



CDSS

WILL LIGHTBOURNE
DIRECTOR

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

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EDMUND G. BROWN JR.
GOVERNOR

December 30, 2016

ALL COUNTY LETTER (ACL) NO. 16-118

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALWORKS PROGRAM SPECIALISTS
ALL WELFARE-TO-WORK COORDINATORS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY CALFRESH SPECIALISTS
ALL CONSORTIA REPRESENTATIVES
ALL TRIBAL TANF ADMINISTRATORS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
KIDS (CalWORKs) AND CALFRESH NOTICING REQUIREMENTS
FOR USAGE OF CONSUMER CREDIT REPORTS

REFERENCE: [SENATE BILL \(SB\) 1232](#) (CHAPTER 308, STATUTES OF 2016);
[ACL NO. 16-43, ALL COUNTY WELFARE DIRECTORS LETTER
\(ACWDL\) RELEASED JANUARY 13, 2016](#); [ALL COUNTY
INFORMATION NOTICE \(ACIN\) I-41-14](#); MANUAL OF POLICIES
AND PROCEDURES SECTIONS [21-115](#), [21-115.2](#), [23-400](#);
[SECTION 603\(K\) OF THE FAIR CREDIT REPORTING ACT
\(FCRA\)](#)

The purpose of this letter is to notify County Welfare Departments (CWDs) of new requirements for CalWORKs and CalFresh program usage of consumer credit reports as enacted by [SB 1232](#) (Chapter 308, Statutes of 2016). The requirements detailed in this letter include: obtaining client authorization prior to usage, providing notice to clients when usage results in the pursuit of an adverse action, and specifying that CWDs shall not request duplicative documentation from the client if the information is obtained via a consumer credit report.

Effective January 1, 2017, all CWDs must adhere to the requirements of [SB 1232](#) when utilizing a consumer credit report such as The Work Number®. As a reminder, [ACL 16-43](#) has specific information regarding the use of The Work Number®.

REASON FOR THIS TRANSMITTAL

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

WRITTEN AUTHORIZATION

Per [SB 1232](#), CWDs **must** obtain written authorization from an applicant or recipient prior to obtaining a consumer credit report. Consumer credit reports can be used for initial and ongoing eligibility along with fraud detection in either or both programs in conjunction with, **and not in lieu of**, existing required income and eligibility sources. This means that a CWD cannot use the consumer credit report as the sole means to verify information received from an applicant or recipient. A CWD must follow all current policies and procedures.

The CWD shall obtain, at application or at redetermination/recertification for the CalWORKs and/or CalFresh programs, authorization from applicants/recipients from their signature on the [SAWS 2 PLUS - Application For CalFresh, Cash Aid, And/Or Medi-Cal/Health Care Programs](#), the [CF 285 - Application For CalFresh And Benefits](#), or the [CF 37 - Recertification for CalFresh Benefits](#).

The Privacy Act and Disclosure section on all of these forms now contain the following statement:

*“The County will check your answers using information in state and federal electronic databases and databases from the Internal Revenue Service (IRS), Social Security Administration, the Department of Homeland Security, and/or a **consumer reporting agency**.”*

ADVERSE ACTIONS

[SB 1232](#) defines “adverse action” as a determination of ineligibility for CalWORKs or CalFresh or a reduction in benefits or services. [Section 603\(k\) of the FCRA](#) defines “adverse action” as all business, credit, and employment actions affecting consumers that can be considered to have a negative impact. Therefore, when the CWD takes an adverse action based on the information received from a consumer credit report, the participant must be notified in writing through a Notice of Action (NOA). In order to comply with [SB 1232](#), the California Department of Social Services (CDSS) has developed an informing notice that must be used **in conjunction with existing NOAs**. Details regarding the attached informing notice are provided in the FORM section of this ACL. This notice informs clients of the following:

“The action being taken against you is based in part from information obtained from the Consumer Credit Report Agency listed below. This Agency did not make the decision to take this action against you and is not able to explain why the decision was made. You can obtain a free copy of information contained in your file if you make a request to the Agency within 60 days. You may dispute the accuracy or completeness of any information by contacting the Agency.”

