

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1202
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Delegate Zirkin” and substitute “Delegates Zirkin, Quinter, Bobo, Lee, Moe, Petzold, Burns, Conroy, D. Davis, Doory, Feldman, Harrison, Kirk, Krebs, Krysiak, Love, Minnick, Parrott, Taylor, Trueschler, Vaughn, and Walkup”.

AMENDMENT NO. 2

On page 1, in line 2, strike “Credit” and substitute “Consumer”; in lines 5, 7, and 9, in each instance, strike “credit” and substitute “consumer”; in line 7, strike “a certain number of business days” and substitute “certain time periods”; in lines 7 and 8, strike “a request is made” and substitute “certain requests are received”; in lines 10 and 11, strike beginning with the second “a” in line 10 down through “released” in line 11 and substitute “a consumer reporting agency may not provide any information in a consumer’s consumer report”; in line 12, after the semicolon insert “requiring a consumer reporting agency to give certain notice to a consumer if any person requests access to a consumer’s consumer report under certain circumstances;”; in line 15, strike “authorizing” and substitute “prohibiting”; in line 16, strike “to charge certain fees” and substitute “from charging a consumer for any service relating to a security freeze, subject to certain exceptions and exemptions”; strike beginning with “providing” in line 18 down through “agency” in line 19 and substitute “authorizing a consumer who is affected by a violation of certain provisions of this Act to bring a certain action; establishing certain penalties”; and in line 20, after the semicolon insert “making a conforming change; providing for a delayed effective date;”; and in line 21, strike “credit”.

AMENDMENT NO. 3

On page 1, after line 21, insert:

“BY repealing and reenacting, with amendments,

Article - Commercial Law

Section 14-1202(a)

(Over)

Annotated Code of Maryland
(2005 Replacement Volume)".

AMENDMENT NO. 4

On page 2, after line 1, insert:

"14-1202.

(a) Subject to subsection (b) of this section and [§ 14-1205] §§ 14-1202.1 AND 14-1205 of this subtitle, a consumer reporting agency may furnish a consumer report under the following circumstances and no other:

(1) In response to the order of a court having jurisdiction to issue the order;

(2) In accordance with the written instructions of the consumer to whom it relates;

or

(3) To a person which the agency has reason to believe:

(i) Intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer;

(ii) Intends to use the information for employment purposes;

(iii) Intends to use the information in connection with the underwriting of insurance involving the consumer;

(iv) Intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or

(v) Otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer."

AMENDMENT NO. 5

On page 2, in line 8, strike "NOTICE" and substitute "RESTRICTION"; in the same line, strike "IN" and substitute "ON"; in line 9, strike "FILE" and substitute "CONSUMER REPORT"; in

line 10, strike “CREDIT” and substitute “CONSUMER”; in line 11, strike “IN” and substitute “DERIVED FROM”; in the same line, strike “CREDIT” and substitute “CONSUMER”; in line 13, strike “CREDIT” and substitute “CONSUMER”; strike beginning with “SUBSIDIARY” in line 20 down through “A” in line 21; in line 21, strike “CREDIT” and substitute “CONSUMER”; in line 33, after “WITH” insert “;

(I);

in line 34, strike the second “OR” and substitute “;

(II);

in line 36, after “AUTHORITY;” insert “OR

(III) THE PERFORMANCE OF ANY OTHER DUTY PROVIDED FOR BY LAW;”;

after line 36, insert:

“(7) A PERSON FOR THE PURPOSE OF PRESCREENING, AS DEFINED BY THE FEDERAL FAIR CREDIT REPORTING ACT;”;

and in line 37, strike “(7)” and substitute “(8)”.

On page 3, in line 1, strike “(8)” and substitute “(9)”; in the same line, strike the first “THE” and substitute “A”; in line 2, strike “CREDIT” and substitute “CONSUMER”; in line 4, strike “CREDIT” and substitute “CONSUMER”; in line 6, strike “OR”; in line 7, after the first “MAIL” insert “USING AN ELECTRONIC POSTMARK”; in line 8, after “AGENCY” insert “; OR

