

CHAPTER 172

AN ACT concerning consumer credit reports and supplementing Title 56 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.56:11-28 Short title.

1. This act shall be known and may be cited as the "New Jersey Fair Credit Reporting Act."

C.56:11-29 Findings, declarations relative to consumer credit reports.

2. The Legislature finds and declares that:

- a. Recent amendments to the federal "Fair Credit Reporting Act," enacted as the "Consumer Credit Reporting Reform Act of 1996," (Subtitle D, Chapter 1, Pub.L.104-208), add important new substantive provisions, some of which strengthen the federal law and its enforcement.

- b. Among these amendments is subsection (c) added to the enforcement section, 15 U.S.C. s.1681s, which specifically provides that a state can take action to enjoin a person from violating the provisions of the federal "Fair Credit Reporting Act" and to recover damages for residents of the state for such violations.

- c. The designation of a specific agency of the State to have enforcement authority and to be a source of information for consumers about their rights under the federal law and this act will increase the confidence of consumers in the State that credit reporting problems will be vigorously investigated and that persons violating the federal law and the provisions of this act will be prosecuted;

- d. While the amendments to the federal "Fair Credit Reporting Act" contained in the "Consumer Credit Reporting Reform Act of 1996" specifically preempt states from establishing requirements or prohibitions with respect to the provisions of certain sections of the federal "Fair Credit Reporting Act," the provisions of the other sections of that act are left subject to actions by states as long as the provisions enacted in state law are not inconsistent with federal law;

- e. The purpose of this act therefore is to provide additional consumer protection with respect to consumer credit reports and credit reporting agencies consistent with the provisions of the "Federal Fair Credit Reporting Act."

C.56:11-30 Definitions relative to consumer credit reports.

3. As used in this act:

"Adverse action" has the same meaning as in subsection (k) of section 603 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681a.

"Consumer" means an individual.

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

- (a) credit or insurance to be used primarily for personal, family or household purposes;
- (b) employment purposes; or
- (c) any other purpose authorized under section 4 of this act.

(2) The term "consumer report" does not include:

- (a) any:

- (i) report containing information solely on transactions or experiences between the consumer and the person making the report;

- (ii) communication of that information among persons related by common ownership or affiliated by corporate control; or

- (iii) communication of other information among persons related by common ownership or affiliated by corporate control, if it is clearly and conspicuously disclosed to the consumer that the information may be communicated among those persons and the consumer is given the opportunity, before the time that the information is initially communicated, to direct that the information not be communicated among those persons;

- (b) any authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;

- (c) any report in which a person, who has been requested by a third party to make a specific

extension of credit directly or indirectly to a consumer, conveys his decision with respect to that request, if the third party advises the consumer of the name and address of the person to whom the request was made, and the person makes the disclosures to the consumer required under 15 U.S.C. s.1681m; or

(d) communication excluded from the definition of consumer report pursuant to subsection (o) of section 603 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681a.

"Consumer reporting agency" means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages, in whole or in part, in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility for the purpose of preparing or furnishing consumer reports.

"Director" means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

"Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

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

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

"Investigative consumer report" means a consumer report or a portion thereof in which information on a consumer's character, general reputation, personal characteristics or mode of living is obtained through personal interviews with neighbors, friends or associates of the consumer who is the subject of the report or with others with whom the consumer is acquainted or who may have knowledge concerning any of those items of information. However, this information shall not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when the information was obtained directly from a creditor of the consumer or from the consumer.

"Medical information" means information or records obtained, with the consent of the individual to whom it relates, from licensed physicians or medical practitioners, hospitals, clinics, or other medical or medically related facilities.

C.56:11-31 Furnishing of consumer report; permissible circumstances.

4. a. A consumer reporting agency may furnish a consumer report under the following circumstances and no other:

(1) In response to the order of a court having jurisdiction to issue such an order, or a subpoena issued in connection with proceedings before a State or federal grand jury.

(2) In accordance with the written instructions of the consumer to whom it relates.

(3) To a person which it has reason to believe:

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

(b) intends to use the information for employment purposes;

(c) intends to use the information in connection with the underwriting of insurance involving the consumer;

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

(e) intends to use the information, as a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; or

(f) otherwise has a legitimate business need for the information:

(i) in connection with a business transaction that is initiated by the consumer; or

(ii) to review an account to determine whether the consumer continues to meet the terms of

the account.

