
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 946 (Seyarto) - Consumer Credit Reporting Agencies Act: escrow agent rating services and escrow agents

Version: February 2, 2026

Urgency: No

Hearing Date: April 13, 2026

Policy Vote: B. & F.I. 6 - 0

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: SB 946 removes the sunset date that applies to provisions related to escrow agent rating services in the Consumer Credit Reporting Agencies Act (Act), making the provisions operative indefinitely.

Fiscal Impact: Unknown, potentially significant court workload cost pressures to the extent any actions are brought against an escrow rating service due to that service's theft or misuse of any personally identifiable information. The number of cases that would be brought as a result of this bill is unknown. It generally costs about \$1,000 to operate a courtroom for one hour. If cases brought as a result of this bill take an additional 50 hours of court time in the aggregate in a given year, the cost pressures to the courts would surpass the Suspense File threshold. Although courts are not funded on the basis of workload, increased staff time and resources may create a need for increased funding for courts from the General Fund to perform existing duties. (Trial Court Trust Fund, General Fund).

Background: The Act defines an escrow agent rating service as a person or entity that prepares a report, for compensation or in expectation of compensation, for use by a creditor in evaluating the capacity of an escrow agent to perform escrow services in connection with an extension of credit (Civil Code Section 1785.28). These rating services are essentially specialized consumer reporting agencies that act as third-party risk management firms for buyers/sellers, their respective agents, and mortgage lenders. They investigate escrow companies and their employees to verify compliance with licensure, insurance, and bonding requirements. Rating services may also audit the financial health and operational security of these entities and their individual agents. According to a leading provider of escrow agent ratings, Secure Insight provides the following description of how it evaluates and monitors escrow agents:

Secure Insight conducts an initial hands-on deep dive investigation, assigns trained risk analysts to review and interpret the data, interacts with the agents directly to verify derogatory or ambiguous information, arrives at a risk rating for the agent and then monitors agent personal and professional data to monitor for any changes in risk, updating its profile reports as new information becomes available

Because escrow agent rating services may evaluate the personal data (including credit report) of individual escrow agents, the Act grants agents many of the same protections that regular consumers have with credit bureaus. This includes the right for agents to dispute inaccuracies and protect their personally identifiable information. The Act mandates an escrow agent rating service to safeguard all personally identifiable

information it obtains from an escrow agent. It also establishes a private right of action, allowing agents to seek damages from a rating service. The provisions related to escrow agent rating services in the Act are set to sunset on January 1, 2027.

Proposed Law: Removes the sunset date that applies to provisions related to escrow agent rating services in the Consumer Credit Reporting Agencies Act, making the provisions operative indefinitely.

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