- The name, address, and telephone number of the consumer credit reporting agency (including a toll-free telephone number);
- A statement that the consumer credit reporting agency did not make the adverse decision and is not able to explain why the decision was made;
- A statement setting forth the consumer's right to obtain a free disclosure of his/her file from the consumer credit reporting agency if the consumer makes a request within 60 days; and,
- A statement setting forth the consumer's right to dispute directly with the consumer credit reporting agency the accuracy or completeness of any information provided by consumer credit reporting agency.

THE WORK NUMBER®:

In reference to The Work Number®, the language that the CWDs must add to the attached informing notice is as follows:

The Work Number/Equifax
11432 Lackland Road
St. Louis, MO 63146
1-800-367-2884
www.theworknumber.com

COPIES OF REPORTS

Pursuant to [SB 1232](#), the information obtained from the consumer credit report **must** be made available to an applicant or recipient who requests a copy of his or her case file, or if an applicant or recipient appeals an action based in whole or in part on the information from the consumer credit report.

DUPLICATIVE DOCUMENTATION

[SB 1232](#) states that if a CWD elects to use information obtained from a consumer credit report to determine benefit level, the CWD **shall not** require the applicant or recipient to submit hard-copy documentation that is duplicative of the information obtained from a consumer credit report. However, if the client does not agree, or if the CWD establishes that the information it has received is questionable, additional client documentation may be requested. For CalFresh purposes, the information received from the Work Number® is **not considered verified upon receipt.**

FORM

The [GEN 1390 \(1/17\): Informing Notice – Regarding an Action Taken on Your Case](#) is a general form to be used by various programs to inform clients of information required by [SB 1232](#) (see ADVERSE ACTIONS section of this ACL).

Upon release of this letter, CWDs **must use** the GEN 1390 to provide notice to clients when the usage of a consumer credit report results in the pursuit of an adverse action. However, as a result of any delay in the release of the GEN 1390, CWDs may initiate their own method of providing this notification to clients. As long as the CWD's written notification includes the client's name, provides all of the required elements identified in this letter, and is documented in the client's case file, the client will be considered as having been properly notified.

Automation systems must be modified to notify CWDs when clients are scheduled to receive the GEN 1390 informing notice. Until SAWS are able to automate the GEN 1390, CWDs will have to implement this informing notice manually.

Required Form – No Substitutes Permitted: Forms in this category may not be modified or restructured by the CWD or consortium. However, overprinting or reformatting and Electronic Data Processing (EDP) modifications are permitted. Overprinting is defined as a process in which the CWD prints additional information over a currently required form without modifying the format, structure, or legal content of the form.

The following have been identified as acceptable overprinting purposes and do not require state approval: (a) to identify the CWD, (b) to add information to the "County Use Only" section, or (c) to add Eligibility Worker instructions. Overprinting or EDP modifications for purposes other than those specified must be pre-approved by the CDSS before use of the form by the CWD. More information regarding the form types and the CWD modification procedures can be found in MPP section 23-400 located on the CDSS website at <http://www.cdss.ca.gov/ord/entres/getinfo/pdf/opsman3.pdf>.

AFFECTED FORMS

The attached informing notice must be sent with the CalWORKs and CalFresh forms listed below. This list is not exhaustive.

CalWORKs

- M43-119M Deemed Sponsor's Income
- M44-113G1 Change in Income
- M44-133Q Minor Parent Income
- M44-133S Minor Parent, Financial Eligibility
- M44-133T Minor Parent, Financial Eligibility

- M44-133V Minor Parent, Financial Eligibility
- M44-316B Change in Income Over IRT
- M44-316D Change in Income
- M82-836A Unborn Not Eligible for Aid
- NA 210 Discontinue, Suspend Financial Eligibility
- NA 840 Welfare To Work Plan
- NA 840A Determination of Good Cause/No Good Cause
- NA 845 Sanction and Removal Of The Other Parent's Needs