(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that:

(a) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of those payments;

(b) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

(c) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

(d) the consumer report will be kept confidential, will be used solely for a purpose described in paragraph (1) of this subsection, and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

(5) To an agency administering a state plan under 42 U.S.C. s.654 for use to set an initial or modified child support award.

b. A consumer reporting agency may furnish a consumer report for employment purposes only if:

(1) the person who obtains the report from the agency certifies to the agency that:

(a) the person has complied with subsection c. of this section with respect to the consumer report, and the person will comply with subsection d. of this section with respect to the consumer report if that subsection becomes applicable; and

(b) information from the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation; and

(2) the consumer reporting agency provides with the report a summary of the consumer's rights under the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681 et seq.

c. A person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any consumer, unless:

(1) a clear and conspicuous disclosure has been made in writing to the consumer at any time before the report is procured or caused to be procured, in a document that consists solely of the disclosure, that a consumer report may be obtained for employment purposes; and

(2) the consumer has authorized in writing the procurement of the report by that person.

d. A consumer reporting agency shall not furnish for employment purposes, or in connection with a credit or insurance transaction or a direct marketing transaction, a consumer report that contains medical information about a consumer unless the consumer consents to the furnishing of the report in writing.

e. In using a consumer report for employment purposes, before taking any adverse action based in whole or in part on the report, the person intending to take an adverse action shall provide to the consumer to whom the report relates:

(1) a copy of the report; and

(2) a description in writing of the rights of the consumer under this act and the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681 et seq.

f. Consumer reporting agencies may furnish a consumer report relating to any consumer pursuant to subparagraph (a) or (c) of paragraph (3) of subsection a. of this section in connection with any credit or insurance transaction that is not authorized by the consumer only if the consumer reporting agency complies with the requirements of subsections (c) and (e) of section 604 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681b.

g. A person shall not use or obtain a consumer report for any purpose unless:

(1) the consumer report is obtained for a purpose for which the consumer report is authorized to be furnished under this section; and

(2) the purpose for its use is certified in accordance with section 5 of this act by a prospective user of the report.

C.56:11-32 Procedures designed to limit furnishing of consumer reports.

5. a. Every consumer reporting agency shall maintain reasonable procedures designed to limit the furnishing of consumer reports to the purposes listed under section 4 of this act. These procedures shall require that prospective users of the information identify themselves, certify each purpose for which the information is sought, and certify that the information will be used for no other purpose. Every consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and each use certified by the prospective user prior to furnishing the user a consumer report. No consumer reporting agency may furnish a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 4 of this act.

b. Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

c. A consumer reporting agency may not prohibit the user of a consumer report furnished by the agency from disclosing the contents of the report to the consumer, if adverse action against the consumer has been taken by the user based in whole or in part on the report.

d. A person may not procure a consumer report for the purpose of reselling the report unless the person discloses to the consumer reporting agency that originally furnishes the report:

- (1) the identity of the end-user of the report; and
- (2) each permissible purpose under section 4 of this act for which the report is furnished to the end-user of the report.

e. A person who procures a consumer report for the purposes of reselling the report shall:

(1) establish and comply with reasonable procedures designed to ensure that the report is resold by the person only for a purpose for which the report may be furnished under section 4 of this act, including procedures designed to ensure that each person to which the report is resold and that resells or provides the report to any other person:

(a) identifies to the person from whom the report was purchased each end-user of the resold report;

(b) certifies to the person from whom the report was purchased each purpose for which the report will be used; and

(c) certifies to the person from whom the report was purchased that the report will be used for no other purpose; and

(2) before reselling the report, make reasonable efforts to verify the identifications and certifications made under paragraph (1) of this subsection.

f. For the purposes of subsections d. and e. of this section, "report" means the consumer report as furnished by a consumer reporting agency or any information contained in that consumer report.

C.56:11-33 Procurement, preparation of investigative consumer report.

