

NOTICE OF ADOPTION

Notice of Adoption of Rule Regarding Signs Required to be Posted about Tenant Screening Reports.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN the Commissioner of the Department of Consumer Affairs by Section 20-809 of Chapter 5, Title 20 of the Administrative Code of the City of New York and in accordance with the requirements of Section 1043 of the New York City Charter, that the Department has promulgated and adopted a rule regarding signs required to be posted about tenant screening reports.

These amendments were proposed and published on June 17, 2010. A public hearing was held on July 19, 2010.

All the material is underlined because the entire rule is new.

RULE

Section 1. Chapter 5 of Title 6 of the Rules of the City of New York is amended by adding new subchapter O to read as follows:

SUBCHAPTER O

TENANT SCREENING REPORT SIGNS

§ 5-265 Requirements Concerning the Posting of Signs about Tenant Screening Reports.

(a) The sign required to be posted pursuant to §20-809 of the Administrative Code of the City of New York at any location at which the principal purpose is to conduct business transactions pertaining to the rental of residential real estate properties shall include text printed in the specified size type and shall contain the required information in the order listed below, except that italicized text included below is not part of the text for the sign:

(1) The words “NOTICE ABOUT TENANT SCREENING REPORTS ” shall be printed at the top of the sign in one and one half-inch high capital letters.

(2) If application information is or may be used to screen tenants through a report from a consumer reporting agency, the sign shall state in 24-point type as follows:

“Tenant screening reports from consumer reporting agencies are sometimes used to assist landlords in making rental decisions. In regard to such reports (*Check the applicable box*):

We do not use such reports.

We may use such reports by contacting the following:

- (Insert name and address of each consumer reporting agency that may be contacted, and identify any that are a nationwide specialty consumer reporting agency).
- (Use additional lines for each listed agency).

“The law requires us to notify you if we do not lease or rent to you based on information in that report. You also have the right to dispute the accuracy of the information in the report directly with the reporting agency and to obtain a free report from such agency if we do not lease or rent to you based on such report.

“You also are entitled to receive one free report every 12 months from any nationwide specialty consumer reporting agency used by us, as well as a free credit report every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian and TransUnion. You can request this free credit report through the website www.annualcreditreport.com. You may dispute the accuracy of any information about you that is contained in such report directly with the credit reporting agency.”

(b) The color of the text of the notice required in paragraph (1) of subdivision (a) shall contrast sharply with the color of the remaining text, and the colors of the printed text shall contrast sharply with the background color of the sign.

(c) All the required information shall be included on one sign that shall be posted at the location at a place where it is conspicuously visible to a consumer who is seated while the transaction is conducted at such location.

Statement of Basis and Purpose

Section 20-809 of the Administrative Code of the City of New York, enacted by Local Law Number 2 for the Year 2010, requires that the Commissioner specify by rule the form and manner of the sign, to be posted in any location at which the principal purpose is conducting business transactions pertaining to the rental of residential real estate property, which identifies the names and addresses of credit reporting agencies used by such business to obtain tenant screening reports, and informs consumers of their right to obtain a copy of such report annually and to correct erroneous information in such reports.

To implement this requirement, the Department has adopted as section 5-265 of new subchapter O of Chapter 5 of Title 6 of the Rules of the City of New York the form and manner of the sign to be posted. Upon publication of the rule and holding a public hearing, the Department received several comments that were the basis for certain changes that are reflected in the final version as set forth herein. This rule specifies the wording of the notice to be included to alert consumers about the significance of the information that is contained in such sign. It details the information required to be listed on the sign, the order in which such information is presented, and the type size of the text. The rule specifies that clearly contrasting colors shall be used for the background and text to ensure that the notice alerting consumers to the purpose of the sign and the information disclosed will clearly differentiate the printing from the background information. This would ensure that the sign and its content would be conspicuously visible when consumers are conducting transactions relating to the rental of residential real estate property.