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**HB 251-Consumer Protection-Maryland Consumer Reporting Act – Registration of  
Consumer Reporting Agencies and Regulations  
FAVORABLE  
House Economic Matters Committee  
January 26, 2022**

Good afternoon, Chairman Wilson and Members of the House Economic Matters Committee. I am Karen Morgan, a member of the Executive Council for AARP-MD. As you may know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 850,000 members. **AARP MD supports HB 251-Consumer Protection-Maryland Consumer Reporting Act – Registration of Consumer Reporting Agencies and Regulations.** We thank Delegate Palakovich Carr for introducing this legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities, and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

HB 251 requires the Commissioner of Financial Regulation to develop standards for consumer reporting agencies to achieve the maximum possible accuracy when matching a consumer's personally identifiable information that comes either from a consumer's file or from other sources, with the personally identifiable information from any public record that is obtained by the consumer reporting agency. The new standards would require that the matching of personally identifiable information be based on the full name of the consumer and either (1) the full social security number and the full date of birth with another item of personal information, or (2) the address of the consumer with another item of personal identifiable information. In addition, the Commissioner would be required to develop a system for exclusion of duplicate, outdated, sealed, or expunged records, as well as tracking the causes of consumer complaints regarding the reporting of inaccuracies. The bill would authorize the commissioner to deny, refuse to renew, suspend, or revoke the registration of a consumer reporting agency if the agency fails to correct violations which result in the collection and distribution of materially incorrect, false, or misleading information regarding the personal information of consumers.

The consequences of erroneous information contained in background reports can be devastating. The erroneous inclusion of a criminal conviction, for example, can prevent a person from being hired for employment. Being denied that job means that person is less able to take care of themselves or their families. It's hard enough for people to get a job or obtain a place to live when the included unfavorable information in a report is accurate – and justifiably so. But when the unfavorable information is wrong – that person is now tasked not only with still trying to get the job or the place to live – they now have the additional burden of trying to prove that the wrongful

information does not apply to them. Earlier this month, the federal Consumer Financial Protection Bureau reported that from January 2020 to September 2021, the bureau received more than 800,000 complaints about credit or consumer reporting, many of which related to reports with erroneous information. Consumers have found it increasingly difficult to even retrieve a credit or background report because they need to engage with automated systems that are difficult and confusing. In the event they are even able to get their reports, the process for correcting errors is frustrating, at the very least, and arduous at worst. The bureau has found that many consumers give up even trying to get information corrected.

Personally, identifiable information has become nearly more valuable than currency in the Information Age. Companies which engage in the business of collecting and reporting personal information must realize that this endeavor is a sacred trust. The consequences are too significant when they get it wrong. While the representatives of consumer reporting agencies will often tout their high accuracy rates, they are too sanguine about their errors.

Consumer reporting agencies need to be held to a higher standard that is warranted by the collection and distribution of such critical information. This bill would give the Commissioner of Financial Regulation additional tools to hold consumer reporting agencies accountable, by imposing very serious consequences if these businesses do not use every means at their disposal to make sure that the information included in their reports is 100% accurate. And, in the event of errors, the authority to issue sanctions will incentivize these companies to move as expeditiously as possible to eliminate the incorrect information, while making the correction process fair and transparent for consumers.

At AARP, we believe that regulators should provide for consumer protections in consumer reporting. This includes protections against erroneous information in consumer reports. We are all still dealing with difficulties caused by continuation of the pandemic. Errors in consumer reports continue to make this tough situation worse than it needs to be, for consumers that simply need to manage their daily lives. To the extent possible, this process should be automatic and transparent. Furthermore, consumers should be able to easily obtain negative reports about their history and be able to easily correct any errors.

AARP supports HB 251 and respectfully requests the House Economic Matters Committee to issue a favorable report. For questions, please contact Tammy Bresnahan, Director of Advocacy for AARP Maryland at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling 410-302-8451.