6. a. A person may not procure or cause to be prepared an investigative consumer report on any consumer unless:

(1) It is clearly and accurately disclosed in writing to the consumer, prior to requesting the consumer reporting agency to prepare the report, that an investigative consumer report commonly includes information regarding the consumer's character, general reputation, personal characteristics, and mode of living, and the disclosure includes the precise nature and scope of the investigation requested and the right of the consumer to have a copy of the report upon request; and

(2) the consumer provides the person requesting the report written permission to obtain the investigative consumer report prior to the person making the request to the consumer reporting agency.

b. The consumer reporting agency shall, upon the request of the consumer, provide to the consumer a copy of the report upon its completion.

c. No person may be held liable for any violation of any provision of this section if that person proves by a preponderance of the evidence that at the time of the violation reasonable procedures to assure compliance with the provisions of this section were maintained.

C.56:11-34 Disclosure to consumer.

7. Every consumer reporting agency shall, upon request and proper identification of any consumer, clearly and accurately disclose to the consumer:

a. All information in the consumer's file at the time of the request.

b. The sources of the information; except that the sources of information acquired solely for use in preparing an investigative consumer report and actually used for no other purpose need not be disclosed: provided, that if an action is brought under this act or the federal "Fair Credit Reporting Act," such sources shall be available to the plaintiff under appropriate discovery procedures in the court in which the action is brought.

c. (1) The identification of each person, including each end-user identified under subsections d. and e. of section 5 of this act, who procured a consumer report:

(a) for employment purposes, during the two-year period preceding the date on which the request is made; or

(b) for any other purpose, during the one-year period preceding the date on which the request is made.

(2) An identification of a person under paragraph (1) shall include:

(a) the name of the person, or, if applicable, the trade name written in full under which the person conducts business; and

(b) upon request of the consumer, the address and telephone number of the person.

d. The dates, original payees, and amounts of any checks upon which is based any adverse characterization of the consumer, included in the file at the time of the disclosure.

e. A record of all inquiries received by the agency during the one-year period preceding the request that identified the consumer in connection with a credit or insurance transaction that was not initiated by the consumer.

C.56:11-35 Time, notice for making disclosures.

8. a. A consumer reporting agency shall make the disclosures required under section 7 of this act during normal business hours and on reasonable notice.

b. The disclosures required under section 7 of this act shall be made to the consumer:

(1) in person if the consumer appears in person and furnishes proper identification; or

(2) by telephone if the consumer has made a written request, with proper identification, for telephone disclosure and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer.

c. Any consumer reporting agency shall provide trained personnel to explain to the consumer any information furnished to the consumer pursuant to section 7 of this act.

d. The consumer shall be permitted to be accompanied by one other person of the consumer's choosing, who shall furnish reasonable identification. A consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in that person's presence.

e. Except as provided in sections 11 and 12 of this act and sections 616 and 617 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681n and 15 U.S.C. s.1681o, no consumer may bring any action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information against any consumer reporting agency, any user of information, or any person who furnishes information to a consumer reporting agency, based on information disclosed pursuant to section 7 of this act or this section or section 609, 610 or 615 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681g, 15 U.S.C. s.1681h, or 15 U.S.C. s.1681m, or based on information disclosed by a user of a consumer report to or for a consumer against whom the user has taken adverse action, based in whole or in part on the report, except as to false information furnished with malice or willful intent to injure the consumer.

C.56:11-36 Dispute of information; reinvestigation.

9. a. (1) If the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by a consumer and the consumer notifies the agency directly of the dispute, the agency shall reinvestigate free of charge and record the

current status of the disputed information, or delete the item from the file in accordance with subsection e. of this section, before the end of the 30-day period beginning on the date on which the agency receives the notice of dispute from the consumer.

(2) Except as provided in paragraph (3) of this subsection, the 30-day period described in paragraph (1) of this subsection may be extended for not more than 15 additional days if the consumer reporting agency receives information from the consumer during that 30-day period that is relevant to the reinvestigation.

(3) Paragraph (2) of this subsection shall not apply to any reinvestigation in which, during the 30-day period described in paragraph (1) of this subsection, the information that is the subject of the reinvestigation is found to be inaccurate or incomplete or the consumer reporting agency determines that the information cannot be verified.

b. (1) Before the expiration of the five-business-day period beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer in accordance with subsection a. of this section, the agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with the person. The notice shall include all relevant information regarding the dispute that the agency has received from the consumer.

