



Consumer Data Industry Association  
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February 28, 2025

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Delegate CT Wilson  
Chair  
House Economic Matters Committee  
Maryland House of Delegates  
230 Taylor House Office Building  
Annapolis, Maryland 21401

Chair Wilson, Vice Chair Crosby, and Members of the Committee:

On behalf of the Consumer Data Industry Association (CDIA), I am writing to express our concerns regarding provisions in HB 1294 that conflict with and are preempted by federal law, specifically the Fair Credit Reporting Act (FCRA). For the reasons outlined below, we respectfully request an amendment to the bill that would strike lines 20 and 21 of page 17 to remove 12-1504 (4), which would restrict the reporting of certain information to consumer reporting agencies.

CDIA represents the consumer reporting industry, including nationwide credit bureaus, regional and specialized credit bureaus, background check companies, and more. Since our founding in 1906, we have promoted the responsible use of consumer data to empower financial opportunities, reduce fraud, and manage risk. Through data analytics, our members facilitate fair and secure transactions, foster competition, and expand consumers' access to tailored financial products.

The FCRA establishes a comprehensive framework for the collection, dissemination, and use of consumer information, including credit reporting. The FCRA imposes obligations on companies ("furnishers") that provide ("furnish") information to consumer reporting agencies ("CRAs"). These obligations are in 15 U.S. Code § 1681s-2, responsibilities of furnishers of information to consumer reporting agencies. The FCRA has extensive preemption provisions that prohibit state regulation in many areas of law relating to consumer reporting, including provisions that impact furnishing requirements.

A safe and sound credit economy needs a reliable credit reporting system. Suppression of credit reporting leads to increased inaccurate credit files, reduces the reliability of credit scores, and adds greater risk and uncertainty into the lending process. This is why Congress included language in the federal FCRA 15 U.S.C. § 1681t(b)(1)(F) which preempts "any subject matter regulated under... 15 U.S.C. § 1681s-2, relating to the responsibilities of persons who furnish information to consumer reporting agencies...".

While CDIA takes no position on the policy goal of HB 1294, we are concerned by unnecessary inclusion of 12-1504 (4) and its restriction on reporting of information to consumer reporting agencies. As discussed above, Congress preempted the states from establishing prohibitions on the furnishing of information to consumer reporting agencies. As this limitation on furnishing information is inconsistent with the FCRA, it is preempted at 15 U.S.C. § 1681t(b)(1)(F).

With this in mind, we respectfully request that 12-1504 (4), lines 20-21 on page 17 be removed from the bill. This would eliminate any unintentional conflict with the FCRA, fully resolve our concerns, and avoid unnecessary legal uncertainties for consumer reporting agencies in relation to Maryland law. Thank you for your consideration of our comments and please reach out with any additional questions for CDIA.

Sincerely,

Zachary W. Taylor  
Director, Government Relations  
Consumer Data Industry Association