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TO: Delegate Dereck E. Davis, Chair
Delegate Kathleen M. Dumais, Vice Chair
Economic Matters Committee Members

FROM: Maryland Legislative Latino Caucus (MLLC)

DATE: February 3, 2021

RE: HB642 Consumer Protection – Maryland Consumer Reporting Act – Regulations

The MLLC supports HB642 Consumer Protection – Maryland Consumer Reporting Act – Regulations.

The MLLC is a bipartisan group of Senators and Delegates committed to supporting legislation that improves the lives of Latinos throughout our state. The MLLC is a crucial voice in the development of public policy that uplifts the Latino community and benefits the state of Maryland. Thank you for allowing us the opportunity to express our support of HB642.

Employment background checks are known as consumer reports. These can be written or oral communications that show a consumer's creditworthiness, credit standing, credit capacity, personal characteristics, or mode of living. Inaccurate information on a consumer report can lead to job, apartment, loan, or insurance rejection, and unfortunately inaccuracies are very common.

Today, a very high percentage of employers and landlords use consumer reports to filter their potential picks. According to the [Federal Trade Commission](#), one in four consumers have some type of potential error in their personalized consumer report that inaccurately portrays them. A common source of error is when an applicant has the same or similar name as other people. Instead of being judged on their own credit, criminal history, housing history, and employment, they are being judged based on information about other people. This is especially a concern for Latinos, as more than 12 million Latinos nationwide share an estimated [26 surnames](#), according to U.S. Census data.

HB642 requires the Commissioner of Financial Regulation to promulgate regulations to improve and maintain accuracy. It also requires stricter matching criteria and proposes to exclude outdated and expunged records, as well as to start tracking complaints received from consumers.

As a state we need to ensure errors like these are not normalized. People's lives are affected by the faults in the process. We must produce and maintain a higher standard for accuracy.

The MLLC supports this bill and urges a favorable report on HB642.