

SENATE BILL 108

I3

9lr0596

By: **Senators Stone and Della**

Introduced and read first time: January 15, 2009

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Consumer Reporting Agencies – Credit Scores**

3 FOR the purpose of requiring a consumer reporting agency to provide a consumer
4 certain information about the consumer's credit score under certain
5 circumstances; requiring a consumer reporting agency to provide the consumer
6 with the same credit score that the consumer reporting agency provides to the
7 users of the credit score; prohibiting a consumer reporting agency from charging
8 a fee for a first request within a certain period for certain information;
9 authorizing a consumer reporting agency to charge a reasonable fee up to a
10 certain limit for providing certain information under certain circumstances;
11 defining a certain term; making stylistic changes; and generally relating to
12 consumer reporting agencies.

13 BY repealing and reenacting, with amendments,
14 Article – Commercial Law
15 Section 14–1201, 14–1206, and 14–1209
16 Annotated Code of Maryland
17 (2005 Replacement Volume and 2008 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Commercial Law**

21 14–1201.

22 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) "Commissioner" means the Commissioner of Financial Regulation of the
2 Department of Labor, Licensing, and Regulation.

3 (c) "Consumer" means an individual.

4 (d) (1) "Consumer report" means any written, oral, or other
5 communication of any information by a consumer reporting agency bearing on a
6 consumer's credit worthiness, credit standing, credit capacity, character, general
7 reputation, personal characteristics, or mode of living which is used or expected to be
8 used or collected in whole or in part for the purpose of serving as a factor in
9 establishing the consumer's eligibility for:

10 (i) Credit or insurance to be used primarily for personal, family,
11 or household purposes;

12 (ii) Employment purposes; or

13 (iii) Other purposes authorized under § 14–1202 of this subtitle.

14 (2) [The term] "**CONSUMER REPORT**" does not include:

15 (i) Any report containing information solely as to transactions
16 or experiences between the consumer and the person making the report;

17 (ii) Any authorization or approval of a specific extension of
18 credit directly or indirectly by the issuer of a credit card or similar device; or

19 (iii) Any report in which a person who has been requested by a
20 third party to make a specific extension of credit directly or indirectly to a consumer
21 conveys his decision with respect to the request, if the third party advises the
22 consumer of the name and address of the person to whom the request was made and
23 the person makes the disclosures to the consumer required under § 14–1212 of this
24 subtitle.

25 (e) (1) "Consumer reporting agency" means any person which, for
26 monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or
27 in part in the practice of assembling or evaluating consumer credit information or
28 other information on consumers for the purpose of furnishing consumer reports to
29 third parties, and which uses any means or facility of commerce for the purpose of
30 preparing or furnishing consumer reports.

31 (2) "Consumer reporting agency" does not include:

32 (i) A person licensed as a private detective agency or certified
33 as a private detective under the Maryland Private Detectives Act; or

34 (ii) A person who assembles and exchanges consumer credit
35 information with an affiliated person or a person who is owned or controlled by the

1 same entity, provided that, in the event of an adverse credit decision against a
2 consumer based on that information, the entity making the decision shall comply with
3 the notice requirements of § 14–1212(b) of this subtitle.

4 (F) “CREDIT SCORE” MEANS A NUMERICAL VALUE OR A
5 CATEGORIZATION THAT IS DERIVED FROM A STATISTICAL TOOL OR MODELING
6 SYSTEM AND IS USED BY A PERSON THAT MAKES OR ARRANGES A CREDIT
7 TRANSACTION TO PREDICT THE LIKELIHOOD OF CREDIT BEHAVIORS.

8 [(f)] (G) “Employment [purposes] PURPOSES”, when used in connection
9 with a consumer [report] REPORT, means a report used for the purpose of evaluating
10 a consumer for employment, promotion, [reassignment] REASSIGNMENT, or retention
11 as an employee.

12 [(g)] (H) “File”, when used in connection with information on any consumer,
13 means all of the information on that consumer recorded and retained by a consumer
14 reporting agency regardless of how the information is stored.

15 [(h)] (I) “Investigative consumer report” means a consumer report or
16 portion of it in which information on a consumer’s character, general reputation,
17 personal characteristics, or mode of living is obtained through personal interviews
18 with neighbors, friends, or associates of the consumer reported on or with others with
19 whom he is acquainted or who may have knowledge concerning any items of
20 information. However, the information does not include specific factual information on
21 a consumer’s credit record obtained directly from a creditor of the consumer or from a
22 consumer reporting agency when the information was obtained directly from a creditor
23 of the consumer or from the consumer.

24 [(i)] (J) “Medical information” means information or records obtained, with
25 the consent of the individual to whom it relates, from licensed physicians or medical
26 practitioners, hospitals, clinics, or other medical or medically related facilities.

