

---

By: **Delegates McIntosh, Dobson, Krysiak, Marriott, and Paige**  
Introduced and read first time: February 9, 2001  
Assigned to: Commerce and Government Matters

---

A BILL ENTITLED

1 AN ACT concerning

2                                   **Credit Regulation - Credit Services Businesses - Assistance to Consumers in**  
3                                   **Obtaining Extensions of Credit**

4 FOR the purpose of prohibiting a credit services business, its employees, and certain  
5 independent contractors from assisting a consumer to obtain an extension of  
6 credit at a rate of interest which, except for federal preemption of State law,  
7 would be prohibited under certain provisions of law governing interest and  
8 usury, consumer loans, open end credit, and closed end credit; and generally  
9 relating to credit services businesses.

10 BY repealing and reenacting, with amendments,  
11 Article - Commercial Law  
12 Section 14-1902  
13 Annotated Code of Maryland  
14 (2000 Replacement Volume and 2000 Supplement)

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

17                                   **Article - Commercial Law**

18 14-1902.

19 A credit services business, its employees, and independent contractors who sell  
20 or attempt to sell the services of a credit services business shall not:

21                   (1) Receive any money or other valuable consideration from the  
22 consumer, unless the credit services business has secured from the Commissioner a  
23 license under Title 11, Subtitle 3 of the Financial Institutions Article;

24                   (2) Receive any money or other valuable consideration solely for referral  
25 of the consumer to a retail seller or to any other credit grantor who will or may extend  
26 credit to the consumer, if the credit extended to the consumer is substantially the  
27 same terms as those available to the general public;

1           (3)     Make, or assist or advise any consumer to make, any statement or  
2 other representation that is false or misleading, or which by the exercise of reasonable  
3 care should be known to be false or misleading, to a consumer reporting agency,  
4 government agency, or person to whom the consumer applies or intends to apply for  
5 an extension of credit, regarding a consumer's creditworthiness, credit standing,  
6 credit capacity, or true identity;

7           (4)     Make or use any false or misleading representations in the offer or  
8 sale of the services of a credit services business;

9           (5)     Engage, directly or indirectly, in any act, practice, or course of  
10 business which operates as a fraud or deception on any person in connection with the  
11 offer or sale of the services of a credit services business;

12          (6)     Charge or receive any money or other valuable consideration prior to  
13 full and complete performance of the services that the credit services business has  
14 agreed to perform for or on behalf of the consumer; [or]

15          (7)     Create, assist a consumer to create, or provide a consumer with  
16 information on how to create, a new consumer report, credit file, or credit record by  
17 obtaining and using a different name, address, telephone number, Social Security  
18 number, or employer tax identification number; OR

19          (8)     ASSIST A CONSUMER TO OBTAIN AN UNSECURED CLOSED-END  
20 EXTENSION OF CREDIT AT A RATE OF INTEREST WHICH, EXCEPT FOR FEDERAL  
21 PREEMPTION OF STATE LAW, WOULD BE PROHIBITED UNDER TITLE 12, SUBTITLE 1, 3,  
22 9, OR 10 OF THIS ARTICLE.

23     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2001.