ACCESS Applauds Federal Court Ruling on Californiaâ€™s Financial Privacy Law

Judge throws out trade associationsâ€™ suit against the state

Wednesday, July 07, 2004 - ACCESS was very pleased to learn that Federal District Court Judge Morrison C. England, Jr. had thrown out a law suit against the State of California that was brought by three of the largest trade associations for banks in the United States. The American Bankers Association, the Consumer Bankers Association and the Financial Services Roundtable had all sued California in Federal Court to prevent Californiaâ€™s new financial privacy law from going into effect.

The three associations had argued that under the Fair and Accurate Credit Transactions Act (FACTA) which was signed into law last December and which amended the Fair Credit Reporting Act, no state could legally impose privacy standards on financial institutions that were stronger than federal standards, as FACTA permanently barred the states from making such laws. Judge England disagreed.

England found that the FCRA and FACTA only applied to credit reporting and not other aspects of the financial services industry. Based on this, he dismissed the law suit, giving California the green light to include financial institutions in the list of companies that have to comply with the stateâ€™s new privacy regulations â€“ the strongest privacy regulations in the Country.

Said L.E. Tighe, when finding out about the ruling, "This is the first good news regarding financial privacy matters that we have had in some time. It just goes to show you that these industry associations, along with their member companies, may be able to spend millions of dollars to buy votes in Congress, but fortunately our federal judiciary canâ€™t be purchased in the same way." A number of banks and trade groups spent considerable amounts of money to get FACTA passed, in the hopes that it would render useless laws in California and North Dakota, and stop debate on similar laws in more than thirty other states.
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About ACCESS:

ACCESS is a non-profit 501(c) (3) organization dedicated to the privacy of individual consumersâ€™ financial information, and to assisting victims of incorrect credit reporting, identity theft and financial fraud. ACCESS website is designed to serve as a source of news, information and community for both victims and those who would like to avoid becoming a victim of current practices within the credit industry. The access website can be found at http://www.GuardMyCreditFile.org , and currently has offices in Washington, DC, Nebraska and California.

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