

Department of Legislative Services  
Maryland General Assembly  
2002 Session

FISCAL NOTE

House Bill 1137 (Delegate Howard)  
Commerce and Government Matters

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Commercial Law - Consumer Reports - Information Accuracy

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This bill requires a consumer reporting agency to identify the source from which specified adverse information for a consumer credit report was obtained, including information about bankruptcies, suits, tax liens, judgments, and criminal histories; and to update such information annually. The bill also requires a court that issues a money judgment to order a person in whose favor the money judgment is decided to file a notice of satisfaction within 30 days after the judgment's satisfaction.

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Fiscal Summary

**State Effect:** Enforcement could be handled with the existing budgeted resources of the Division of Financial Regulation.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Consumer reporting agencies may not report in a consumer credit report: (1) bankruptcies of more than ten years before the credit report; (2) suits and judgments of more than seven years before the report, or the expiration of the governing statute of limitations, whichever is longer; (3) paid tax liens whose payment date is more than seven years before the report; (4) accounts placed for collection or charged to profit and loss more than seven years before the report; (5) records of arrest, indictment, or

conviction whose date of disposition, release, or parole is more than seven years before the report date; and (6) any other adverse information.

The prohibition against including the above information does not apply in the case of a consumer credit report to be used in connection with: (1) a credit transaction whose principal amount may involve at least \$50,000; (2) the underwriting of life insurance with a face value of at least \$50,000; or (3) the employment of an individual in a position with a salary of at least \$20,000.

A consumer reporting agency must, upon request and proper identification, provide a consumer with an exact copy of any file on that consumer except any part of the file that contains medical information and a written explanation of the codes or trade language used. Whenever access to a file or copy of a file has been furnished to a consumer, the consumer reporting agency may delete sources of information acquired solely for use in an investigative report and used for no other purpose. If an action is brought against a consumer reporting agency by a consumer under Maryland's consumer reporting agency laws, the agency must make such sources available to the plaintiff under appropriate discovery procedures.

Under the Maryland Rules, a judgment creditor, upon being paid all amounts due on a money judgment, must furnish a judgment debtor and file with the clerk of the court a written statement that the judgment is satisfied. The clerk must then enter the judgment satisfied.

If the judgment creditor fails to comply with this requirement, the judgment debtor may file a motion for an order declaring the judgment to be satisfied. If the court enters an order of satisfaction, the court must order the judgment creditor to pay the judgment debtor's costs and expenses incurred in obtaining the order, including reasonable attorney's fees, unless the judgment creditor had a justifiable reason for not complying. If a motion for an order of satisfaction is denied, the court may award costs and expenses, including reasonable attorney's fees, to the judgment creditor if the judgment debtor acted in bad faith in bringing the motion.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 28, 2002

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