

HOUSE BILL 1513

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8lr2340

By: **Delegates Fennell and Davis**

Introduced and read first time: February 9, 2018

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Maryland Credit Repair Businesses Act**

3 FOR the purpose of recodifying provisions relating to the regulation of credit repair
4 businesses by the Commissioner of Financial Regulation; altering the definition of
5 “credit services business” to exclude a credit repair business and a person who
6 provides credit repair services; prohibiting a credit repair business and certain
7 persons from receiving money or certain consideration unless the business is licensed
8 by the Commissioner in a certain manner; prohibiting a credit repair business and
9 certain persons from receiving money or certain consideration for certain purposes;
10 prohibiting a credit repair business and certain persons from making, or assisting or
11 advising a consumer to make, a certain false or misleading statement or
12 representation; prohibiting a credit repair business and certain persons from making
13 certain false or misleading representations, engaging in certain fraud or deception,
14 or participating in creation of a new consumer report, file, or record in a certain
15 manner; prohibiting a credit repair business and certain persons from charging or
16 receiving money before full performance of services, subject to a certain exception;
17 authorizing a certain credit repair business, its employees, and independent
18 contractors to charge or receive any money or other valuable consideration prior to
19 full and complete performance of certain services, under certain circumstances;
20 providing that a certain subscription agreement may not have a certain term
21 exceeding a certain number of days and may be canceled by a certain consumer at
22 any time; providing for the application of this Act to certain contracts; requiring a
23 credit repair business to be licensed in a certain manner and to be subject to certain
24 provisions; specifying certain initial and renewal license fees and the information
25 that must be contained in a certain application; altering the period of time that a
26 certain credit repair business must maintain a certain information statement on file;
27 specifying the contents of the information statement; specifying the contents of a
28 certain required disclosure to a consumer by a credit repair business in a certain
29 contract; specifying the contents of a certain notice of cancellation that must be
30 attached to a certain contract in a certain manner; requiring that certain documents
31 must be provided to a consumer at a certain time; establishing certain acts as

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 violations of this Act; specifying the amount of the surety bond that the credit repair
2 business is required to obtain; providing that a consumer may file with the
3 Commissioner a certain complaint; authorizing the Commissioner to inspect certain
4 materials and take certain actions with respect to a complaint; authorizing the
5 Commissioner to issue certain orders and take certain actions in a certain manner;
6 providing for the filing of a certain petition by the Commissioner in a circuit court
7 for certain purposes in a certain manner; increasing the amount of a monetary award
8 that a certain credit repair business is liable to a certain consumer, under certain
9 circumstances; increasing the number of years within which a certain action to
10 enforce a certain liability may be brought; defining certain terms; making stylistic
11 changes; and generally relating to credit repair businesses.

12 BY repealing and reenacting, without amendments,
13 Article – Commercial Law
14 Section 14–1901(a)
15 Annotated Code of Maryland
16 (2013 Replacement Volume and 2017 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Commercial Law
19 Section 14–1901(e)
20 Annotated Code of Maryland
21 (2013 Replacement Volume and 2017 Supplement)

22 BY adding to
23 Article – Commercial Law
24 Section 14–19A–01 through 14–19A–17 to be under the new subtitle “Subtitle 19A.
25 Maryland Credit Repair Businesses Act”
26 Annotated Code of Maryland
27 (2013 Replacement Volume and 2017 Supplement)

28 BY repealing and reenacting, without amendments,
29 Article – Financial Institutions
30 Section 11–302(a)
31 Annotated Code of Maryland
32 (2011 Replacement Volume and 2017 Supplement)

33 BY repealing and reenacting, with amendments,
34 Article – Financial Institutions
35 Section 11–302(b)
36 Annotated Code of Maryland
37 (2011 Replacement Volume and 2017 Supplement)

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

40 **Article – Commercial Law**

1 14-1901.

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

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

7 (i) [Improving a consumer's credit record, history, or rating or
8 establishing a new credit file or record;

9 (ii)] Obtaining an extension of credit for a consumer; or

10 [(iii)] **(II)** Providing advice or assistance to a consumer with regard
11 to [either subparagraph] **ITEM (i)** [or (ii)] of this paragraph.

12 (2) "Credit services business" includes a person who sells or attempts to
13 sell written materials containing information that the person represents will enable a
14 consumer to establish a new credit file or record.

15 (3) "Credit services business" does not include:

16 (i) Any person authorized to make loans or extensions of credit
17 under the laws of [this] **THE** State or the United States who is actively engaged in the
18 business of making loans or other extensions of credit to residents of [this] **THE** State;

19 (ii) Any bank, trust company, savings bank, or savings and loan
20 association whose deposits or accounts are eligible for insurance by the Federal Deposit
21 Insurance Corporation or any credit union organized and chartered under the laws of [this]
22 **THE** State or the United States;

23 (iii) Any nonprofit organization exempt from taxation under §
24 501(c)(3) of the Internal Revenue Code [(26 U.S.C. § 501(c)(3))];

25 (iv) Any person licensed as a real estate broker, an associate real
26 estate broker, or a real estate salesperson by [this] **THE** State where the person is acting
27 within the course and scope of that license;

28 (v) Any person licensed as a mortgage lender by [this] **THE** State;

29 (vi) An individual admitted to the Bar of the Court of Appeals of
30 Maryland when the individual renders services within the course and scope of practice by
31 the individual as a lawyer and does not engage in the credit services business on a regular
32 and continuing basis;

1 (vii) Any broker–dealer registered with the Securities and Exchange
2 Commission or the Commodity Futures Trading Commission where the broker–dealer is
3 acting within the course and scope of that regulation;

4 (viii) Any consumer reporting agency as defined in the federal Fair
5 Credit Reporting Act (15 U.S.C. §§ 1681 – 1681t) or in § 14–1201(e) of this title;

6 (ix) An individual licensed by the Maryland Board of Public
7 Accountancy when the individual renders services within the course and scope of practice
8 by the individual as a certified public accountant and does not engage in the credit services
9 business on a regular and continuing basis; [or]

10 (x) Beginning July 1, 2013, a mortgage assistance relief service
11 provider regulated under Title 7, Subtitle 5 of the Real Property Article; OR

12 (XI) A CREDIT REPAIR BUSINESS UNDER SUBTITLE 19A OF THIS
13 TITLE.

