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ENGROSSED SUBSTITUTE SENATE BILL 5574

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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 a refusal to extend  
22 additional credit under an existing credit arrangement if:

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

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

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

28 (3) "Consumer" means an individual.

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

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

1 (ii) Employment purposes; or  
2 (iii) Other purposes authorized under section 4 of this act.

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

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

6 (ii) An authorization or approval of a specific extension of credit  
7 directly or indirectly by the issuer of a credit card or similar  
8 device;

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

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

18 (v) A report solely conveying a decision whether to guarantee a  
19 check in response to a request by a third party.

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

31 (6) "Credit transaction that is not initiated by the consumer" does  
32 not include the use of a consumer report by a person with which the  
33 consumer has an account, for purposes of (a) reviewing the account, or  
34 (b) collecting the account.

35 (7) "Employment purposes," when used in connection with a consumer  
36 report, means a report used for the purpose of evaluating a consumer  
37 for employment, promotion, reassignment, or retention as an employee.

38 (8) "File," when used in connection with information on any  
39 consumer, means all of the information on that consumer recorded and

1 retained by a consumer reporting agency regardless of how the  
2 information is stored.

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

14 (10) "Medical information" means information or records obtained,  
15 with the consent of the individual to whom it relates, from a licensed  
16 physician or medical practitioner, hospital, clinic, or other medical  
17 or medically related facility.

18 (11) "Person" includes an individual, corporation, government or  
19 governmental subdivision or agency, business trust, estate, trust,  
20 partnership, association, and any other legal or commercial entity.

21 (12) "Prescreening" means the process in which the consumer  
22 reporting agency compiles or edits for a client a list of consumers who  
23 meet specific criteria and provides this list to the client or a third  
24 party on behalf of the client for use in soliciting those consumers for  
25 an offer of credit, product, or service.

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

28 (a) In response to the order of a court having jurisdiction to  
29 issue the order;

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

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

33 (i) Intends to use the information in connection with a credit  
34 transaction involving the consumer on whom the information is to be  
35 furnished and involving the extension of credit to, or review or  
36 collection of an account of, the consumer;

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

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

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

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

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

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

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

19 (b) A person may not procure a consumer report, or cause a consumer  
20 report to be procured, for employment purposes with respect to any  
21 employee unless the employee has received, at any time after the person  
22 became an employee, written notice that consumer reports may be used  
23 for employment purposes. A written statement that consumer reports may  
24 be used for employment purposes that is contained in employee  
25 guidelines or manuals available to employees or included in written  
26 materials provided to employees constitutes written notice for purposes  
27 of this subsection. This subsection does not apply with respect to a  
28 consumer report of an employee who the employer has reasonable cause to  
29 believe has engaged in specific activity that constitutes a violation  
30 of law.

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

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

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

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

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

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

13       (b) Information pertaining to a consumer that is not identified or  
14 identifiable with a particular consumer.

15       (3)(a) A consumer may elect to have his or her name and address  
16 excluded from any list provided by a consumer reporting agency under  
17 subsection (1) of this section or through prescreening for direct  
18 marketing transactions that are not initiated by the consumer by  
19 notifying the consumer reporting agency. The notice must be made in  
20 writing through the notification system maintained by the consumer  
21 reporting agency under subsection (4) of this section and must state  
22 that the consumer does not consent to any use of consumer reports  
23 relating to the consumer in connection with any transaction that is not  
24 initiated by the consumer.

25       (b) An election of a consumer under (a) of this subsection is  
26 effective with respect to a consumer and any affiliate of the consumer  
27 reporting agency, within five business days after the consumer  
28 reporting agency receives the consumer's notice.

