

1 S.245

2 Introduced by Senator Galbraith

3 Referred to Committee on

4 Date:

5 Subject: Commerce; consumer protection; credit reporting agencies

6 Statement of purpose of bill as introduced: This bill proposes to require a
7 financial institution to provide a consumer with credit reports it receives and to
8 fine a credit reporting agency that fails to correct errors on credit reports.

9 An act relating to credit report disclosure and error prevention

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 9 V.S.A. § 2480b is amended to read:

12 § 2480b. DISCLOSURES TO CONSUMERS

13 * * *

14 (f) Information in a consumer's credit report provided to the consumer
15 shall contain identical information to the information included in the
16 consumer's credit report provided to financial institutions.

17 (g) A financial institution that receives a consumer's credit report or other
18 information relevant to the consumer's credit from a credit reporting agency
19 shall provide the consumer with a copy of the credit report and any other
20 information the financial institution received from the credit reporting agency.

1 Sec. 2. 9 V.S.A. § 2480d is amended to read:

2 § 2480d. PROCEDURE IN CASE OF DISPUTED ACCURACY

3 (a) If the completeness or accuracy of any item of information contained in
4 the consumer's file is disputed by the consumer and the consumer notifies the
5 credit reporting agency directly of such dispute, the agency shall reinvestigate
6 free of charge and record the current status of the disputed information on or
7 before 30 business days after the date the agency receives notice from
8 the consumer.

9 (b) On or before five business days after the date a credit reporting agency
10 receives notice of a dispute from a consumer in accordance with subsection (a)
11 of this section, the agency shall provide notice of the dispute to all persons who
12 provided any item of information in dispute.

13 (c) Notwithstanding subsection (a) of this section, a credit reporting agency
14 may terminate a reinvestigation of information disputed by a consumer under
15 such subsection if the agency reasonably determines that such dispute by the
16 consumer is frivolous or irrelevant. Upon making such a determination, a
17 credit reporting agency shall promptly notify the consumer of such
18 determination and the reasons therefor, by mail, or if authorized by the
19 consumer for that purpose, by telephone. The presence of contradictory
20 information in the consumer's file does not in and of itself constitute
21 reasonable grounds for determining the dispute is frivolous or irrelevant.

1 (d) In conducting a reinvestigation under subsection (a) of this section, the
2 credit reporting agency shall review and consider all relevant information
3 submitted by the consumer with respect to such disputed information.

4 (e) If, after a reinvestigation under subsection (a) of this section of any
5 information disputed by a consumer, the information is found to be inaccurate
6 or cannot be verified, the credit reporting agency shall promptly delete such
7 information from the consumer's file. ~~For purposes of~~ A credit reporting
8 agency that fails to delete inaccurate information within 90 days of finding the
9 information to be inaccurate or unverifiable shall be deemed in violation of
10 section 2453 of this title and subject to a fine of \$10,000.00 per day. As used
11 in this section, "information" shall not include other information in the same
12 item that is not disputed by the consumer.

13 (f) If any information is deleted after a reinvestigation under subsection (a)
14 of this section, the information may not be reinserted in the consumer's file
15 after deletion unless the person who furnishes the information reinvestigates
16 and states in writing or by electronic record to the agency that the information
17 is complete and accurate. Such furnisher shall not provide such statement
18 unless the furnisher reasonably believes that the information is complete and
19 accurate. Upon such reinvestigation and statement by the furnisher, the credit
20 reporting agency shall promptly notify the consumer of any reinsertion.

1 (g) A credit reporting agency shall provide written notice of the results of
2 any reinvestigation under this subsection within five business days of the
3 completion of the reinvestigation, by mail or, if authorized by the consumer for
4 that purpose, by telephone. This notice shall include:

5 (1) a statement that the reinvestigation is complete;

6 (2) a statement of the determination of the agency on the completeness
7 or accuracy of the disputed information;

8 (3) a credit report that is based upon the consumer's file as that file is
9 revised as a result of the reinvestigation;

10 (4) a description of the manner in which the information disputed by the
11 consumer has been altered, changed, deleted, or modified in the consumer's
12 credit report;

13 (5) a description of the procedure used to determine the accuracy and
14 completeness of the information, including the name, business address, and, if
15 available, the telephone number of any person contacted in connection with
16 such information; and

17 (6) a notification that the consumer has the right, pursuant to 15 U.S.C.
18 § 1681i, to add a statement to the consumer's file disputing the accuracy or
19 completeness of the information.

20 Sec. 3. EFFECTIVE DATE

21 This act shall take effect on July 1, 2014.