14 **SUBTITLE 19A. MARYLAND CREDIT REPAIR BUSINESSES ACT.**

15 **14–19A–01.**

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
17 INDICATED.

18 (B) “COMMISSIONER” MEANS THE COMMISSIONER OF FINANCIAL
19 REGULATION OF THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

20 (C) “CONSUMER” MEANS AN INDIVIDUAL WHO PURCHASES OR WHO IS
21 SOLICITED TO PURCHASE FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES THE
22 SERVICES OF A CREDIT REPAIR BUSINESS.

23 (D) “CONSUMER REPORT”, “CONSUMER REPORTING AGENCY”, “FILE”, AND
24 “INVESTIGATIVE CONSUMER REPORT” HAVE THE MEANINGS STATED IN § 14–1201
25 OF THIS TITLE.

26 (E) (1) “CREDIT REPAIR BUSINESS” MEANS A PERSON THAT, WITH
27 RESPECT TO THE EXTENSION OF CREDIT BY OTHERS, SELLS, PROVIDES, OR
28 PERFORMS, OR REPRESENTS THAT THE PERSON CAN OR WILL SELL, PROVIDE, OR
29 PERFORM, ANY OF THE FOLLOWING SERVICES IN RETURN FOR THE PAYMENT OF
30 MONEY OR OTHER VALUABLE CONSIDERATION:

31 (I) IMPROVING A CONSUMER’S CREDIT RECORD, HISTORY, OR
32 RATING;

1 (II) ESTABLISHING A NEW CREDIT FILE OR RECORD FOR THE
2 CONSUMER; OR

3 (III) PROVIDING ADVICE OR ASSISTANCE TO A CONSUMER WITH
4 REGARD TO ITEM (I) OR (II) OF THIS PARAGRAPH.

5 (2) "CREDIT REPAIR BUSINESS" INCLUDES A PERSON THAT SELLS OR
6 ATTEMPTS TO SELL WRITTEN MATERIALS CONTAINING INFORMATION THAT THE
7 PERSON REPRESENTS WILL ENABLE A CONSUMER TO ESTABLISH A NEW CREDIT FILE
8 OR RECORD.

9 (3) "CREDIT REPAIR BUSINESS" DOES NOT INCLUDE:

10 (I) A PERSON AUTHORIZED TO MAKE LOANS OR EXTENSIONS
11 OF CREDIT UNDER THE LAWS OF THE STATE OR THE UNITED STATES THAT IS
12 ACTIVELY ENGAGED IN THE BUSINESS OF MAKING LOANS OR OTHER EXTENSIONS OF
13 CREDIT TO RESIDENTS OF THE STATE;

14 (II) A BANK, TRUST COMPANY, SAVINGS BANK, OR SAVINGS AND
15 LOAN ASSOCIATION WHOSE DEPOSITS OR ACCOUNTS ARE ELIGIBLE FOR INSURANCE
16 BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY CREDIT UNION
17 ORGANIZED AND CHARTERED UNDER THE LAWS OF THE STATE OR THE UNITED
18 STATES;

19 (III) A NONPROFIT ORGANIZATION EXEMPT FROM TAXATION
20 UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

21 (IV) A PERSON LICENSED AS A REAL ESTATE BROKER, AN
22 ASSOCIATE REAL ESTATE BROKER, OR A REAL ESTATE SALESPERSON BY THE STATE
23 WHERE THE PERSON IS ACTING WITHIN THE COURSE AND SCOPE OF THAT LICENSE;

24 (V) A PERSON LICENSED AS A MORTGAGE LENDER BY THE
25 STATE;

26 (VI) AN INDIVIDUAL ADMITTED TO THE BAR OF THE COURT OF
27 APPEALS OF MARYLAND WHEN THE INDIVIDUAL RENDERS SERVICES WITHIN THE
28 COURSE AND SCOPE OF PRACTICE BY THE INDIVIDUAL AS A LAWYER AND DOES NOT
29 ENGAGE IN THE CREDIT SERVICES BUSINESS ON A REGULAR AND CONTINUING
30 BASIS;

31 (VII) A BROKER-DEALER REGISTERED WITH THE SECURITIES
32 AND EXCHANGE COMMISSION OR THE COMMODITY FUTURES TRADING

1 COMMISSION WHERE THE BROKER-DEALER IS ACTING WITHIN THE COURSE AND
2 SCOPE OF THAT REGULATION;

3 (VIII) A CONSUMER REPORTING AGENCY AS DEFINED IN THE
4 FEDERAL FAIR CREDIT REPORTING ACT (15 U.S.C. §§ 1681 – 1681T) OR IN §
5 14-1201(E) OF THIS TITLE;

6 (IX) AN INDIVIDUAL LICENSED BY THE MARYLAND BOARD OF
7 PUBLIC ACCOUNTANCY WHEN THE INDIVIDUAL RENDERS SERVICES WITHIN THE
8 COURSE AND SCOPE OF PRACTICE BY THE INDIVIDUAL AS A CERTIFIED PUBLIC
9 ACCOUNTANT AND DOES NOT ENGAGE IN THE CREDIT SERVICES BUSINESS ON A
10 REGULAR AND CONTINUING BASIS;

11 (X) BEGINNING JULY 1, 2013, A MORTGAGE ASSISTANCE
12 RELIEF SERVICE PROVIDER REGULATED UNDER TITLE 7, SUBTITLE 5 OF THE REAL
13 PROPERTY ARTICLE; OR

14 (XI) A CREDIT SERVICES BUSINESS UNDER SUBTITLE 19 OF THIS
15 TITLE.

