
EVALUATOR MANUAL TRANSMITTAL SHEET

<p><u>Distribution:</u></p> <p>_____ All Child Care Evaluator Manual Holders</p> <p>_____ All Residential Care Evaluator Manual Holders</p> <p><u>X</u> All Evaluator Manual Holders</p>	<p><u>Transmittal No.</u></p> <p>13RM-06</p> <hr/> <p><u>Date Issued</u></p> <p>May, 2013</p>
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Subject:

Reference Material/Applications/Section 3-0025 Guidelines for Processing Applications

Reason for Change:

Modifies the guidelines for processing applications to show updated credit report information required and a new summary of rights under the Fair Credit Reporting Act.

Filing Instructions:

REMOVE: pages 4-5, 7-10

INSERT: pages 4-5, 7-10

Approved:

*Signed by: Seton Bunker for
Fernando Sandoval*

May 24, 2013

Fernando Sandoval, Chief
Policy Branch

Date

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3-0025 GUIDELINES FOR PROCESSING APPLICATIONS**3-0025**

The procedures contained in this section were developed to ensure statewide consistency in the processing of applications, from the point of acceptance to the approval process. These guidelines replace any current individual office practices.

Although the application process starts when an individual attends the Component I Orientation Session, the actual processing time does not begin until an application is submitted to the Regional Office. An application should be accepted or rejected by the Regional Office within five working days of receipt. The application is reviewed to ensure that all Section A and B documents have been submitted and are complete. An application should be accepted when all Section A forms and B documents have been received. However, in order to prevent unnecessary delays in the application process, an application should be accepted when all of Section A forms and no more than two B documents are missing or incomplete. The LIC 184, Notification of Incomplete Application should be sent to the applicant, outlining which B documents are incomplete or missing. This notification should be sent the same day the application is accepted. The applicant should be advised to bring the one or two missing B documents to the face-to-face interview.

Once the application is accepted, and if the application is for a residential care facility for the elderly, residential care facility for the chronically ill, adult residential facility, adult residential facility for persons with special health care needs, social rehabilitation facility, community treatment facility, transitional housing placement program or group home, a credit report is required to be obtained. Each residential office has an account with a credit bureau that allows the Licensing Program Analyst to obtain a credit report on the applicant(s). Credit Reports on individual applicants are obtained from CBC Innovis which provides us with reports from **TransUnion, Experian and Equifax**. Corporate Business Reports are obtained from screeningONE, Inc. and they are from the Experian Credit Bureau. Corporate Business Reports should only be requested on Corporations and Limited Liability Companies that have been in existence for at least a year. screeningONE, Inc. will not have any information on newly formed Corporations or Limited Liability Companies as they have no financial history. The Articles of Incorporation will indicate the date of incorporation. Guides for reading both the individual and corporate credit report information may be obtained from these companies' websites.

The Fair Credit Reporting Act is very strict regarding the usage of credit reports. **Be aware that the Community Care Licensing Division is only permitted by the Fair Credit Reporting Act to request a credit report on an individual who has signed the application, excluding corporate officers.** For corporations and Limited Liability Companies, a credit report will be obtained on the corporation or Limited Liability Company only (**NOT ON THE CORPORATE OFFICERS OR PRINCIPALS OF THE Limited Liability Company**). If the applicant is a limited partnership, the evaluator will only request a credit report on the general partners.

It is important for users to understand their responsibility and the law with regard to credit reports. The credit report information is sensitive and to be filed in the CONFIDENTIAL information section of the facility file.

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The Fair Credit Reporting Act provides that any person who knowingly or willfully obtains information via the credit report under false pretense is subject to a fine of not more than \$5,000 or imprisonment of up to one year.

Additionally, the Community Care Licensing Division is required to provide written notice to the applicant when the denial of the application; in whole or part, is the result of information contained on their credit report. For adverse actions involving decisions about a license, the notification must include the following:

The name, address, and toll-free telephone number of TransUnion, Experian or Equifax, whichever company provided the report. TransUnion's toll free number is 800-916-8800; Experian's number is 888-397-3742 and Equifax's number is 800-685-1111.

