

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2787

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 12, 1997

The Assembly Financial Institutions Committee reports favorably and with committee amendments, Assembly Bill No. 2787.

This bill, as amended, enacts the "New Jersey Fair Credit Reporting Act." The purpose of the bill is to provide consumers in this State with greater protection with respect to their consumer credit reports and greater confidence that the State will be active in informing consumers of their rights and aggressive in protecting consumers under the federal "Fair Credit Reporting Act" and this bill.

The bill provides that credit reporting agencies may charge an amount not to exceed \$8 for disclosing to a consumer the content of the consumer's credit file, except that: (1) one disclosure shall be free of charge during each 12 month period; (2) there is no charge if the request is made within 60 days of an adverse action taken with respect to the consumer; (3) if an item that was disputed by a consumer is deleted from the consumer's file, no charge is to be imposed for sending notification of that deletion, upon request of the consumer, to certain persons who had previously received the consumer's report; and (4) no charge will apply if the person making the request certifies that at the time of making the request, that person is a consumer who: is unemployed and intends to apply for employment in the 60-day period beginning on the date on which certification is made; is a recipient of assistance under the Work First New Jersey Program; or has reason to believe that the file on the consumer at the agency contains inaccurate information due to fraud. However, if a dispute is not resolved and the consumer files a notice of dispute and requests that the notice or a summary of that notice be sent to persons designated by the consumer who had previously received that consumer's report, the credit reporting agency is permitted to assess a reasonable charge. If a consumer requests more than one consumer report during any 12-month period of time and the request is not in response to an adverse action taken with respect to the consumer, a consumer reporting agency may charge the consumer for each additional report an amount not to exceed \$8.

The bill designates the Division of Consumer Affairs in the

Department of Law and Public Safety as the agency in this State responsible under subsection (c) of section 621 of the federal "Fair Credit Reporting Act," 15 U.S.C. §1681s, for enforcing the provisions of the federal act and this bill. The bill requires the division to make every effort to keep consumers in this State informed of their rights and protections under the federal law and this bill, including public notices when the credit reporting agencies establish toll-free telephone numbers, as required under the amendments to the federal act, and also to provide similar information on its web page.

This bill provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be guilty of a crime of the fourth degree.

As amended, Assembly Bill No. 2787 is identical to Senate Bill No. 1910 (1R).

The committee amendments remove the requirement that a consumer reporting agency include information on credit scores and certifications in the information provided a consumer with respect to a request for information on the contents in the consumer's file; conform the language of the bill more closely with the federal "Fair Credit Reporting Act," by deleting the word "complete" in the requirement for consumer reporting agencies when preparing a consumer report; add the provision that a person on unemployment, receiving aid under the New Jersey Work First Program or who has reason to believe that the file on the consumer at the agency contains inaccurate information due to fraud can receive a free report; and change the amount of civil penalties in one circumstance.