16 (F) “EXTENSION OF CREDIT” MEANS THE RIGHT TO DEFER PAYMENT OF
17 DEBT, OR TO INCUR DEBT AND DEFER ITS PAYMENT, OFFERED OR GRANTED
18 PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.

19 (G) “PERSON” INCLUDES AN INDIVIDUAL, A CORPORATION, A GOVERNMENT
20 OR GOVERNMENTAL SUBDIVISION OR AGENCY, A BUSINESS TRUST, A STATUTORY
21 TRUST, AN ESTATE, A TRUST, A PARTNERSHIP, AN ASSOCIATION, TWO OR MORE
22 PERSONS HAVING A JOINT OR COMMON INTEREST, AND ANY OTHER LEGAL OR
23 COMMERCIAL ENTITY.

24 14-19A-02.

25 (A) A CREDIT REPAIR BUSINESS AND ITS EMPLOYEES AND INDEPENDENT
26 CONTRACTORS WHO SELL OR ATTEMPT TO SELL THE SERVICES OF A CREDIT REPAIR
27 BUSINESS MAY NOT:

28 (1) RECEIVE ANY MONEY OR OTHER VALUABLE CONSIDERATION
29 FROM A CONSUMER, UNLESS THE CREDIT REPAIR BUSINESS HAS SECURED FROM
30 THE COMMISSIONER A LICENSE UNDER THIS SUBTITLE;

31 (2) RECEIVE ANY MONEY OR OTHER VALUABLE CONSIDERATION
32 SOLELY FOR REFERRAL OF A CONSUMER TO A RETAIL SELLER OR TO ANY OTHER
33 CREDIT GRANTOR THAT WILL OR MAY EXTEND CREDIT TO THE CONSUMER, IF THE

1 CREDIT EXTENDED TO THE CONSUMER IS ON SUBSTANTIALLY THE SAME TERMS AS
2 THOSE AVAILABLE TO THE GENERAL PUBLIC;

3 (3) MAKE, OR ASSIST OR ADVISE A CONSUMER TO MAKE, ANY
4 STATEMENT OR OTHER REPRESENTATION THAT IS FALSE OR MISLEADING, OR
5 WHICH BY THE EXERCISE OF REASONABLE CARE SHOULD BE KNOWN TO BE FALSE
6 OR MISLEADING, TO A CONSUMER REPORTING AGENCY, GOVERNMENT AGENCY, OR
7 PERSON TO WHOM THE CONSUMER APPLIES OR INTENDS TO APPLY FOR AN
8 EXTENSION OF CREDIT, REGARDING A CONSUMER'S CREDITWORTHINESS, CREDIT
9 STANDING, CREDIT CAPACITY, OR TRUE IDENTITY;

10 (4) MAKE OR USE A FALSE OR MISLEADING REPRESENTATION IN THE
11 OFFER OR SALE OF THE SERVICES OF A CREDIT REPAIR BUSINESS;

12 (5) ENGAGE, DIRECTLY OR INDIRECTLY, IN ANY ACT, PRACTICE, OR
13 COURSE OF BUSINESS THAT OPERATES AS A FRAUD OR DECEPTION ON ANY PERSON
14 IN CONNECTION WITH THE OFFER OR SALE OF THE SERVICES OF A CREDIT REPAIR
15 BUSINESS;

16 (6) EXCEPT AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION,
17 CHARGE OR RECEIVE ANY MONEY OR OTHER VALUABLE CONSIDERATION BEFORE
18 FULL AND COMPLETE PERFORMANCE OF THE SERVICES THAT THE CREDIT REPAIR
19 BUSINESS HAS AGREED TO PERFORM FOR OR ON BEHALF OF THE CONSUMER; OR

20 (7) CREATE, ASSIST A CONSUMER TO CREATE, OR PROVIDE A
21 CONSUMER WITH INFORMATION ON HOW TO CREATE, A NEW CONSUMER REPORT,
22 CREDIT FILE, OR CREDIT RECORD BY OBTAINING AND USING A DIFFERENT NAME,
23 ADDRESS, TELEPHONE NUMBER, SOCIAL SECURITY NUMBER, OR EMPLOYER TAX
24 IDENTIFICATION NUMBER.

25 (B) (1) A CREDIT REPAIR BUSINESS AND ITS EMPLOYEES AND
26 INDEPENDENT CONTRACTORS WHO SELL OR ATTEMPT TO SELL THE SERVICES OF A
27 CREDIT REPAIR BUSINESS MAY CHARGE OR RECEIVE ANY MONEY OR OTHER
28 VALUABLE CONSIDERATION BEFORE FULL AND COMPLETE PERFORMANCE OF THE
29 SERVICES THAT THE CREDIT REPAIR BUSINESS HAS AGREED TO PERFORM FOR OR
30 ON BEHALF OF THE CONSUMER IF THE CONSUMER HAS AGREED TO PAY FOR THE
31 SERVICES DURING THE TERM OF A WRITTEN SUBSCRIPTION AGREEMENT THAT
32 PROVIDES FOR THE CONSUMER TO MAKE PERIODIC PAYMENTS DURING THE TERM
33 OF THE AGREEMENT IN CONSIDERATION FOR THE CREDIT REPAIR BUSINESS'S
34 ONGOING PERFORMANCE OF SERVICES FOR OR ON BEHALF OF THE CONSUMER.

35 (2) A SUBSCRIPTION AGREEMENT SPECIFIED UNDER PARAGRAPH (1)
36 OF THIS SUBSECTION:

1 (I) MAY NOT HAVE A TERM THAT EXCEEDS 180 DAYS; AND

2 (II) MAY BE CANCELED BY THE CONSUMER AT ANY TIME.