29       (4) A consumer reporting agency that provides information intended  
30 to be used in a prescreened credit or business transaction that is not  
31 initiated by the consumer shall:

32       (a) Maintain a notification system that facilitates the ability of  
33 a consumer in the agency's data base to notify the agency to promptly  
34 withdraw the consumer's name from prescreening and credit transactions  
35 not initiated by the consumer; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3        (a) It is clearly and accurately disclosed to the consumer that an  
4 investigative consumer report including information as to the  
5 consumer's character, general reputation, personal characteristics, and  
6 mode of living, whichever are applicable, may be made, and the  
7 disclosure:

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

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

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

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

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

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

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

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



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

4 NEW SECTION. **Sec. 8.** (1) A consumer reporting agency shall  
5 maintain reasonable procedures designed to avoid violations of section  
6 6 of this act and to limit the furnishing of consumer reports to the  
7 purposes listed under section 4 of this act. These procedures must  
8 require that prospective users of the information identify themselves,  
9 certify the purposes for which the information is sought, and certify  
10 that the information will be used for no other purpose. A consumer  
11 reporting agency shall make a reasonable effort to verify the identity  
12 of a new prospective user and the uses certified by the prospective  
13 user before furnishing the user a consumer report. No consumer  
14 reporting agency may furnish a consumer report to a person if the  
15 agency has reasonable grounds for believing that the consumer report  
16 will not be used for a purpose listed in section 4 of this act.

17 (2) Whenever a consumer reporting agency prepares a consumer report  
18 it shall follow reasonable procedures to assure maximum possible  
19 accuracy of the information concerning the individual about whom the  
20 report relates.

21 (3) Notwithstanding section 4 of this act, a consumer reporting  
22 agency may furnish identifying information about a consumer, limited to  
23 the consumer's name, address, former addresses, places of employment,  
24 or former places of employment, to a governmental agency.

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

27 (a) The identity of any person to whom a consumer report or  
28 information from a consumer report is provided by the consumer  
29 reporting agency; and

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

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

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

1 (1) All information in the file on the consumer at the time of  
2 request, except that medical information may be withheld. The agency  
3 shall inform the consumer of the existence of medical information, and  
4 the consumer has the right to have that information disclosed to the  
5 health care provider of the consumer's choice. Nothing in this chapter  
6 prevents, or authorizes a consumer reporting agency to prevent, the  
7 health care provider from disclosing the medical information to the  
8 consumer. The agency shall inform the consumer of the right to  
9 disclosure of medical information at the time the consumer requests  
10 disclosure of his or her file.

11 (2) All items of information in its files on that consumer,  
12 including disclosure of the sources of the information, except that  
13 sources of information acquired solely for use in an investigative  
14 report may only be disclosed to a plaintiff under appropriate discovery  
15 procedures.

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

20 (4) A record identifying all inquiries received by the agency in  
21 the six-month period before the request that identified the consumer in  
22 connection with a credit transaction that is not initiated by the  
23 consumer.

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

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

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

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

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

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

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

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

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

15 (6) Except as provided in section 17 of this act, no consumer may  
16 bring an action or proceeding in the nature of defamation, invasion of  
17 privacy, or negligence with respect to the reporting of information  
18 against a consumer reporting agency or a user of information, based on  
19 information disclosed under this section or section 9 of this act,  
20 except as to false information furnished with malice or willful intent  
21 to injure the consumer. Except as provided in section 17 of this act,  
22 no consumer may bring an action or proceeding against a person who  
23 provides information to a consumer reporting agency in the nature of  
24 defamation, invasion of privacy, or negligence for unintentional error.

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

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

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

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

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

1        NEW SECTION.    **Sec. 11.**    (1) If the completeness or accuracy of an

2 item of information contained in a consumer's file at a consumer  
3 reporting agency is disputed by the consumer and the consumer notifies  
4 the agency directly of the dispute, the agency shall reinvestigate  
5 without charge and record the current status of the disputed  
6 information before the end of thirty business days, beginning on the  
7 date the agency receives the notice from the consumer.

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

12        (3)(a) Notwithstanding subsection (1) of this section, a consumer  
13 reporting agency may terminate a reinvestigation of information  
14 disputed by a consumer under subsection (1) of this section if the  
15 agency determines that the dispute by the consumer is frivolous or  
16 irrelevant, including by reason of a failure of the consumer to provide  
17 sufficient information.

