

Chapter 88

(Senate Bill 68)

AN ACT concerning

Commercial Law – Credit Services Businesses – Information Statements

FOR the purpose of exempting ~~a certain~~ credit services ~~business~~ businesses from certain information statement requirements when the credit services business is engaged to obtain an extension of credit for a consumer; altering the definition of a credit services business; requiring certain credit services businesses to provide certain information with certain contracts; requiring certain credit services businesses to provide a copy of a certain contract before the consumer executes the contract; and generally relating to credit services businesses.

BY repealing and reenacting, without amendments,

Article – Commercial Law

Section 14–1901(a)

Annotated Code of Maryland

(2013 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section ~~14–1904~~ 14–1901(e)(1), 14–1904, and 14–1906

Annotated Code of Maryland

(2013 Replacement Volume and 2018 Supplement)

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

Article – Commercial Law

14–1901.

(a) In this subtitle the following words have the meanings indicated.

(e) (1) “Credit services business” means any person who, with respect to the extension of credit by others, sells, provides, or performs, or represents that such person can or will sell, provide, or perform, any of the following services in return for the payment of money or other valuable consideration:

(i) Improving a consumer’s credit record, history, or rating or establishing a new credit file or record, OR PROVIDING ADVICE OR ASSISTANCE TO A CONSUMER WITH REGARD TO IMPROVING THE CONSUMER’S CREDIT RECORD, HISTORY, OR RATING OR ESTABLISHING A NEW CREDIT FILE OR RECORD; OR

(ii) Obtaining an extension of credit for a consumer, OR PROVIDING ADVICE OR ASSISTANCE TO A CONSUMER WITH REGARD TO OBTAINING AN EXTENSION OF CREDIT FOR THE CONSUMER]; or

(iii) Providing advice or assistance to a consumer with regard to either subparagraph (i) or (ii) of this paragraph].

14-1904.

(a) ~~THIS SECTION DOES NOT APPLY WHEN TO A CREDIT SERVICES BUSINESS IS ENGAGED TO OBTAIN AN EXTENSION OF CREDIT FOR A CONSUMER PROVIDING THE SERVICES DESCRIBED IN § 14-1901(E)(1)(II) OF THIS SUBTITLE.~~

(B) Before either the execution of a contract or agreement between a consumer and a credit services business or the receipt by the credit services business of any money or other valuable consideration, the credit services business shall provide the consumer with a written information statement containing all of the information required under § 14-1905 of this subtitle.

[(b)] (C) The credit services business shall maintain on file for a period of 2 years from the date of the consumer's acknowledgment a copy of the information statement signed by the consumer acknowledging receipt of the information statement.

14-1906.

(a) Every contract between a consumer and a credit services business for the purchase of the services of the credit services business shall **[be]**:

(1) BE in writing, dated, **AND** signed by the consumer~~[,] and~~ **[shall]**

(2) ~~EXCEPT WHEN THE CREDIT SERVICES BUSINESS IS ENGAGED TO OBTAIN AN EXTENSION OF CREDIT FOR THE CONSUMER~~ FOR A CREDIT SERVICES BUSINESS PROVIDING THE SERVICES DESCRIBED IN § 14-1901(E)(1)(I) OF THIS SUBTITLE, include:

[(1)] (I) A conspicuous statement in size equal to at least 10-point bold type, in immediate proximity to the space reserved for the signature of the consumer as follows:

“You, the buyer, may cancel this contract at any time prior to midnight of the third business day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.”;

[(2)] (II) The terms and conditions of payment, including the total of all payments to be made by the consumer, whether to the credit services business or to some other person;

[(3)] (III) A complete and detailed description of the services to be performed and the results to be achieved by the credit services business for or on behalf of the consumer, including all guarantees and all promises of full or partial refunds and a list of the adverse information appearing on the consumer’s credit report that the credit services business expects to have modified and the estimated date by which each modification will occur; and

[(4)] (IV) The principal business address of the credit services business and the name and address of its agent in this State authorized to receive service of process; AND

(3) FOR A CREDIT SERVICES BUSINESS PROVIDING THE SERVICES DESCRIBED IN § 14-1901(E)(1)(II) OF THIS SUBTITLE, INCLUDE:

(I) A STATEMENT OF THE CONSUMER’S RIGHT TO FILE A COMPLAINT UNDER § 14-1911 OF THIS SUBTITLE;

(II) THE ADDRESS OF THE COMMISSIONER WHERE A CONSUMER CAN FILE A COMPLAINT UNDER § 14-1911 OF THIS SUBTITLE;

(III) A STATEMENT THAT A BOND EXISTS AND THE CONSUMER’S RIGHT TO PROCEED AGAINST THE BOND UNDER THE CIRCUMSTANCES AND IN THE MANNER SET FORTH UNDER § 14-1910 OF THIS SUBTITLE; AND

(IV) THE PRINCIPAL BUSINESS ADDRESS OF THE CREDIT SERVICES BUSINESS.

(b) The contract shall be accompanied by a form completed in duplicate, captioned “NOTICE OF CANCELLATION”, which shall be attached to the contract and easily detachable, and which shall contain in at least 10-point bold type the following statement:

“NOTICE OF CANCELLATION

You may cancel this contract, without any penalty or obligation, at any time prior to midnight of the third business day after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within 10 days following receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, to

(Name of seller)

At

(Address of seller)

.....
 (Place of business)
 Not later than midnight
 (Date)
 I hereby cancel this transaction.

 (Date) (Buyer's signature)"

(C) A CREDIT SERVICES BUSINESS PROVIDING THE SERVICES DESCRIBED IN § 14-1901(E)(1)(II) OF THIS SUBTITLE SHALL PROVIDE THE CONSUMER WITH A COPY OF THE CONTRACT BETWEEN THE CREDIT SERVICES BUSINESS AND THE CONSUMER BEFORE THE CONSUMER EXECUTES THE CONTRACT.

~~(D)~~ **(D)** A copy of the completed contract and all other documents the credit services business requires the consumer to sign shall be given by the credit services business to the consumer at the time they are signed.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.

Approved by the Governor, April 18, 2019.