3 14-19A-03.

4 (A) NOTWITHSTANDING ANY CHOICE OF LAW OR DESIGNATION OF SITUS IN
5 A CONTRACT, THIS SUBTITLE APPLIES TO ANY CONTRACT FOR CREDIT REPAIR IF:

6 (1) THE CREDIT REPAIR BUSINESS OFFERS OR AGREES TO SELL,
7 PROVIDE, OR PERFORM ANY SERVICES TO A RESIDENT OF THE STATE;

8 (2) A RESIDENT OF THE STATE ACCEPTS OR MAKES THE OFFER IN
9 THE STATE TO PURCHASE THE SERVICES OF THE CREDIT REPAIR BUSINESS; OR

10 (3) THE CREDIT REPAIR BUSINESS MAKES ANY VERBAL OR WRITTEN
11 SOLICITATION OR COMMUNICATION THAT ORIGINATES EITHER INSIDE OR OUTSIDE
12 THE STATE, BUT IS RECEIVED IN THE STATE BY A RESIDENT OF THE STATE.

13 (B) A CREDIT REPAIR BUSINESS IS REQUIRED TO BE LICENSED UNDER THIS
14 SUBTITLE AND IS SUBJECT TO THIS SUBTITLE AND TITLE 11, SUBTITLE 3 OF THE
15 FINANCIAL INSTITUTIONS ARTICLE.

16 (C) (1) A LICENSE REQUIRED BY THIS SUBTITLE SHALL BE ISSUED BY THE
17 COMMISSIONER.

18 (2) (I) THE FEES FOR INITIAL LICENSING AND ANNUAL RENEWAL
19 OF A LICENSE SHALL BE SET BY THE COMMISSIONER.

20 (II) THE FEE FOR AN INITIAL LICENSE MAY NOT EXCEED \$1,000.

21 (III) THE FEE FOR AN ANNUAL LICENSE RENEWAL MAY NOT
22 EXCEED \$500.

23 (3) THE LICENSE APPLICATION SHALL CONTAIN:

24 (I) THE NAME AND ADDRESS OF THE CREDIT REPAIR BUSINESS;

25 (II) THE NAME AND PRINCIPAL ADDRESS OF EACH PERSON
26 THAT DIRECTLY OR INDIRECTLY OWNS OR CONTROLS 10% OR MORE OF THE
27 OUTSTANDING SHARES OF STOCK IN THE CREDIT REPAIR BUSINESS;

1 **(III) EITHER:**

2 1. **A FULL AND COMPLETE DISCLOSURE OF ANY**
3 **LITIGATION OR UNRESOLVED COMPLAINT FILED WITH A GOVERNMENTAL**
4 **AUTHORITY OF THE STATE RELATING TO THE OPERATION OF THE CREDIT REPAIR**
5 **BUSINESS; OR**

6 2. **A NOTARIZED STATEMENT THAT THERE IS NO**
7 **UNRESOLVED LITIGATION OR COMPLAINT FILED WITH A GOVERNMENTAL**
8 **AUTHORITY OF THE STATE RELATING TO THE OPERATION OF THE CREDIT REPAIR**
9 **BUSINESS; AND**

10 **(IV) THE NAME AND ADDRESS OF THE CREDIT REPAIR**
11 **BUSINESS'S AGENT AUTHORIZED TO RECEIVE SERVICE OF PROCESS.**

12 **(4) A LICENSEE SHALL NOTIFY THE COMMISSION WITHIN 90 DAYS**
13 **AFTER ANY CHANGE IN THE INFORMATION PROVIDED IN THE APPLICATION UNDER**
14 **PARAGRAPH (3) OF THIS SUBSECTION.**

15 **(D) A PERSON NOT INCLUDED IN THE DEFINITION OF A CREDIT REPAIR**
16 **BUSINESS UNDER § 14-19A-01 OF THIS SUBTITLE IS EXEMPT FROM LICENSING**
17 **UNDER THIS SUBTITLE.**

18 **14-19A-04.**

19 **A PERSON WHO ADVERTISES A SERVICE DESCRIBED IN § 14-19A-01(E)(1) OR**
20 **(2) OF THIS SUBTITLE, WHETHER OR NOT THE PERSON IS A CREDIT REPAIR**
21 **BUSINESS, SHALL CLEARLY AND CONSPICUOUSLY STATE IN EACH ADVERTISEMENT:**

22 **(1) THE LICENSE NUMBER ISSUED UNDER § 14-19A-03 OF THIS**
23 **SUBTITLE; OR**

24 **(2) IF NOT REQUIRED TO BE LICENSED, THE EXEMPTION PROVIDED**
25 **BY THE COMMISSIONER.**

26 **14-19A-05.**

27 **(A) BEFORE EITHER THE EXECUTION OF A CONTRACT OR AGREEMENT**
28 **BETWEEN A CONSUMER AND A CREDIT REPAIR BUSINESS OR THE RECEIPT BY THE**
29 **CREDIT REPAIR BUSINESS OF ANY MONEY OR OTHER VALUABLE CONSIDERATION,**
30 **THE CREDIT REPAIR BUSINESS SHALL PROVIDE THE CONSUMER WITH A WRITTEN**
31 **INFORMATION STATEMENT CONTAINING ALL THE INFORMATION REQUIRED UNDER**
32 **§ 14-19A-06 OF THIS SUBTITLE.**

1 **(B) THE CREDIT REPAIR BUSINESS SHALL MAINTAIN ON FILE FOR A PERIOD**
2 **OF 3 YEARS AFTER THE DATE OF THE CONSUMER'S ACKNOWLEDGMENT A COPY OF**
3 **THE INFORMATION STATEMENT SIGNED BY THE CONSUMER ACKNOWLEDGING**
4 **RECEIPT OF THE INFORMATION STATEMENT.**

