

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 1138 (Delegate Howard)
Commerce and Government Matters

Commercial Law - Creditors and Debt Collectors - Reporting Requirements

This bill requires a creditor or a debt collector that provides information to a consumer reporting agency to: (1) provide the agency with updated balance information about a debtor's account within 30 days after a change in the balance; and (2) report to the consumer reporting agency the transfer of a debtor's account within 30 days after the transfer.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Under Maryland's consumer reporting agency laws, if a consumer disputes the completeness or accuracy of any item of information contained in the consumer's file, and the dispute is directly conveyed to the consumer reporting agency in writing by the consumer, the agency must reinvestigate and record the current status of that information unless it has reasonable grounds to believe that the dispute is frivolous or irrelevant. If the information is found to be inaccurate or can no longer be verified, the agency must delete the information and mail written notice of the correction to the

consumer and each person to whom the erroneous information was furnished within seven business days.

Under the Maryland Consumer Debt Collection Act, a debt collector may not disclose or threaten to disclose information that affects the debtor's reputation for credit worthiness with the knowledge that the information is false. A debt collector who violates a provision of the act is liable for any damages proximately caused by the violation, including damages for emotional distress or mental anguish suffered with or without accompanying physical injury. Violation of the act is an unfair and deceptive trade practice.

No provision governs the updating of information a creditor or debt collector gives to consumer reporting agencies.

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

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