

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 49 (Delegate Hubbard)

Economic Matters

Consumer Protection - Consumer Reporting Agencies - Notification

This bill requires a consumer reporting agency to notify an individual in writing within 10 days of receiving information from a seller which may adversely affect the individual's consumer credit report. The written notice must explain the content of the information received, identify the source of the information, and inform the consumer that the consumer's credit report may be adversely affected. Consumer reporting agencies may not: (1) charge fees for providing notice; or (2) use the information as a part of a consumer credit report until at least 10 days after providing notice.

Fiscal Summary

State Effect: None. Assuming the Consumer Protection Division will receive fewer than 50 complaints per year as a result of this bill, any additional workload could be absorbed within existing resources.

Local Effect: None.

Small Business Effect: Potential minimal impact. This bill forbids credit reporting agencies from using adverse information on a consumer's credit report for 10 days after sending notice. In the event that a credit reporting agency receives information that may adversely affect a consumer's credit report, it is expected that the agency will not release a credit report to a business until it is allowed to use the information. Some transactions between small businesses and consumers may be delayed as a result.

Information Source(s): Attorney General's Office (Consumer Protection); Department of Labor, Licensing and Regulation; Department of Legislative Services

Fiscal Note History:

First Reader - February 5, 1998

Inc

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