5 **14-19A-06.**

6 **(A) THE INFORMATION STATEMENT REQUIRED UNDER § 14-19A-05 OF**
7 **THIS SUBTITLE SHALL INCLUDE:**

8 **(1) AN ACCURATE STATEMENT OF THE CONSUMER'S RIGHT TO**
9 **REVIEW ANY FILE ON THE CONSUMER MAINTAINED BY ANY CONSUMER REPORTING**
10 **AGENCY AND THE RIGHT OF THE CONSUMER TO RECEIVE A COPY OF A CONSUMER**
11 **REPORT CONTAINING ALL INFORMATION IN THAT FILE AS PROVIDED UNDER THE**
12 **FEDERAL FAIR CREDIT REPORTING ACT (15 U.S.C. § 1681G) AND UNDER § 14-1206**
13 **OF THIS TITLE;**

14 **(2) A STATEMENT THAT A COPY OF THE CONSUMER REPORT**
15 **CONTAINING ALL INFORMATION IN THE CONSUMER'S FILE WILL BE FURNISHED**
16 **FREE OF CHARGE BY THE CONSUMER REPORTING AGENCY IF REQUESTED BY THE**
17 **CONSUMER WITHIN 30 DAYS AFTER RECEIVING A NOTICE OF A DENIAL OF CREDIT AS**
18 **PROVIDED UNDER THE FEDERAL FAIR CREDIT REPORTING ACT (15 U.S.C. § 1681J)**
19 **AND UNDER § 14-1209 OF THIS TITLE;**

20 **(3) A STATEMENT THAT A NOMINAL CHARGE NOT TO EXCEED \$5 MAY**
21 **BE IMPOSED ON THE CONSUMER BY THE CONSUMER REPORTING AGENCY FOR A**
22 **COPY OF THE CONSUMER REPORT CONTAINING ALL THE INFORMATION IN THE**
23 **CONSUMER'S FILE, IF THE CONSUMER HAS NOT BEEN DENIED CREDIT WITHIN 30**
24 **DAYS AFTER RECEIPT OF THE CONSUMER'S REQUEST;**

25 **(4) A COMPLETE AND ACCURATE STATEMENT OF THE CONSUMER'S**
26 **RIGHT TO DISPUTE THE COMPLETENESS OR ACCURACY OF ANY ITEM ON THE**
27 **CONSUMER CONTAINED IN ANY FILE THAT IS MAINTAINED BY ANY CONSUMER**
28 **REPORTING AGENCY, AS PROVIDED UNDER THE FEDERAL FAIR CREDIT REPORTING**
29 **ACT (15 U.S.C. § 1681i) AND UNDER § 14-1208 OF THIS TITLE;**

30 **(5) A COMPLETE AND DETAILED DESCRIPTION OF THE SERVICES TO**
31 **BE PERFORMED BY THE CREDIT REPAIR BUSINESS FOR OR ON BEHALF OF THE**
32 **CONSUMER AND THE TOTAL AMOUNT THE CONSUMER WILL HAVE TO PAY FOR THE**
33 **SERVICES; AND**

34 **(6) A STATEMENT THAT ACCURATELY REPORTED INFORMATION MAY**

1 NOT BE PERMANENTLY REMOVED FROM THE FILE OF A CONSUMER REPORTING
2 AGENCY.

3 (B) A CREDIT REPAIR BUSINESS REQUIRED TO OBTAIN A LICENSE UNDER §
4 14-19A-03 OF THIS SUBTITLE SHALL INCLUDE IN THE INFORMATION STATEMENT
5 REQUIRED UNDER § 14-19A-05 OF THIS SUBTITLE:

6 (1) A STATEMENT OF THE CONSUMER'S RIGHT TO FILE A COMPLAINT
7 UNDER § 14-19A-12 OF THIS SUBTITLE;

8 (2) THE ADDRESS OF THE COMMISSIONER WHERE THE COMPLAINTS
9 SHOULD BE FILED; AND

10 (3) A STATEMENT THAT A BOND EXISTS AND THE CONSUMER'S RIGHT
11 TO PROCEED AGAINST THE BOND UNDER THE CIRCUMSTANCES AND IN THE MANNER
12 PROVIDED IN § 14-19A-11 OF THIS SUBTITLE.

13 14-19A-07.

14 (A) EVERY CONTRACT BETWEEN A CONSUMER AND A CREDIT REPAIR
15 BUSINESS FOR THE PURCHASE OF THE SERVICES OF THE CREDIT REPAIR BUSINESS
16 SHALL BE IN WRITING, DATED, SIGNED BY THE CONSUMER, AND SHALL INCLUDE:

17 (1) A CONSPICUOUS STATEMENT IN AT LEAST 10-POINT BOLD TYPE,
18 IN IMMEDIATE PROXIMITY TO THE SPACE RESERVED FOR THE SIGNATURE OF THE
19 CONSUMER, AS FOLLOWS:

20 "YOU, THE BUYER, MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE
21 MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THE TRANSACTION.
22 SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF
23 THIS RIGHT.";

24 (2) THE TERMS AND CONDITIONS OF PAYMENT, INCLUDING THE
25 TOTAL OF ALL PAYMENTS TO BE MADE BY THE CONSUMER, WHETHER TO THE
26 CREDIT REPAIR BUSINESS OR TO SOME OTHER PERSON;

27 (3) A COMPLETE AND DETAILED DESCRIPTION OF THE SERVICES TO
28 BE PERFORMED AND THE RESULTS TO BE ACHIEVED BY THE CREDIT REPAIR
29 BUSINESS FOR OR ON BEHALF OF THE CONSUMER, INCLUDING:

30 (I) ALL GUARANTEES AND ALL PROMISES OF FULL OR PARTIAL
31 REFUNDS; AND

1 (II) A LIST OF THE ADVERSE INFORMATION APPEARING ON THE
2 CONSUMER’S CREDIT REPORT THAT THE CREDIT REPAIR BUSINESS EXPECTS TO
3 HAVE MODIFIED AND THE ESTIMATED DATE BY WHICH EACH MODIFICATION WILL
4 OCCUR; AND

5 (4) THE PRINCIPAL BUSINESS ADDRESS OF THE CREDIT REPAIR
6 BUSINESS AND THE NAME AND ADDRESS OF ITS AGENT IN THE STATE AUTHORIZED
7 TO RECEIVE SERVICE OF PROCESS.