(IV) IF THE CONSUMER REPORTING AGENCY MAKES A SECURE CONNECTION AVAILABLE ON ITS WEBSITE, AN ELECTRONIC REQUEST THROUGH THAT SECURE CONNECTION”;

in line 12, strike “CREDIT” and substitute “CONSUMER”; in the same line, after “REPORT” insert “WITHIN”; in line 13, strike “WITHIN”; in line 14, strike “AND” and substitute “OR”; in line 15, strike “WITHIN”; in line 16, after “REQUEST” insert “MADE BY ELECTRONIC MAIL OR BY SECURE CONNECTION ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY”; in line 18, strike “CREDIT” and substitute “CONSUMER”; in line 23, strike “CREDIT” and substitute “CONSUMER”; in lines 23 and 24, strike “TO A SPECIFIC PERSON OR”; strike beginning with “CONSUMER’S” in line 28 down through “PERSON” in line 30 and substitute “CONSUMER REPORTING AGENCY MAY NOT PROVIDE ANY INFORMATION IN A CONSUMER’S CONSUMER REPORT”; in lines 33 and 35, in each instance, strike “CREDIT” and substitute “CONSUMER”; and after line 36, insert:

“(4) (I) IF ANY PERSON REQUESTS ACCESS TO A CONSUMER’S CONSUMER REPORT WHILE A SECURITY FREEZE IS IN PLACE FOR A PURPOSE OTHER THAN A PURPOSE ALLOWED UNDER THIS SECTION, THE CONSUMER REPORTING AGENCY SHALL NOTIFY THE CONSUMER THAT AN ATTEMPT HAS BEEN MADE TO ACCESS THE CONSUMER’S CONSUMER REPORT.

(II) THE NOTICE SHALL STATE THE IDENTITY OF THE PERSON REQUESTING ACCESS TO THE CONSUMER’S CONSUMER REPORT AND THE PURPOSE OF THE REQUEST.”.

On page 4, in line 1, strike “CREDIT” and substitute “CONSUMER”; in line 2, strike “BY A SPECIFIC PERSON OR”; in line 4, after “BY” insert:

“1.”;

in line 5, strike “, TELEPHONE, OR SECURE ELECTRONIC MAIL” and substitute “;

2. TELEPHONE;

3. ELECTRONIC MAIL USING AN ELECTRONIC POSTMARK IF A SECURE ELECTRONIC MAIL CONNECTION IS MADE AVAILABLE TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY; OR

4. ELECTRONIC REQUEST IF A SECURE CONNECTION IS MADE AVAILABLE ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY”;

in lines 14 and 15, strike “THE PERSON THAT IS TO RECEIVE THE CREDIT REPORT OR”; in line 16, in each instance, strike “CREDIT” and substitute “CONSUMER”; in line 18, strike “3” and substitute “5”; in line 23, after “LIFT” insert “OR REMOVE”; and in lines 24, 26, 28, 32, and 35, in each instance, strike “CREDIT” and substitute “CONSUMER”.

AMENDMENT NO. 6

On page 5, in line 16, strike “PARAGRAPH (2)” and substitute “PARAGRAPHS (2) AND (3)”; in the same line, after the comma insert “AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION,”; strike in their entirety lines 19 through 24, inclusive, and substitute:

“(2) A CONSUMER REPORTING AGENCY MAY CHARGE A REASONABLE FEE, NOT EXCEEDING \$5, IF A CONSUMER FAILS TO RETAIN THE ORIGINAL UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY UNDER SUBSECTION (C)(4)(II) OF THIS SECTION, AND THE CONSUMER REPORTING AGENCY MUST REISSUE THE SAME OR A NEW UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD.

“(3) A CONSUMER REPORTING AGENCY MAY CHARGE A REASONABLE FEE, NOT EXCEEDING \$5, FOR EACH OF THE FOLLOWING REQUESTS MADE DURING A 12-MONTH PERIOD:

“(I) A SECOND OR SUBSEQUENT REQUEST TO PLACE AN INITIAL SECURITY FREEZE ON THE CONSUMER’S CREDIT REPORT;

“(II) A SECOND OR SUBSEQUENT REQUEST TO TEMPORARILY LIFT A SECURITY FREEZE PLACED ON THE CONSUMER’S CREDIT REPORT; OR

“(III) A SECOND OR SUBSEQUENT REQUEST TO REMOVE PERMANENTLY A SECURITY FREEZE.

“(4) A CONSUMER REPORTING AGENCY MAY NOT CHARGE ANY FEE UNDER THIS SECTION TO A CONSUMER WHO:

(Over)

(I) HAS OBTAINED A REPORT OF ALLEGED IDENTITY FRAUD AGAINST THE CONSUMER UNDER § 8-304 OF THE CRIMINAL LAW ARTICLE; AND

(II) PROVIDES A COPY OF THE REPORT TO THE CONSUMER REPORTING AGENCY.”;

in line 25, after “TIME” insert “THAT”; in line 26, after “OR” insert “§ 14-206 OF”; in line 31, after “REPORT” insert “AT NO CHARGE TO YOU”; and in line 34, after “APPROVED” insert “IN YOUR NAME”.

