



CDSS

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DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GOVERNOR

REASON FOR THIS TRANSMITTAL

- ☒ State Law Change
☒ Federal Law or Regulation
Change
☐ Court Order
☐ Clarification Requested by
One or More Counties
☒ Initiated by CDSS

April 19, 2013

ALL COUNTY LETTER NO. 13-31

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE FISCAL OFFICERS
ALL CHIEF PROBATION OFFICERS
ALL INDEPENDENT LIVING PROGRAM MANAGERS
ALL INDEPENDENT LIVING PROGRAM COORDINATORS
ALL COUNTY TRANSITIONAL HOUSING COORDINATORS
ALL TITLE IV-E AGREEMENT TRIBES

SUBJECT: FOSTER YOUTH CREDIT REPORTS

REFERENCE: CHILD AND FAMILY SERVICES IMPROVEMENT AND INNOVATION
ACT (PUBLIC LAW (P.L.) 112-34); FEDERAL PROGRAM
INSTRUCTION LOG NO. ACYF-CB-PI-12-07; CALIFORNIA WELFARE
AND INSTITUTIONS CODE SECTIONS 10618.6 AND 16501.1

The purpose of this All County Letter (ACL) is to provide instructions for the following:

- Requesting credit reports on behalf of minors;
- Providing assistance to Non-Minor Dependents (NMDs) in requesting their credit reports;
- Ensuring minors and NMDs receive assistance in interpreting their credit reports and clearing any inaccuracies; and
- Documenting the above in the case file.

Background

On September 30, 2011, Public Law (P.L.) 112-34, the Children and Family Services Improvement and Innovation Act, was signed by President Obama. In part, it requires that each foster youth who has reached age 16 receive a free copy of any credit report each year until discharged from care. It also requires the foster youth to receive assistance in interpreting and resolving any inaccuracies in the credit report. On

May 28, 2012, the Administration for Children and Families issued Program Instruction No. ACYF-CB-PI-12-07 which, along with providing implementation guidance, clarified that the foster youth must receive credit reports from all three nationwide Credit Reporting Agencies (CRAs) (i.e., TransUnion, Equifax, and Experian).

On September 30, 2012, Senate Bill (SB) 1521 (Chapter 847, Statutes of 2012) was chaptered and amends Welfare and Institutions Code (W&IC) section 10618.6 to comply with federal law. It requires the County Welfare Department (CWD) and County Probation Department, or California Department of Social Services (CDSS) (if an electronic batch request process is available), to request a credit report from each of the three CRAs annually on behalf of each minor in foster care upon reaching his or her 16th birthday until he or she discharges from care. It also requires the county agency to assist NMDs in requesting the three credit reports and to ensure minor youth and NMDs receive assistance in interpreting and resolving inaccuracies in the credit reports.

The Fair Credit Reporting Act requires each CRA to provide a free copy of an individual's credit report, upon the individual's request, once every twelve months. The CDSS has worked with the CRAs to establish an electronic batch process for minors in foster care in California. The CDSS has agreed to send electronic batch requests for credit reports on behalf of minors, aged 16 and 17, in foster care. In the case of NMDs, state law requires the county to assist these youth in requesting the credit reports.

Process for Obtaining Credit Reports - Minors

Beginning immediately, and each quarter thereafter, CDSS will extract information from the Child Welfare Services/Case Management System (CWS/CMS) on all youth in foster care ages 16 and 17. The information will include specific data elements needed by TransUnion, Experian, and Equifax in order to generate a credit report or a notice that none exists. The CDSS will transmit the data to each CRA by accessing a secure website operated and maintained by the CRA and uploading a file containing the necessary data, or by other secure electronic means. TransUnion is expected to provide each credit report requested to CDSS within 48 hours, Equifax within 72 hours, and Experian within 24 hours.

Counties have the option of manually requesting a credit report on behalf of an affected foster youth. The procedure for doing so is as follows:

1. Go to the www.annualcreditreport.com website;
2. Click on the "[request your report through the mail](#)" link;
3. Under the **To Request your Credit Report by Mail** heading, click on the "[request form](#)" link;
4. Print the request form;

5. Complete the request form using the youth's information from CWS/CMS;
6. In the appropriate section near the bottom of the request form, indicate a credit report is being requested from TransUnion, Equifax, and/or Experian; and
7. Mail the request form, along with a copy of the court order (with the identifying information redacted) showing the youth is in the placement and care responsibility of the child welfare or probation agency, to the address indicated on the request form.

It may take up to three weeks to receive the credit reports through the manual request process.

Any county may enter into its own formal agreements with the three CRAs for this purpose, provided the Welfare Director in that county submits to CDSS a letter stating the county's intent. The letter should specify the date that the county will assume responsibility for obtaining the credit reports on behalf of youth ages 16 and 17 via a manual process or an electronic batch process secured by agreements between the county and the three CRAs. The notification will allow CDSS to exclude certain youth from its own electronic batch request, thereby avoiding duplication of effort and ensuring each annual credit report requested remains free of cost.

