

AMENDED IN SENATE APRIL 18, 2002

AMENDED IN SENATE APRIL 1, 2002

SENATE BILL

No. 1730

Introduced by Senator Bowen

February 21, 2002

An act to amend Section 1785.11.1 of the Civil Code, relating to personal information.

LEGISLATIVE COUNSEL'S DIGEST

SB 1730, as amended, Bowen. Personal information.

Existing law authorizes a consumer to place a security alert in his or her credit report by making a request in writing or by telephone to a consumer credit reporting agency, as specified.

This bill would require any person who uses a consumer credit report to establish a system to receive security alerts transmitted by consumer reporting agencies and to establish reasonable procedures to acknowledge the security alert placed by a consumer, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1785.11.1 of the Civil Code is amended
2 to read:
3 1785.11.1. (a) A consumer may elect to place a security alert
4 in his or her credit report by making a request in writing or by
5 telephone to a consumer credit reporting agency. "Security alert"
6 means a notice placed in a consumer's credit report, at the request

1 of the consumer, that notifies a recipient of the credit report that
2 the consumer's identity may have been used without the
3 consumer's consent to fraudulently obtain goods or services in the
4 consumer's name.

5 (b) A consumer credit reporting agency shall notify each
6 person requesting consumer credit information with respect to a
7 consumer of the existence of a security alert in the credit report of
8 that consumer, regardless of whether a full credit report, credit
9 score, or summary report is requested.

10 (c) Each consumer credit reporting agency shall maintain a
11 toll-free telephone number to accept security alert requests from
12 consumers 24 hours a day, seven days a week.

13 (d) The toll-free telephone number shall be included in any
14 written disclosure by a consumer credit reporting agency to any
15 consumer pursuant to Section 1785.15 and shall be printed in a
16 clear and conspicuous manner.

17 (e) A consumer credit reporting agency shall place a security
18 alert on a consumer's credit report no later than five business days
19 after receiving a request from the consumer.

20 (f) The security alert shall remain in place for at least 90 days,
21 and a consumer shall have the right to request a renewal of the
22 security alert.

23 (g) Any person who uses a consumer credit report in
24 connection with a credit transaction, or for any other ~~use~~ *purpose*,
25 shall establish a system to receive security alerts transmitted by
26 consumer credit reporting agencies pursuant to subdivision (a) and
27 shall establish reasonable procedures to acknowledge a security
28 alert placed by a consumer. These procedures shall include taking
29 reasonable steps to communicate with the ~~person~~ *consumer* who
30 placed the alert, either *in person*, by telephone, or in writing, to
31 confirm that the consumer who placed the alert is the ~~same person~~
32 ~~who initiated the credit application~~ *individual engaging in the*
33 *credit transaction or other activity for which the alerted report is*
34 *being used*. If the consumer has placed a statement in his or her file
35 requesting that identity be verified by calling a specified telephone
36 number, any person who uses the consumer's credit report shall
37 take reasonable steps to verify the identity of the consumer using
38 the specified telephone number. *If a person uses a consumer credit*
39 *report to facilitate the extension of credit or for another*
40 *permissible purpose on behalf of a subsidiary, affiliate, agent,*



1 *assignee, or prospective assignee, that person may verify a*
2 *consumer's identity under this section in lieu of the subsidiary,*
3 *affiliate, agent, assignee, or prospective assignee.*

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