On page 6, in line 1, after the second “MAIL” insert “OR THE INTERNET”; in line 2, strike “HAS” and substitute “PROVIDES”; in the same line, strike “MAIL”; in the same line, after “CONNECTION.” insert “THE CONSUMER REPORTING AGENCY MUST PLACE A SECURITY FREEZE ON YOUR CREDIT REPORT”; in line 3, strike “YOU PLACE A SECURITY FREEZE ON YOUR CREDIT REPORT” and substitute “YOUR REQUEST IS RECEIVED. WITHIN 5 BUSINESS DAYS AFTER A SECURITY FREEZE IS PLACED ON YOUR CREDIT REPORT”; in lines 6 and 7, strike “TO A SPECIFIC PERSON OR”; after line 9, insert:

“IF YOU WANT TO TEMPORARILY LIFT THE SECURITY FREEZE ON YOUR CREDIT REPORT, YOU MUST CONTACT THE CONSUMER REPORTING AGENCY AND PROVIDE ALL OF THE FOLLOWING:

(1) THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED BY THE CONSUMER REPORTING AGENCY;

(2) THE PROPER IDENTIFICATION TO VERIFY YOUR IDENTITY; AND

(3) THE PROPER INFORMATION REGARDING THE PERIOD OF TIME FOR WHICH THE CREDIT REPORT IS TO BE AVAILABLE TO USERS OF THE CREDIT REPORT.

A CONSUMER REPORTING AGENCY MUST COMPLY WITH A REQUEST TO TEMPORARILY LIFT A SECURITY FREEZE ON A CREDIT REPORT WITHIN 5 BUSINESS

DAYS AFTER THE REQUEST IS RECEIVED.”;

strike beginning with the comma in line 13 down through the comma in line 15; after line 22, insert:

“(K) (1) THE FOLLOWING PERSONS MAY NOT BE REQUIRED TO PLACE A SECURITY FREEZE ON THE CONSUMER REPORT OF A CONSUMER:

(I) A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT REPORTS ON INCIDENTS OF FRAUD OR ISSUES AUTHORIZATIONS FOR THE PURPOSE OF APPROVING OR PROCESSING NEGOTIABLE INSTRUMENTS, ELECTRONIC FUND TRANSFERS, OR SIMILAR METHODS OF PAYMENT;

(II) A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT ISSUES REPORTS REGARDING ACCOUNT CLOSURES DUE TO FRAUD, SUBSTANTIAL OVERDRAFTS, AUTOMATED TELLER MACHINE ABUSE, OR SIMILAR INFORMATION REGARDING A CONSUMER TO INQUIRING BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING A CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK OR FINANCIAL INSTITUTION; OR

(III) A CREDIT RATING AGENCY THAT:

1. ACTS ONLY TO RESELL CREDIT INFORMATION BY ASSEMBLING AND MERGING INFORMATION CONTAINED IN A DATABASE OF ONE OR MORE CONSUMER REPORTING AGENCIES; AND

2. DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM WHICH NEW CONSUMER REPORTS ARE PRODUCED.

(2) A PERSON DESCRIBED IN THIS SUBSECTION IS SUBJECT TO A SECURITY FREEZE PLACED BY A CONSUMER REPORTING AGENCY UNDER THIS SECTION.”;

in line 23, strike “(K)” and substitute “(L)”;

in line 30, strike “(L)” and substitute “(M)”;

and strike beginning with the first “A” in line 30 down through “OF” in line 33 and substitute “IN ADDITION”

(Over)

TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE UNDER THIS SUBTITLE, A CONSUMER WHO IS AFFECTED BY A VIOLATION OF THIS SECTION MAY BRING AN ACTION AGAINST THE PERSON THAT COMMITTED THE VIOLATION.

(2) IN AN ACTION BROUGHT UNDER PARAGRAPH (1) OF THIS SUBSECTION, A CONSUMER MAY RECOVER".

On page 7, in line 1, strike "(2)" and substitute "(3)"; in the same line, strike "(1)" and substitute "(2)"; strike beginning with "RELEASE" in line 2 down through "REPORT" in line 4 and substitute "INSTANCE OF A VIOLATION OF THIS SECTION"; and in line 6, strike "October 1, 2006" and substitute "January 1, 2007".