(2) The consumer reporting agency shall promptly provide to the person who provided the information in dispute all relevant information regarding the dispute that is received by the agency from the consumer after the period referred to in paragraph (1) of this subsection and before the end of the period referred to in subsection a. of this section.

c. (1) Notwithstanding the provisions of subsection a. of this section, a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under that subsection if the agency reasonably determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure by a consumer to provide sufficient information to investigate the disputed information.

(2) Upon determining that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer of that determination not later than five business days after making that determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the agency.

(3) A notice under paragraph (2) of this subsection shall include:

(a) the reasons for the determination under paragraph (1) of this subsection; and
(b) the identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of the information.

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

e. (1) If after any reinvestigation under subsection a. of this section of any information disputed by a consumer, an item of the information is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency shall promptly delete that item of information from the consumer's file or modify that item of information, as appropriate, based on the results of the reinvestigation.

(2) (a) If any information is deleted from a consumer's file pursuant to paragraph (1) of this subsection, the information shall not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate.

(b) If any information that has been deleted from a consumer's file pursuant to paragraph (1) of this subsection is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing not later than five business days after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency.

(c) As part of, or in addition to, the notice under subparagraph (b) of paragraph (2) of this subsection, a consumer reporting agency shall provide to the consumer in writing not later than five business days after the date of the reinsertion:

(i) a statement that the disputed information has been reinserted;

(ii) the business name and address of any furnisher of information contacted and the telephone number of the furnisher, if reasonably available, or of any furnisher of information that contacted the consumer reporting agency, in connection with the reinsertion of the disputed information; and

(iii) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.

(3) A consumer reporting agency shall maintain reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of information that is deleted pursuant to this section, other than information that is reinserted in accordance with this section.

(4) Any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall implement an automated system through which furnishers of information to a consumer reporting agency may report the results of a reinvestigation that finds incomplete or inaccurate information in a consumer's file to other consumer reporting agencies.

f. (1) A consumer reporting agency shall provide written notice to a consumer of the results of a reinvestigation under this subsection not later than five business days after the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by any other means available to the agency.

(2) As part of, or in addition to, the notice under paragraph (1) of this subsection, a consumer reporting agency shall provide to a consumer in writing before the expiration of the five-day period referred to in paragraph (1) of this subsection:

(a) a statement that the reinvestigation is completed;

(b) a consumer report that is based on the consumer's file as that file is revised as a result of the reinvestigation;

(c) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the business name and address of any furnisher of information contacted in connection with that information and the telephone number of the furnisher, if reasonably available;

(d) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the information; and

(e) a notice that the consumer has the right to request that the consumer reporting agency furnish notifications under subsection k. of this section.

g. A consumer reporting agency shall provide to a consumer a description referred to in subparagraph (c) of paragraph (2) of subsection f. of this section not later than 15 days after receiving a request from the consumer for that description.

h. If a dispute regarding an item of information in a consumer's file at a consumer reporting agency is resolved in accordance with paragraph (1) of subsection e. of this section by the deletion of the disputed information not later than three business days after the date on which the agency receives notice of the dispute from the consumer in accordance with paragraph (1) of subsection a. of this section, then the agency shall not be required to comply with subsections b., f. and g. of this section with respect to that dispute if the agency:

(1) provides prompt notice of the deletion to the consumer by telephone;

(2) includes in that notice, or in a written notice that accompanies a confirmation and consumer report provided in accordance with paragraph (3) of this subsection, a statement of the consumer's right to request that the agency furnish notifications under subsection k. of this section; and

(3) provides written confirmation of the deletion and a copy of a consumer report on the consumer that is based on the consumer's file after the deletion, not later than five business days after making the deletion.

i. If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit a statement to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

j. Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe

that it is frivolous or irrelevant, the consumer reporting agency shall, in any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.

k. Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the consumer reporting agency shall, at the request of the consumer, furnish notification that the item has been deleted or if disputed, the statement, codification or summary filed or developed pursuant to subsection i. or j. of this section, to any person specifically designated by the consumer who has within two years prior thereto received a consumer report for employment purposes, or within one year prior thereto received a consumer report for any other purpose, which contained the deleted or disputed information.

