

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 929
Economic Matters

(Delegates Barve and Frick)

Consumer Protection - Credit Reporting Agencies - Disclosures to Consumers and
Adverse Actions by Users of Consumer Reports

This bill requires consumer reporting agencies to provide a consumer, upon request and proper identification of the consumer, any credit score of the consumer that was calculated by the consumer reporting agency or by another person and furnished to the consumer reporting agency. A consumer reporting agency may not impose a fee for a credit score provided once during a 12-month period and, if the consumer requests a subsequent credit score within a 12-month period, must indicate the amount of the fee prior to providing the consumer with the credit score. The fee for a subsequent credit report must not be greater than \$5. The bill also prohibits a user of a consumer report from taking an adverse action against the consumer solely because of the number of requests made to a consumer reporting agency to provide the consumer with a consumer report.

Fiscal Summary

State Effect: The bill does not materially impact State finances or operations.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: Upon request and proper identification of a consumer, a consumer reporting agency must provide the consumer:

- an exact copy of any file on the consumer, except any part of the file which contains medical information;
- a written explanation of codes or trade language used;
- a description of the rights of the consumer relating to consumer credit reporting agencies; and
- the name, address, and telephone number of the Commissioner of Financial Regulation.

A consumer reporting agency may not impose a fee for the first consumer report issued during a 12-month period. An agency may charge a reasonable fee, not to exceed \$5, for any subsequent report within that 12-month period. However, a consumer reporting agency may not charge a fee for a consumer report requested by a consumer within 30 days after the consumer receives (1) notification of a denial of employment, credit, or insurance because of information regarding the consumer's credit; or (2) notification from a debt collection agency affiliated with a consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected. The agency also may not charge a fee for disclosing to certain persons the deletion of inaccurate or unverifiable information in a consumer report.

If a consumer reporting agency charges any fee, the agency must indicate the amount of the fee to the consumer prior to providing the report or furnishing the information.

A consumer may file a complaint with the Commissioner of Financial Regulation. The commissioner's enforcement authority includes issuing cease and desist orders and imposing a civil penalty of up to \$100 for each violation.

Background: Under the federal Fair Credit Reporting Act (FCRA), consumers have the right to obtain free credit reports every 12 months from each of the three nationwide consumer reporting agencies: Experian, Equifax, and TransUnion. FCRA also requires a consumer reporting agency to disclose to a consumer the consumer's credit score at the request of the consumer. FCRA also authorizes a consumer reporting agency to charge a fair and reasonable fee for providing a consumer with the consumer's credit score. The Federal Trade Commission has not indicated what price constitutes a fair and reasonable fee; however, the three nationwide consumer reporting agencies charge between \$5 and \$17 per month.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Federal Trade Commission, Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2011
mc/ljm

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