27 [(j)] (K) “Person” includes an individual, corporation, government or
28 governmental subdivision or agency, business trust, estate, trust, partnership,
29 association, two or more persons having a joint or common interest, and any other
30 legal or commercial entity.

31 14–1206.

32 (a) A consumer reporting agency [shall, upon], ON request and proper
33 identification of a consumer, SHALL provide the consumer:

34 (1) An exact copy of any file on that consumer except any part of the
35 file which contains medical information;

36 (2) A written explanation of codes or trade language used;

1 (3) A description of the rights of the consumer under this subtitle; and

2 (4) The name, address, and telephone number of the Commissioner.

3 (b) (1) **A CONSUMER REPORTING AGENCY, ON REQUEST AND PROPER**
4 **IDENTIFICATION OF A CONSUMER, SHALL PROVIDE THE CONSUMER:**

5 (I) **THE CONSUMER'S CURRENT OR MOST RECENT CREDIT**
6 **SCORE;**

7 (II) **THE RANGE OF POSSIBLE CREDIT SCORES UNDER THE**
8 **MODEL USED;**

9 (III) **EACH KEY FACTOR AND THE WEIGHT ASSOCIATED WITH**
10 **THAT KEY FACTOR THAT AFFECTS THE CONSUMER'S CREDIT SCORE IN THE**
11 **MODEL USED;**

12 (IV) **THE DATE THE CREDIT SCORE WAS CREATED;**

13 (V) **THE NAME OF THE CONSUMER REPORTING AGENCY**
14 **THAT PROVIDED THE CREDIT SCORE OR CREDIT FILE ON WHICH THE CREDIT**
15 **SCORE IS BASED; AND**

16 (VI) **A STATEMENT INDICATING THAT THE INFORMATION**
17 **AND CREDIT SCORING MODEL MAY BE DIFFERENT FROM THAT USED BY A USER**
18 **OF THE CREDIT SCORE.**

19 (2) **A CONSUMER REPORTING AGENCY THAT PROVIDES A CREDIT**
20 **SCORE TO A CONSUMER IN ACCORDANCE WITH THIS SECTION SHALL PROVIDE**
21 **THE CONSUMER WITH THE SAME CREDIT SCORE THAT THE CONSUMER**
22 **REPORTING AGENCY PROVIDES TO THE USERS OF THE CREDIT SCORE.**

23 (C) Whenever access to a file or a copy of a file has been furnished to a
24 consumer, the consumer reporting agency may delete the sources of information
25 acquired solely for use in an investigative report and used for no other purpose. If any
26 action is brought by the consumer under this subtitle, the consumer reporting agency
27 shall make such sources available to the plaintiff under appropriate discovery
28 procedures.

29 14-1209.

30 (a) Notwithstanding the provisions of subsection (b) of this section, a
31 consumer reporting agency may not impose a fee for:

1 (1) A consumer report provided under § 14–1206(a) of this subtitle one
2 time during a 12–month period;

3 (2) A consumer report or disclosure provided under §§ 14–1206(a) and
4 14–1208(e) of this subtitle if the consumer makes a request for the report within 30
5 days after receipt by the consumer of a notification under § 14–1212 of this subtitle or
6 notification from a debt collection agency affiliated with a consumer reporting agency
7 stating that the consumer’s credit rating may be or has been adversely affected; [or]

8 (3) A disclosure made under § 14–1208(e) of this subtitle to a person
9 designated by the consumer of the deletion from the consumer report of information
10 that is found to be inaccurate or can no longer be verified; **OR**

11 **(4) A CREDIT SCORE OR CREDIT SCORE INFORMATION PROVIDED**
12 **UNDER § 14–1206(B) OF THIS SUBTITLE ONE TIME DURING A 12–MONTH**
13 **PERIOD.**

14 (b) (1) A consumer reporting agency may charge a consumer a reasonable
15 fee:

16 (i) For a second or subsequent report made during a 12–month
17 period under § 14–1206(a) of this subtitle, not exceeding \$5; [and]

18 (ii) For furnishing information under § 14–1208(e) of this
19 subtitle, not exceeding the fee that the consumer reporting agency would impose on
20 each designated recipient for a consumer report; **AND**

21 **(III) FOR A SECOND OR SUBSEQUENT REQUEST FOR A**
22 **CREDIT SCORE OR CREDIT SCORE INFORMATION UNDER § 14–1206(B) OF THIS**
23 **SUBTITLE, NOT EXCEEDING \$5.**

24 (2) The consumer reporting agency shall indicate the amount of the
25 fee to the consumer before providing the report or furnishing the information.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2009.