C.56:11-37 Imposition of charge on consumer; exceptions.

10. a. Except as provided in subsections b., c., d. and e. of this section, a consumer reporting agency may impose a reasonable charge on a consumer for:

(1) making a disclosure to the consumer pursuant to section 7 of this act if the request is the second or subsequent request in a 12-month period of time and is not made pursuant to subsection b. of this section; the charge for this disclosure shall not exceed \$8 and shall be indicated to the consumer before making the disclosure;

(2) furnishing to a person designated by the consumer pursuant to subsection k. of section 9 of this act a statement, codification, or summary filed or developed under subsection i. or j. of section 9 of this act, after notification of the consumer under subsection f. of section 9 of this act with respect to the reinvestigation; this charge shall not exceed the charge that the agency would impose on each designated recipient for a consumer report and shall be indicated to the consumer before furnishing this information.

b. Each consumer reporting agency that maintains a file on a consumer shall make all disclosures required pursuant to section 7 of this act without charge to the consumer if, not later than 60 days after receipt by the consumer of a notification of an adverse action or notification from a debt collection agency affiliated with the consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected, the consumer makes a request under section 7 of this act.

c. Upon the request of the consumer, a consumer reporting agency shall make all disclosures required pursuant to section 7 of this act once during any 12-month period without charge to the consumer.

d. A consumer reporting agency shall not impose any charge on a consumer for providing any notification required by this act, including but not limited to, the notification required pursuant to subsection k. of section 9 of this act following deletion of information from a consumer's file pursuant to section 9 of this act, or making any disclosure required by this act, except as authorized by subsection a. of this section.

e. Upon request of the consumer, a consumer reporting agency shall make all disclosures required pursuant to section 7 of this act once during any 12-month period without charge to that consumer if the consumer certifies in writing that the consumer:

(1) is unemployed and intends to apply for employment in the 60-day period beginning on the date on which certification is made;

(2) is a recipient of assistance under the Work First New Jersey Program; or

(3) has reason to believe that the file on the consumer at the agency contains inaccurate information due to fraud.

C.56:11-38 Willful noncompliance; liability.

11. a. Any person who willfully fails to comply with any requirement imposed under this act with respect to any consumer is liable to that consumer in an amount equal to the sum of:

(1) (a) any actual damages sustained by the consumer as a result of the failure or damages of not less than \$100 and not more than \$1,000; or

(b) in the case of liability of a natural person for obtaining a consumer report under false

pretenses or knowingly without a permissible purpose, actual damages sustained by the consumer as a result of the failure or \$1,000, whichever is greater;

(2) such amount of punitive damages as the court may allow; and

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorneys' fees as determined by the court.

b. Any person who obtains a consumer report from a consumer reporting agency under false pretenses or knowingly without a permissible purpose shall be liable to the consumer reporting agency for actual damages sustained by the consumer reporting agency or \$1,000, whichever is greater.

c. Upon a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for purposes of harassment, the court shall award to the prevailing party attorneys' fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.

C.56:11-39 Negligent noncompliance; liability.

12. a. Any person who is negligent in failing to comply with any requirement imposed under this act with respect to any consumer is liable to that consumer in an amount equal to the sum of:

(1) any actual damages sustained by the consumer as a result of the failure; and

(2) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorneys' fees as determined by the court.

b. On a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for purposes of harassment, the court shall award to the prevailing party attorneys' fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.

C.56:11-40 Obtaining information under false pretenses, fourth degree crime.

13. 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.

C.56:11-41 Enforcement agency.

14. a. Pursuant to subsection (c) of section 621 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681s, the Division of Consumer Affairs in the Department of Law and Public Safety is designated as the agency in this State to enforce the provisions of the federal "Fair Credit Reporting Act," and this act.

b. The director shall make every effort to keep the residents of this State informed with respect to their rights under the federal "Fair Credit Reporting Act," and this act, including, but not limited to, press releases upon the establishment of toll-free telephone numbers by the major credit reporting agencies as required under federal law and the provision, on the division's web page, of that same information and other information on basic consumer rights and protections with respect to credit reports under the federal act and this act.

15. This act shall take effect on the 180th day after enactment.

Approved July 29, 1997.