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**By: Delegate Owings**

Introduced and read first time: January 10, 1997

Assigned to: Judiciary

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A BILL ENTITLED

1 AN ACT concerning

2 **Child Support - Reporting Arrearages to Consumer Reporting Agencies**

3 FOR the purpose of prohibiting the Child Support Enforcement Administration from  
4 reporting to consumer reporting agencies in the State information about the  
5 arrearage of an obligor who either has a scheduled payment agreement with the  
6 Child Support Enforcement Administration or a local support enforcement office,  
7 or has a court-approved plan to satisfy the arrearage, and the obligor is currently  
8 complying with the agreement or court order; and generally relating to reporting of  
9 child support arrearages to consumer reporting agencies.

10 BY repealing and reenacting, with amendments,  
11 Article - Family Law  
12 Section 10-108.1  
13 Annotated Code of Maryland  
14 (1991 Replacement Volume and 1996 Supplement)

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

17 **Article - Family Law**

18 10-108.1.

19 (a) In this section, "consumer reporting agency" means any person or entity that,  
20 for monetary fees or dues, or on a cooperative nonprofit basis, regularly engages in whole  
21 or in part in the practice of assembling or evaluating consumer credit information or  
22 other information on consumers for the purpose of furnishing consumer credit reports to  
23 third parties.

24 (b) (1) If a child support obligation owed by an obligor and enforced by the  
25 Administration or a local support enforcement office becomes 60 days or more in arrears,  
26 the Administration shall make available, upon request in a format acceptable to the  
27 consumer reporting agency and the Administration, information regarding the arrears to  
28 all consumer reporting agencies that operate in the State.

29 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE  
30 ADMINISTRATION MAY NOT SEND INFORMATION REGARDING THE ARREARS OF AN  
31 OBLIGOR TO CONSUMER REPORTING AGENCIES THAT OPERATE IN THE STATE IF:

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1 (I) THE ADMINISTRATION OR A LOCAL SUPPORT ENFORCEMENT  
2 OFFICE REACHES AN AGREEMENT WITH THE OBLIGOR REGARDING A SCHEDULED  
3 PAYMENT OF THE OBLIGOR'S CHILD SUPPORT ARREARAGE OR A COURT ISSUES AN  
4 ORDER FOR A SCHEDULED PAYMENT OF THE CHILD SUPPORT ARREARAGE; AND

5 (II) THE OBLIGOR IS COMPLYING WITH THE AGREEMENT OR  
6 COURT ORDER.

7 [(2)] (3) The Administration shall:

8 (i) designate one or more persons to receive and process requests  
9 from the consumer reporting agencies regarding the reverification of information; and

10 (ii) respond to requests made by the consumer reporting agencies in a  
11 timely manner.

12 (c) (1) Before supplying any information to a consumer reporting agency under  
13 this section, the Administration shall:

14 (i) send written notice of the proposed action to the obligor including  
15 the obligor's right to contest the accuracy of the reported arrearage; and

16 (ii) give the obligor a reasonable opportunity to contest the accuracy of  
17 the information.

18 (2) The obligor may appeal a decision of the Administration to provide the  
19 information regarding arrears to consumer reporting agencies in accordance with Title 10  
20 of the State Government Article.

21 (d) The Secretary of Human Resources shall adopt rules and regulations to  
22 implement the provisions of this section.

23 (e) (1) Except as provided in paragraph (2) of this subsection, a consumer  
24 reporting agency that receives information regarding child support arrears under this  
25 section shall comply with the provisions of Title 14, Subtitle 12 of the Commercial Law  
26 Article.

27 (2) If the Administration finds that it has supplied erroneous information  
28 concerning arrears owed by an obligor to a consumer reporting agency:

29 (i) the Administration shall notify the consumer reporting agency; and

30 (ii) the consumer reporting agency shall remove any information  
31 concerning the erroneous arrears from the obligor's credit file.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 1997.