HOUSE BILL 79

I2   0lr0073
(PRE–FILED)   CF SB 678

By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Requested: October 5, 2009
Introduced and read first time: January 13, 2010
Assigned to: Economic Matters

Committee Report: Favorable
House action: Adopted
Read second time: March 17, 2010

CHAPTER _____

1   AN ACT concerning

2   **Commercial Law – Credit Services Businesses – Limitation on Fees**

3   FOR the purpose of prohibiting a credit services business, its employees, and certain
4   independent contractors from charging or receiving any money or other valuable
5   consideration in connection with an extension of credit that, when combined
6   with any interest charged on the extension of credit, would exceed a certain
7   interest rate; and generally relating to the regulation of credit services
8   businesses.

9   BY repealing and reenacting, with amendments,
10   Article – Commercial Law
11   Section 14–1902
12   Annotated Code of Maryland
13   (2005 Replacement Volume and 2009 Supplement)

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

16   **Article – Commercial Law**

17   14–1902.

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

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

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

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

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

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

21   (6)   Charge or receive any money or other valuable consideration prior
22 to full and complete performance of the services that the credit services business has
23 agreed to perform for or on behalf of the consumer;

24   **(7)   CHARGE OR RECEIVE ANY MONEY OR OTHER VALUABLE**
25 **CONSIDERATION IN CONNECTION WITH AN EXTENSION OF CREDIT THAT, WHEN**
26 **COMBINED WITH ANY INTEREST CHARGED ON THE EXTENSION OF CREDIT,**
27 **WOULD EXCEED THE INTEREST RATE PERMITTED FOR THE EXTENSION OF**
28 **CREDIT UNDER THE APPLICABLE TITLE OF THIS ARTICLE;**

29   **[**(7)**] (8)**   Create, assist a consumer to create, or provide a consumer
30 with information on how to create, a new consumer report, credit file, or credit record
31 by obtaining and using a different name, address, telephone number, Social Security
32 number, or employer tax identification number; or

33   **[**(8)**] (9)**   Assist a consumer to obtain an extension of credit at a rate
34 of interest which, except for federal preemption of State law, would be prohibited
35 under Title 12 of this article.

36   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 October 1, 2010.