8 (B) THE CONTRACT SHALL BE ACCOMPANIED BY A FORM COMPLETED IN
9 DUPLICATE, CAPTIONED “NOTICE OF CANCELLATION”, WHICH SHALL BE
10 ATTACHED TO THE CONTRACT AND EASILY DETACHABLE, AND SHALL CONTAIN IN AT
11 LEAST 10-POINT BOLD TYPE THE FOLLOWING STATEMENT:

12 “NOTICE OF CANCELLATION

13 YOU MAY CANCEL THIS CONTRACT, WITHOUT ANY PENALTY OR OBLIGATION,
14 AT ANY TIME BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE
15 THE CONTRACT IS SIGNED.

16 IF YOU CANCEL, ANY PAYMENT MADE BY YOU UNDER THIS CONTRACT WILL
17 BE RETURNED WITHIN 10 DAYS AFTER THE SELLER RECEIVES YOUR
18 CANCELLATION NOTICE.

19 TO CANCEL THIS CONTRACT, MAIL OR DELIVER A SIGNED AND DATED COPY
20 OF THIS CANCELLATION NOTICE, OR ANY OTHER WRITTEN NOTICE, TO

21
22 (NAME OF SELLER)

23 AT

1
2 (ADDRESS OF SELLER)

3
4 (PLACE OF BUSINESS)

5 NOT LATER THAN MIDNIGHT

6
7 (DATE)

8 I HEREBY CANCEL THIS TRANSACTION.

9
10 (DATE) (BUYER'S SIGNATURE)"

11 (C) A COPY OF THE COMPLETED CONTRACT AND ALL OTHER DOCUMENTS
12 THE CREDIT REPAIR BUSINESS REQUIRES THE CONSUMER TO SIGN SHALL BE GIVEN
13 TO THE CONSUMER BY THE CREDIT REPAIR BUSINESS AT THE TIME THE DOCUMENTS
14 ARE SIGNED.

15 14-19A-08.

16 (A) ANY BREACH BY A CREDIT REPAIR BUSINESS OF A CONTRACT UNDER
17 THIS SUBTITLE, OR OF ANY OBLIGATION ARISING UNDER IT, SHALL CONSTITUTE A
18 VIOLATION OF THIS SUBTITLE.

19 (B) ANY CONTRACT FOR SERVICES FROM A CREDIT REPAIR BUSINESS THAT
20 DOES NOT COMPLY WITH THE APPLICABLE PROVISIONS OF THIS SUBTITLE SHALL BE
21 VOID AND UNENFORCEABLE AS CONTRARY TO THE PUBLIC POLICY OF THE STATE.

22 (C) (1) ANY WAIVER BY A CONSUMER OF ANY OF THE PROVISIONS OF THIS
23 SUBTITLE SHALL BE DEEMED VOID AND UNENFORCEABLE BY A CREDIT REPAIR
24 BUSINESS AS CONTRARY TO THE PUBLIC POLICY OF THE STATE; AND

25 (2) ANY ATTEMPT BY A CREDIT REPAIR BUSINESS TO HAVE A

1 CONSUMER WAIVE RIGHTS GIVEN BY THIS SUBTITLE SHALL CONSTITUTE A
2 VIOLATION OF THIS SUBTITLE.

3 (D) IN ANY PROCEEDING INVOLVING THIS SUBTITLE, THE BURDEN OF
4 PROVING AN EXEMPTION OR AN EXCEPTION FROM A DEFINITION IS ON THE PERSON
5 CLAIMING IT.

6 14-19A-09.

7 (A) A CREDIT REPAIR BUSINESS IS REQUIRED TO OBTAIN A SURETY BOND
8 IN ACCORDANCE WITH TITLE 11, SUBTITLE 3 OF THE FINANCIAL INSTITUTIONS
9 ARTICLE.

10 (B) THE SURETY BOND:

11 (1) SHALL BE IN AN AMOUNT EQUAL TO 100 TIMES THE STANDARD
12 FEE CHARGED BY THE CREDIT REPAIR BUSINESS; BUT

13 (2) MAY NOT BE LESS THAN \$50,000 NOR GREATER THAN \$75,000.

14 14-19A-10.

15 THE SURETY BOND SHALL BE ISSUED BY A SURETY COMPANY AUTHORIZED TO
16 DO BUSINESS IN THE STATE.

17 14-19A-11.

18 (A) ANY PERSON CLAIMING AGAINST THE SURETY BOND FOR A VIOLATION
19 OF THIS SUBTITLE MAY MAINTAIN AN ACTION AGAINST THE CREDIT REPAIR
20 BUSINESS AND AGAINST THE SURETY.

21 (B) THE SURETY SHALL BE LIABLE ONLY FOR ACTUAL DAMAGES AND NOT
22 FOR PUNITIVE DAMAGES AUTHORIZED UNDER § 14-19A-13 OF THIS SUBTITLE.

23 (C) THE AGGREGATE LIABILITY OF THE SURETY TO ALL PERSONS DAMAGED
24 BY A CREDIT REPAIR BUSINESS'S VIOLATION OF THIS SUBTITLE MAY NOT EXCEED
25 THE AMOUNT OF THE SURETY BOND.

26 14-19A-12.