18        (b) Upon making a determination in accordance with (a) of this  
19 subsection that a dispute is frivolous or irrelevant, a consumer  
20 reporting agency shall notify the consumer within five business days of  
21 the determination. The notice shall be made in writing or any other  
22 means authorized by the consumer that are available to the agency, but  
23 the notice shall include the reasons for the determination and a notice  
24 of the consumer's rights under subsection (6) of this section.

25        (4) In conducting a reinvestigation under subsection (1) of this  
26 section with respect to disputed information in the file of any  
27 consumer, the consumer reporting agency shall review and consider all  
28 relevant information submitted by the consumer in the period described  
29 in subsection (1) of this section with respect to the disputed  
30 information.

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

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

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

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

13 (7) After the deletion of information from a consumer's file under  
14 this section or after the filing of a statement of dispute under  
15 subsection (6) of this section, the consumer reporting agency shall, at  
16 the request of the consumer, furnish notification that the item of  
17 information has been deleted or that item of information is disputed.  
18 In the case of disputed information, the notification shall include the  
19 statement filed under subsection (6) of this section. The notification  
20 shall be furnished to any person specifically designated by the  
21 consumer, who has, within two years before the deletion or filing of a  
22 dispute, received a consumer report concerning the consumer for  
23 employment purposes, or who has, within six months of the deletion or  
24 the filing of the dispute, received a consumer report concerning the  
25 consumer for any other purpose, if these consumer reports contained the  
26 deleted or disputed information.

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

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

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

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

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

37 (iv) If requested by the consumer, a description of the procedure  
38 used to determine the accuracy and completeness of the information  
39 shall be provided to the consumer by the agency, including the name,

1 business address, and telephone number of any person contacted in  
2 connection with the information;

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

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

10 (9) In the case of a consumer reporting agency that compiles and  
11 maintains consumer reports on a nationwide basis, the consumer  
12 reporting agency must provide to a consumer who has undertaken to  
13 dispute the information contained in his or her file a toll-free  
14 telephone number that the consumer can use to communicate with the  
15 agency. A consumer reporting agency that provides a toll-free number  
16 required by this subsection shall also provide adequately trained  
17 personnel to answer basic inquiries from consumers using the toll-free  
18 number.

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

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

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

34 (2) A consumer reporting agency shall make all disclosures under  
35 sections 9 and 10 of this act and furnish all consumer reports under  
36 section 11 of this act without charge, if requested by the consumer  
37 within sixty days after receipt by the consumer of a notification of  
38 adverse action under section 13 of this act or of a notification from

1 a debt collection agency affiliated with that consumer reporting agency  
2 stating that the consumer's credit rating may be or has been adversely  
3 affected.

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

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

14 (1) Provide written notice of the adverse action to the consumer,  
15 except verbal notice may be given by a person in adverse actions  
16 involving an application for the rental or leasing of residential real  
17 estate if such verbal notice does not impair a consumer's ability to  
18 obtain a credit report without charge under section 12(2) of this act;  
19 and

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

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

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

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

6        NEW SECTION.    **Sec. 17.**    The legislature finds that the practices  
7 covered by this chapter are matters vitally affecting the public  
8 interest for the purpose of applying the Consumer Protection Act,  
9 chapter 19.86 RCW. Violations of this chapter are not reasonable in  
10 relation to the development and preservation of business. A violation  
11 of this chapter is an unfair or deceptive act in trade or commerce and  
12 an unfair method of competition for the purpose of applying the  
13 Consumer Protection Act, chapter 19.86 RCW. The burden of proof in an  
14 action alleging a violation of this chapter shall be by a preponderance  
15 of the evidence, and the applicable statute of limitation shall be as  
16 set forth in section 14 of this act. For purposes of a judgment  
17 awarded pursuant to an action by a consumer under chapter 19.86 RCW,  
18 the consumer shall be awarded actual damages and costs of the action  
19 together with reasonable attorney's fees as determined by the court.  
20 However, where there has been willful failure to comply with any  
21 requirement imposed under this chapter, the consumer shall be awarded  
22 actual damages, a monetary penalty of one thousand dollars, and the  
23 costs of the action together with reasonable attorneys' fees as  
24 determined by the court.

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

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

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

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