- A statement that TransUnion, Experian or Equifax did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the applicant's/licensee's right to obtain a free disclosure of his/her file from the credit bureau if the applicant/licensee requests the report within 60 days.
- A statement setting forth the applicant's/licensee's right to dispute directly with the credit bureau the accuracy or completeness of any information provided by the credit bureau.

If you believe the information contained on the credit report may result in a denial of license, contact the Audit Section for assistance in making this decision and ensuring the rights of the applicant are protected.

The "Consumers Rights" enclosure is found at the end of this section 3-0025.

Within ten calendar days of acceptance of the application, the face-to-face interview must be scheduled. If there are any incomplete or outstanding application forms, the applicant should be reminded to bring the documents to the face-to-face. The interview is to be conducted within 30 calendar days from the date the letter scheduling the interview is mailed to the applicant.

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The face-to-face interview is to be conducted as outlined in Section 3-0350. While the applicant is in the office, the pre-licensing visit should be scheduled. The Evaluator should also verify that the applicant is signed up for Component III.

Once the above requirements have been met and all outside clearances have been received (refer to Section 3-0295), the Licensing Program Analyst should be ready to approve or deny the application. The time frames for the entire application process should range from 45 to 90 days. In addition, there is a statutory requirement to process additional applications for existing licensees within 60 days after submission of a complete application. Any pending application that cannot be approved or denied within 90 days should be brought to the attention of the Licensing Program Manager.

A Summary of Your Rights Under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act promotes the accuracy, fairness, and privacy of information found in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the Fair Credit Reporting Act. **For more information, including information about additional rights, go to www.ftc.gov/credit or write to: Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
 - a person has taken adverse action against you because of information in your credit report;
 - you are the victim of identify theft and place a fraud alert in your file;
 - your file contains inaccurate information as a result of fraud;
 - you are on public assistance;
 - you are unemployed but expect to apply for employment within 60 days.In addition, by September 2005 all consumers will be entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.ftc.gov/credit for additional information.

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- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.ftc.gov/credit for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need -- usually to consider an application with a creditor, insurer, employer, landlord, or other business. The Fair Credit Reporting Act specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.ftc.gov/credit.
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the Fair Credit Reporting Act, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit www.ftc.gov/credit.

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States may enforce the Fair Credit Reporting Act, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General.

Federal enforcers are:

TYPE OF BUSINESS:	CONTACT:
Consumer reporting agencies, creditors and others not listed below	Federal Trade Commission Consumer Response Center – Fair Credit Reporting Act Washington, DC 20580 877-382-4357
National banks, federal branches/agencies of foreign banks (word “National” or initials “N.A.” appear in or after bank’s name)	Office of the Comptroller of the Currency Compliance Management, Mail Stop 6-6 Washington, DC 20219 800-613-6743
Federal Reserve System member banks (except national banks, and federal branches/agencies of foreign banks)	Federal Reserve Consumer Help (FRCH) P.O. Box 1200 Minneapolis, MN 55840 888-851-1920 Website: www.federalreserveconsumerhelp.gov Email: ConsumerHelp@FederalReserve.gov
Savings associations and federally chartered savings banks (word “Federal” or initials “F.S.B.” appear in federal institution’s name)	Office of Thrift Supervision Consumer Complaints Washington, DC 20552 800-842-6929
Federal credit unions (words “Federal Credit Union” appear in institution’s name)	National Credit Union Administration 1775 Duke Street Alexandria, VA 22314 703-519-4600
State-chartered banks that are not members of the Federal Reserve System)	Federal Deposit Insurance Corporation Consumer Response Center 2345 Grand Avenue, Suite 100 Kansas City, Missouri 64108-2638 877-275-3442
Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission	Department of Transportation Office of Financial Management Washington, DC 20590 202-366-1306
Activities subject to the Parkers and Stockyards Act, 1921	Department of Agriculture Office of Deputy Administrator – GIPSA Washington, DC 20250 202-720-7051

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