection that a dispute is frivolous or irrelevant, a consumer
10 reporting agency shall promptly notify the consumer in writing of the
11 determination.

12 (4) In conducting a reinvestigation under subsection (1) of this
13 section with respect to disputed information in the file of any
14 consumer, the consumer reporting agency shall review and consider all
15 relevant information submitted by the consumer with respect to the
16 disputed information. The information shall include the consumer's
17 written and oral statements and all documents including but not limited
18 to canceled checks, invoices, billing statements, and correspondence.
19 Written or documentary information provided by the consumer to the
20 consumer reporting agency shall be forwarded by it to the person who
21 has supplied the adverse information appearing in the consumer's file.

22 (5)(a) If, after a reinvestigation under subsection (1) of this
23 section of any information disputed by a consumer, the information is
24 found to be inaccurate or cannot be verified, the consumer reporting
25 agency shall promptly delete such information from the consumer's file
26 and mail written notice of the correction to the consumer, and to all
27 other consumer reporting agencies that maintain individual data bases
28 containing consumer report information. The obligation imposed in this
29 section to notify other consumer reporting agencies about corrections

1 does not authorize any other communications or contact among consumer
2 reporting services.

3 (b)(i) If information is deleted from a consumer's file under (a)
4 of this subsection, the information may not be reinserted in the file
5 after the deletion unless the person who furnishes the information
6 certifies that the information is complete and accurate.

7 (ii) If information that has been deleted from a consumer's file
8 under (a) of this subsection is reinserted in the file in accordance
9 with (b)(i) of this subsection, the consumer reporting agency shall
10 promptly notify the consumer of the reinsertion.

11 (6)(a) A consumer reporting agency shall provide written notice of
12 the results of a reinvestigation under this subsection within five
13 business days of the completion of the reinvestigation.

14 (b) The notice required under (a) of this subsection shall include:

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

16 (ii) A statement of the determination of the agency on the
17 completeness or accuracy of the disputed information;

18 (iii) A description of the manner in which the information will
19 appear, if at all, in any subsequent consumer report;

20 (iv) A description of the procedure used to determine the accuracy
21 and completeness of the information, including the name, business
22 address, and telephone number of any person contacted in connection
23 with the information;

24 (v) If the agency has determined that the disputed information is
25 accurate, a statement of the reasons for the determination; and

26 (vi) A summary of the consumer's rights.

27 NEW SECTION. **Sec. 12.** A consumer reporting agency shall make
28 all disclosures under section 9 of this act and furnish all consumer
29 reports pursuant to section 11 of this act without charge to the

1 consumer if, within thirty days after receipt by the consumer of a
2 notification by a consumer reporting agency, or notification from a
3 debt collection agency affiliated with the consumer reporting agency,
4 stating that the consumer's credit rating may be or has been adversely
5 affected, the consumer makes a request under section 9 or 11 of this
6 act. Otherwise, the consumer reporting agency may impose a reasonable
7 charge as specified in section 9(3) of this act on the consumer for
8 making disclosure to the consumer under section 9 of this act, the
9 charge for which shall be indicated to the consumer prior to making
10 disclosure.

11 NEW SECTION. **Sec. 13.** (1) If a credit grantor takes an adverse
12 action with respect to a consumer that is based, in whole or in part,
13 on information contained in a consumer report, the person shall:

14 (a) Provide written notice of the adverse action to the consumer;

15 (b) Provide the consumer with the name and address of the consumer
16 reporting agency that furnished the report to the person and a toll-
17 free telephone number that the consumer can use to communicate with the
18 agency;

19 (c) Provide the consumer with a written summary of the rights and
20 remedies of the consumer under this chapter, including:

21 (i) The right of the consumer to obtain a free copy of the
22 consumer's report from the agency referred to in (b) of this
23 subsection; and

24 (ii) The right of the consumer to challenge the accuracy or
25 completeness of any information in the consumer's consumer report and
26 the procedure for filing a dispute with respect to the information.

27 (2)(a) Any person who uses a consumer report, or information
28 contained in a consumer report, in connection with a credit transaction
29 that is not initiated by the consumer shall:

1 (i) Notify the consumer in writing that information contained in
2 the consumer's consumer report was used in connection with the
3 transaction;

4 (ii) Provide a clear and prominent statement with any solicitation
5 made to the consumer that:

6 (A) The consumer has a right to prohibit information contained in
7 the consumer's file with any consumer reporting agency to be used in
8 connection transactions not initiated by the consumer; and

9 (B) Explains how the consumer may, in the exercise of the right
10 referred to in (a)(ii)(A) of this subsection, have the consumer's files
11 removed from consideration in connection with any credit transaction
12 that the consumer has not initiated.

13 (b) Any statement provided under (a)(ii) of this subsection may
14 contain an explanation of the consequences to the consumer for having
15 denied consent to receive unsolicited solicitations for credit
16 transactions not initiated by the consumer.

17 (3) Subsidiaries and affiliates of credit reporting agencies are
18 not required to recompile with the notice provisions of this section if
19 the consumer reporting agency has complied.

20 NEW SECTION. **Sec. 14.** An action to enforce any liability
21 created under this chapter may be brought within the statute of
22 limitations applicable to chapter 19.86 RCW, except that where a
23 defendant has materially and willfully misrepresented any information
24 required under this chapter to be disclosed to an individual and the
25 information so misrepresented is material to the establishment of the
26 defendant's liability to that individual under this chapter, the action
27 may be brought at any time within four years after discovery by the
28 individual of the misrepresentation.

1 NEW SECTION. **Sec. 15.** A person who knowingly and willfully
2 obtains information on a consumer from a consumer reporting agency
3 under false pretenses shall be fined not more than five thousand
4 dollars or imprisoned not more than one year, or both.

5 NEW SECTION. **Sec. 16.** An officer or employee of a consumer
6 reporting agency who knowingly and willfully provides information
7 concerning an individual from the agency's files to a person not
8 authorized to receive that information shall be fined not more than
9 five thousand dollars or imprisoned not more than one year, or both.

10 NEW SECTION. **Sec. 17.** This chapter is a matter affecting the
11 public interest for the purpose of applying chapter 19.86 RCW. The
12 violation of the provisions under this chapter is not reasonable in
13 relation to the development and preservation of business. Except for
14 the penalties specified under sections 15 and 16 of this act, a
15 violation of this chapter constitutes an unfair or deceptive act or
16 practice in trade or commerce for the purpose of applying chapter 19.86
17 RCW.

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

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