SENATE BILL 68

I2

(PRE-FILED)

9lr0057

By: Chair, Finance Committee (By Request – Departmental – Labor, Licensing and Regulation)

Requested: October 25, 2018 Introduced and read first time: January 9, 2019 Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 Commercial Law – Credit Services Businesses – Information Statements

3 FOR the purpose of exempting a credit services business from certain information 4 statement requirements when the credit services business is engaged to obtain an 5 extension of credit for a consumer; and generally relating to credit services 6 businesses.

- 7 BY repealing and reenacting, with amendments,
- 8 Article Commercial Law
- 9 Section 14–1904 and 14–1906
- 10 Annotated Code of Maryland
- 11 (2013 Replacement Volume and 2018 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That the Laws of Maryland read as follows:
- 14 Article Commercial Law
- 15 14–1904.

16(a)THIS SECTION DOES NOT APPLY WHEN A CREDIT SERVICES BUSINESS IS17ENGAGED TO OBTAIN AN EXTENSION OF CREDIT FOR A CONSUMER.

(B) Before either the execution of a contract or agreement between a consumer and a credit services business or the receipt by the credit services business of any money or other valuable consideration, the credit services business shall provide the consumer with a written information statement containing all of the information required under § 14–1905 of this subtitle.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



SENATE BILL 68

1 [(b)] (C) The credit services business shall maintain on file for a period of 2 years $\mathbf{2}$ from the date of the consumer's acknowledgment a copy of the information statement 3 signed by the consumer acknowledging receipt of the information statement. 4 14 - 1906. $\mathbf{5}$ (a) Every contract between a consumer and a credit services business for the 6 purchase of the services of the credit services business shall [be]: 7(1) **BE** in writing, dated, **AND** signed by the consumer [,]; and [shall] 8 (2) **EXCEPT WHEN THE CREDIT SERVICES BUSINESS IS ENGAGED TO** 9 **OBTAIN AN EXTENSION OF CREDIT FOR THE CONSUMER,** include: 10 [(1)] **(I)** A conspicuous statement in size equal to at least 10-point bold 11 type, in immediate proximity to the space reserved for the signature of the consumer as 12follows: 13 "You, the buyer, may cancel this contract at any time prior to midnight of the third 14business day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right."; 1516 **(II)** The terms and conditions of payment, including the total of all [(2)]17payments to be made by the consumer, whether to the credit services business or to some 18other person; 19 [(3)] (III) A complete and detailed description of the services to be 20performed and the results to be achieved by the credit services business for or on behalf of 21the consumer, including all guarantees and all promises of full or partial refunds and a list 22of the adverse information appearing on the consumer's credit report that the credit 23services business expects to have modified and the estimated date by which each modification will occur; and 2425[(4)] (IV) The principal business address of the credit services business 26and the name and address of its agent in this State authorized to receive service of process. 27(b) The contract shall be accompanied by a form completed in duplicate, captioned 28"NOTICE OF CANCELLATION", which shall be attached to the contract and easily 29detachable, and which shall contain in at least 10-point bold type the following statement: 30 **"NOTICE OF CANCELLATION** 31You may cancel this contract, without any penalty or obligation, at any time prior 32to midnight of the third business day after the date the contract is signed. 33 If you cancel, any payment made by you under this contract will be returned within 10 days following receipt by the seller of your cancellation notice. 34

 $\mathbf{2}$

SENATE BILL 68

| | notice, to |
|------------------------------|---------------------------------------|
| | (Name of selle |
| At | |
| | (Address of seller) |
| | |
| | (Place of business) |
| Not later than midnight | · · · · · · · · · · · · · · · · · · · |
| C | (Date) |
| I hereby cancel this transac | .on. |
| - | |
| (Date) | (Buyer's signatur |

13 (c) A copy of the completed contract and all other documents the credit services 14 business requires the consumer to sign shall be given by the credit services business to the 15 consumer at the time they are signed.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 17 October 1, 2019.