Receiving the Credit Reports

Each CRA will provide the credit reports and notices that none exists to CDSS by allowing CDSS to access a secure website operated and maintained by each CRA. The CDSS will secure such information by electronic means. The CDSS will then provide each credit report and notice to the child welfare department or probation department in the county of jurisdiction of the foster youth for whom the request was made. The CDSS will provide said county agency with access to a secure website operated and maintained by CDSS where the credit reports and notices may be downloaded or provide other secure electronic means by which the credit reports and notices can be obtained.

The vast majority of youth will not have an account, and the existence of an account on a foster youth's credit report does not necessarily indicate there is an inaccuracy or the foster youth is a victim of identity theft. In order to make that determination the county would have to check with the youth and provide the youth with a copy of the youth's credit report. The county must ensure the foster youth receive assistance with interpreting the credit report and clearing any inaccuracies. The county may provide the foster youth with such assistance directly or refer the youth to an agency that provides such services (see below). Copies of the credit reports must be made available to youth at no cost to them.

Confidentiality of Credit Reports

The credit report is a confidential document. It must not be attached to the court report, any other court filing, or be otherwise distributed. The social worker/probation officer must take necessary steps to prevent improper disclosure or misuse of information contained in the credit report. These steps may include, but are not limited to, keeping credit reports in a separate and sealed part of the file; keeping credit reports separate from the file in a locked location, etc.

Process for Obtaining Credit Reports - NMDs

The process of obtaining credit reports for NMDs is different than for minors. Whereas requests are made on behalf of minors, NMDs may request and receive the credit reports themselves. However, the social worker or probation officer must ensure the NMD receives assistance in requesting and reviewing the reports. The level of assistance the NMD receives should be based on the NMDs developmental needs and may include, but is not limited to, the following:

- Referring the NMD to the www.annualcreditreport.com website where the NMD may obtain and complete the request form, obtain the telephone number for requests, or use the secure website to request the credit reports,
- Assisting the youth with accessing the www.annualcreditreport.com website and completing the credit report application online,
- Providing the NMD with a request form and assisting him or her with completing the form, as needed,
- Providing the NMD with the telephone number for making a request and assisting him or her through the call, as needed, or
- Securing authorization from the NMD for the child welfare or probation agency to receive the credit reports on his/her behalf

Understanding financial management and the risk of identity theft is vital as the NMD becomes more independent. The social worker or probation officer should explain to the NMD why obtaining a copy of one's credit report is important. If an NMD is resistant to requesting a credit report, the social worker or probation officer should continue to work with the NMD and address issues related to the credit report results during monthly face-to-face visits.

Assistance with Interpreting the Credit Report and Resolving Inaccuracies

Federal and California law requires that foster youth receive assistance in interpreting the credit reports and resolving any inaccuracies. Based on the results of a pilot study in 2011, the vast majority of youth will have no credit reports, and no follow-up will be

needed upon receiving notice from CDSS or the CRA directly. However, approximately five percent of youth will have a credit report with at least one account.

The county welfare or probation department is responsible for ensuring the minor youth and NMDs receive assistance with interpreting the credit reports and resolving any inaccuracies. Counties have the flexibility to determine what type of assistance works best with youth and considering the existing services in the county. If an inaccurate account exists on a foster youth's credit report, the county may refer the youth to a remediation agency that will assist the youth with interpreting the credit report and clearing any inaccuracies. One option is to conduct an internet search for governmental or nonprofit agencies that provide the same service, also at no charge. In doing so, care should be taken in selecting entities that provide actual hands-on service, rather than merely guidance.

Documentation in Case File

For minor foster youth, the case plan must document the following:

- Credit reports were requested from all three CRAs at no cost to the youth (for counties doing manual requests);
- Credit reports were received from CDSS and the date(s) received;
- Credit reports were provided to the youth and the date(s) provided;
- If credit reports contain any accounts, how county ensured NMD received assistance with interpreting credit reports and resolving inaccuracies, including referrals made for assistance and any resulting actions; and
- Any communication from CDSS indicating youth does or does not have credit report, as determined by the CRAs.

For NMDs, the case plan must document the following:

- Efforts the county has made to assist NMD in obtaining credit reports;
- If credit reports contain any accounts, how county ensured NMD received assistance with interpreting credit reports and resolving inaccuracies, including referrals made for assistance and any resulting actions;
- Any barriers to obtaining credit reports and steps that will be taken to resolve them; and
- If NMD refuses to request credit reports, the efforts made to assist the NMD in requesting the credit reports and understanding the value of being knowledgeable about one's own credit.

It would be considered good practice to help educate the NMD about the value of being knowledgeable about his or her own credit. Accordingly, the objective of obtaining the credit reports could be a goal in the NMD's Transitional Independent Living Plan. It would also provide an opportunity to document which individuals will assist the NMD with obtaining, interpreting, and resolving any inaccuracies in the credit reports.

Inquiries

Please send any inquiries regarding this ACL to CDSS' Independent Living Program Policy Unit email box at ilppolicy@dss.ca.gov.

Sincerely,

Original Document Signed By:

GREGORY E. ROSE
Deputy Director
Children and Family Services Division