27 (A) A CONSUMER WHO HAS REASON TO BELIEVE THAT THIS SUBTITLE HAS
28 BEEN VIOLATED BY A CREDIT REPAIR BUSINESS OR BY ANY OTHER PERSON MAY FILE
29 WITH THE COMMISSIONER A WRITTEN COMPLAINT STATING THE DETAILS OF THE

1 ALLEGED VIOLATION.

2 (B) AFTER RECEIVING THE COMPLAINT, THE COMMISSIONER MAY INSPECT
3 THE PERTINENT BOOKS, RECORDS, LETTERS, AND CONTRACTS OF ANY CREDIT
4 REPAIR BUSINESS AND OF ANY PERSON WHO HAS FURNISHED INFORMATION TO THE
5 CREDIT REPAIR BUSINESS RELATING TO THE SPECIFIC WRITTEN COMPLAINT.

6 (C) THE COMMISSIONER MAY INVESTIGATE THE COMPLAINT AND HOLD A
7 HEARING IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE
8 GOVERNMENT ARTICLE.

9 (D) THE COMMISSIONER MAY:

10 (1) HOLD A HEARING ON THE COMPLAINT AT A TIME AND PLACE IN
11 THE STATE REASONABLY CONVENIENT TO THE PARTIES INVOLVED;

12 (2) SUBPOENA WITNESSES;

13 (3) TAKE DEPOSITIONS OF WITNESSES RESIDING OUTSIDE THE
14 STATE, IN THE MANNER PROVIDED FOR WITNESSES IN CIVIL ACTIONS IN COURTS OF
15 RECORD;

16 (4) ADMINISTER OATHS;

17 (5) ISSUE ORDERS FOR COMPLIANCE WITH THIS SUBTITLE; AND

18 (6) AFTER FINDING A PATTERN AND PRACTICE OF VIOLATION OF THIS
19 SUBTITLE, ISSUE CEASE AND DESIST ORDERS.

20 (E) (1) THE COMMISSIONER SHALL GIVE TO THE CREDIT REPAIR
21 BUSINESS, OR THE SALESPERSON, AGENT, REPRESENTATIVE, OR INDEPENDENT
22 CONTRACTOR ACTING ON BEHALF OF THE CREDIT REPAIR BUSINESS AGAINST WHOM
23 A COMPLAINT IS FILED, WRITTEN NOTICE OF THE COMPLAINT AND THE TIME AND
24 PLACE OF ANY HEARING.

25 (2) THE NOTICE SHALL:

26 (I) BE IN WRITING; AND

27 (II) BE SENT BY CERTIFIED MAIL TO THE PRINCIPAL PLACE OF
28 BUSINESS OF THE CREDIT REPAIR BUSINESS OR THE PRINCIPAL PLACE OF BUSINESS
29 OR RESIDENCE ADDRESS OF THE SALESPERSON, AGENT, REPRESENTATIVE, OR
30 INDEPENDENT CONTRACTOR ACTING ON BEHALF OF THE CREDIT REPAIR BUSINESS,

1 AT LEAST 10 DAYS BEFORE THE DATE OF THE HEARING.

2 (F) (1) IF, AFTER THE HEARING, THE COMMISSIONER FINDS THAT THE
3 CREDIT REPAIR BUSINESS, OR THE SALESPERSON, AGENT, REPRESENTATIVE, OR
4 INDEPENDENT CONTRACTOR ACTING ON BEHALF OF THE CREDIT REPAIR BUSINESS,
5 HAS ENGAGED OR IS ENGAGING IN ANY ACT OR PRACTICE PROHIBITED BY THIS
6 SUBTITLE, THE COMMISSIONER:

7 (I) SHALL ORDER THE CREDIT REPAIR BUSINESS OR THE
8 PERSON OR BOTH TO CEASE AND DESIST FROM THE ACT OR PRACTICE; AND

9 (II) MAY ORDER THAT RESTITUTION BE PAID TO AN AGGRIEVED
10 CONSUMER.

11 (2) THE ORDER OF THE COMMISSIONER SHALL COMPLY WITH THE
12 ADMINISTRATIVE PROCEDURE ACT.

13 (G) (1) IF AN APPEAL IS NOT FILED, THE ORDER OF THE COMMISSIONER
14 BECOMES FINAL AFTER EXPIRATION OF THE TIME ALLOWED BY THE
15 ADMINISTRATIVE PROCEDURE ACT FOR APPEALS FROM THE COMMISSIONER'S
16 ORDERS.

17 (2) IF AN APPEAL IS FILED, THE ORDER OF THE COMMISSIONER
18 BECOMES FINAL AFTER A FINAL DECISION OF A COURT AFFIRMING THE ORDER OR
19 DISMISSING THE APPEAL.

20 (H) IF A CREDIT REPAIR BUSINESS OR ANY OTHER PERSON FAILS TO
21 COMPLY WITH ANY LAWFUL ORDER OF THE COMMISSIONER UNDER THIS SUBTITLE
22 OR IF ANY WITNESS FAILS TO APPEAR AND TESTIFY TO ANY MATTER REGARDING
23 WHICH THE WITNESS MAY BE LAWFULLY INTERROGATED, ON PETITION OF THE
24 COMMISSIONER STATING THE FACTS, THE CIRCUIT COURT OF ANY COUNTY SHALL:

25 (1) COMPEL OBEDIENCE TO THE REQUIREMENTS OF THE SUBPOENA
26 OR ORDER;

27 (2) COMPEL THE PRODUCTION OF CONTRACTS, FORMS, FILES, AND
28 OTHER EVIDENCE; AND

29 (3) ORDER COMPLIANCE WITH ANY LAWFUL ORDER ISSUED BY THE
30 COMMISSIONER UNDER SUBSECTION (D)(5) OR (6) OF THIS SECTION.