CalFresh

- CF 377.1 Notice of Approval for CalFresh Benefits
- CF 377.1A Notice of Denial or Pending Status
- CF 377.4 CalFresh Notice of Change for Semi-Annual Reporting Households
- CF 377.7A Notice of Administrative Disqualification
- CF 377.7B CalFresh Overissuance Notice for IHE Only
- CF 377.7D CalFresh Overissuance Notice for Administrative Errors Only
- CF 377.7D1 CalFresh Overissuance Notice for Administrative Errors Only
- CF 377.7D3 CalFresh Overissuance Notice for Administrative Errors
- CF 1239 CalFresh Notice of Approval/Denial/Termination Transitional Benefits

CAMERA READY COPIES AND TRANSLATIONS:

For camera-ready copies in English, contact the CDSS Forms Management Unit at fmudss@dss.ca.gov. If your office has internet access, you may obtain this form from the CDSS webpage at: http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm. When translations are completed per MPP section 21-115.2, including Spanish forms, they are posted on the CDSS website. Copies of the translated forms can be obtained at: http://www.dss.cahwnet.gov/cdssweb/FormsandPu_274.htm.

For questions on translated materials, please contact Language Services at (916) 651-8876. Until translations are available, recipients who have elected to receive materials in languages other than English should be sent the English version of the form or notice along with the GEN 1365-Notice of Language Services and a local contact.

The CWDs shall ensure that effective bilingual services are provided. This requirement may be met through utilization of paid interpreters, qualified bilingual employees, and qualified employees of other agencies or community resources. These services shall be provided free of charge to the applicant/recipient.

In the event that CDSS does not provide translations of a form, it is the county's responsibility to provide the translation if an applicant or recipient requests it. More information regarding translations can be found in [MPP section 21-115](#).

PROGRAM CONTACTS

If you have any questions regarding this ACL, please contact your county consultant in the following programs:

CalFresh Policy
(916) 654-1896

CalWORKs Eligibility Policy Bureau
(916) 654-1322

CalWORKs Employment Policy Bureau
(916) 654-1048

Fraud Policy Bureau
(916) 653-1826

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare-to-Work Division

Attachment

c: CWDA

**INFORMING NOTICE –
REGARDING AN ACTION TAKEN
ON YOUR CASE**

COUNTY	
CASE NAME	
CASE NO.	OTHER ID NO.
WORKER NAME	

Date:

This form provides information about the report from a credit reporting agency used to make changes to your case. A consumer credit report can verify employment, such as your wages, your salary, your hours worked or if and where you are employed. This report is a regulated by the Fair Credit Reporting Act.

The action taken on your case is explained on the enclosed form:

Name of NOA, Etc., Used

“The action being taken against you is based in part from information obtained from the Consumer Credit Report Agency listed below. This Agency did not make the decision to take this action against you and is not able to explain why the decision was made. You can obtain a free copy of information contained in your file if you make a request to the Agency within 60 days. You may dispute the accuracy or completeness of any information by contacting the Agency.”

<p>The information to make this change to your case was provided by:</p>	<p>Name of Agency Providing Notice</p>
<p>How can you obtain a copy of your employment verification report?</p>	<p>By telephone: _ Toll-Free Number</p> <p>By mail: __ Address</p> <p>On the web: _ Website Address</p>
<p>What if there are mistakes in your consumer credit report?</p>	<p>You have a right to dispute any inaccurate information in your consumer credit report. Under Federal law, you have the right to obtain a copy of your consumer credit report without charge for 60 days after you receive this notice.</p> <p>If you find mistakes in your consumer credit report, contact the consumer reporting agency.</p> <p>It is a good idea to check your consumer credit report to make sure the information is correct.</p>
<p>How can you get more information about your employment verification report?</p>	<p>For more information about consumer reports including this report, visit the Consumer Financial Protection Bureau’s website at www.consumerfinance.gov/learnmore</p>
<p>Please call your county worker if you have any questions about the information in this notice.</p>	<p>County Worker Name: Telephone Number: _</p>