31 (I) IF THE CREDIT REPAIR BUSINESS OR ANY OTHER PERSON FAILS,
32 REFUSES, OR NEGLECTS TO COMPLY WITH THE ORDER OF THE COURT, THE COURT

1 MAY PUNISH THAT PERSON FOR CONTEMPT OF COURT.

2 (J) THE ADMINISTRATIVE PROCEDURE ACT, INCLUDING ITS PROVISIONS
3 FOR JUDICIAL REVIEW OF A FINAL DECISION IN A CONTESTED CASE, APPLIES TO
4 PROCEEDINGS BEFORE THE COMMISSIONER UNDER THIS SUBTITLE.

5 14-19A-13.

6 (A) ANY CREDIT REPAIR BUSINESS THAT WILLFULLY FAILS TO COMPLY
7 WITH ANY REQUIREMENT IMPOSED UNDER THIS SUBTITLE WITH RESPECT TO ANY
8 CONSUMER IS LIABLE TO THAT CONSUMER IN AN AMOUNT EQUAL TO THE SUM OF:

9 (1) ANY ACTUAL DAMAGES SUSTAINED BY THE CONSUMER AS A
10 RESULT OF THE FAILURE;

11 (2) A MONETARY AWARD EQUAL TO 4 TIMES THE TOTAL AMOUNT
12 COLLECTED FROM THE CONSUMER, AS ORDERED BY THE COMMISSIONER;

13 (3) THE AMOUNT OF PUNITIVE DAMAGES THAT THE COURT MAY
14 ALLOW; AND

15 (4) IN THE CASE OF ANY SUCCESSFUL ACTION TO ENFORCE ANY
16 LIABILITY UNDER THIS SECTION, THE COSTS OF THE ACTION TOGETHER WITH
17 REASONABLE ATTORNEY'S FEES AS DETERMINED BY THE COURT.

18 (B) ANY CREDIT REPAIR BUSINESS THAT NEGLIGENTLY FAILS TO COMPLY
19 WITH ANY REQUIREMENT IMPOSED UNDER THIS SUBTITLE WITH RESPECT TO ANY
20 CONSUMER IS LIABLE TO THAT CONSUMER IN AN AMOUNT EQUAL TO THE SUM OF:

21 (1) ANY ACTUAL DAMAGES SUSTAINED BY THE CONSUMER AS A
22 RESULT OF THE FAILURE; AND

23 (2) IN THE CASE OF ANY SUCCESSFUL ACTION TO ENFORCE ANY
24 LIABILITY UNDER THIS SECTION, THE COST OF THE ACTION TOGETHER WITH
25 REASONABLE ATTORNEY'S FEES AS DETERMINED BY THE COURT.

26 14-19A-14.

27 (A) AN ACTION TO ENFORCE ANY LIABILITY CREATED UNDER THIS
28 SUBTITLE SHALL BE BROUGHT WITHIN 4 YEARS AFTER THE DATE THE VIOLATION
29 OCCURRED.

30 (B) WHERE A DEFENDANT HAS MATERIALLY AND WILLFULLY

1 MISREPRESENTED ANY INFORMATION REQUIRED TO BE DISCLOSED TO A CONSUMER
2 BY THIS SUBTITLE AND THE INFORMATION IS MATERIAL TO ESTABLISHING THE
3 DEFENDANT’S LIABILITY, THE ACTION MAY BE BROUGHT AT ANY TIME WITHIN 4
4 YEARS AFTER THE DISCOVERY OF THE MISREPRESENTATION.

5 **14-19A-15.**

6 (A) EACH SALE OF THE SERVICES OF A CREDIT REPAIR BUSINESS THAT
7 VIOLATES THIS SUBTITLE IS AN UNFAIR OR DECEPTIVE TRADE PRACTICE UNDER
8 TITLE 13 OF THIS ARTICLE.

9 (B) IF THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF THE
10 ATTORNEY GENERAL HAS REASON TO BELIEVE THAT A CREDIT REPAIR BUSINESS,
11 OR ANY SALESPERSON, AGENT, REPRESENTATIVE, OR INDEPENDENT CONTRACTOR
12 ACTING ON BEHALF OF A CREDIT REPAIR BUSINESS, HAS VIOLATED THIS SUBTITLE,
13 THE DIVISION MAY INSTITUTE A PROCEEDING UNDER TITLE 13 OF THIS ARTICLE.

14 **14-19A-16.**

15 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A PERSON
16 WHO VIOLATES THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND, ON CONVICTION,
17 IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING
18 \$5,000 OR BOTH, IN ADDITION TO ANY CIVIL PENALTIES.

19 (B) A PERSON MAY NOT BE IMPRISONED FOR A VIOLATION OF AN ORDER OF
20 THE COMMISSIONER OR OF THE ATTORNEY GENERAL ENTERED UNDER THIS
21 SUBTITLE OR TITLE 13 OF THIS ARTICLE.

22 **14-19A-17.**

23 THIS SUBTITLE MAY BE REFERRED TO AS THE “MARYLAND CREDIT REPAIR
24 BUSINESSES ACT”.

25 **Article – Financial Institutions**

26 **11-302.**

27 (a) In this section, “installment loan” means a loan or extension of credit made for
28 consideration under § 12-103(a)(3) or (c), Title 12, Subtitle 9, or Title 12, Subtitle 10 of the
29 Commercial Law Article.

30 (b) Unless the person is licensed by the Commissioner, a person may not:

31 (1) Engage in the business of making installment loans;

1 (2) Make more than 5 installment loans a year; [or]

2 (3) Engage in the business of a credit services business as defined under
3 Title 14, Subtitle 19 of the Commercial Law Article; **OR**

4 **(4) ENGAGE IN THE BUSINESS OF A CREDIT REPAIR BUSINESS AS**
5 **DEFINED UNDER TITLE 14, SUBTITLE 19A OF THE COMMERCIAL LAW ARTICLE.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2018.