

# SENATE BILL 523

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CF HB 116

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By: **Senators Pugh, Conway, Exum, Harrington, Jones, McFadden, Peters,  
and Raskin**

Introduced and read first time: February 3, 2010

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Credit Card Blacklisting Prevention Act**

3 FOR the purpose of prohibiting a person from including or enforcing certain provisions  
4 in certain consumer credit contracts; providing that a provision included in a  
5 consumer credit contract in violation of certain provisions of this Act is void and  
6 unenforceable; permitting certain information to be used to detect or prevent  
7 certain fraudulent activity; providing that a violation of this Act is an unfair or  
8 deceptive trade practice within the meaning of the Maryland Consumer  
9 Protection Act and is subject to certain enforcement and penalty provisions;  
10 defining certain terms; and generally relating to consumer credit contracts.

11 BY adding to

12 Article – Commercial Law

13 Section 14–1322

14 Annotated Code of Maryland

15 (2005 Replacement Volume and 2009 Supplement)

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

18 **Article – Commercial Law**

19 **14–1322.**

20 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
21 MEANINGS INDICATED.

22 (2) “CONSUMER” MEANS A PURCHASER, LESSEE, OR RECIPIENT  
23 OF CONSUMER GOODS, CONSUMER SERVICES, OR CONSUMER CREDIT.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(3) “CONSUMER CREDIT CONTRACT” MEANS A WRITTEN**  
2 **AGREEMENT FOR THE PROVISION OF CONSUMER CREDIT BETWEEN A PERSON**  
3 **AND A CONSUMER WHO RESIDES IN THE STATE.**

4           **(4) “CONSUMER CREDIT”, “CONSUMER GOODS”, AND “CONSUMER**  
5 **SERVICES” MEAN, RESPECTIVELY, CREDIT, GOODS, AND SERVICES THAT ARE**  
6 **PRIMARILY FOR PERSONAL, HOUSEHOLD, OR FAMILY PURPOSES.**

7           **(5) “PROHIBITED RISK FACTOR” MEANS THE IDENTITY OF:**

8                   **(I) A PERSON FROM WHOM A CONSUMER LAWFULLY**  
9 **OBTAINS CONSUMER CREDIT, CONSUMER GOODS, OR CONSUMER SERVICES; OR**

10                   **(II) A PERSON WHO MAKES OR HOLDS A MORTGAGE LOAN**  
11 **ON A CONSUMER’S HOME.**

12           **(B) A PERSON MAY NOT INCLUDE OR ENFORCE A PROVISION IN A**  
13 **CONSUMER CREDIT CONTRACT, WITHOUT THE CONSUMER’S PRIOR WRITTEN**  
14 **CONSENT, THAT:**

15                   **(1) TRIGGERS A DEFAULT UNDER THE CONSUMER CREDIT**  
16 **CONTRACT BASED ON A PROHIBITED RISK FACTOR; OR**

17                   **(2) AUTHORIZES A PARTY TO THE CONSUMER CREDIT CONTRACT**  
18 **TO USE A PROHIBITED RISK FACTOR FOR THE PURPOSE OF:**

19                           **(I) ACCELERATING A PAYMENT OWED UNDER THE**  
20 **CONSUMER CREDIT CONTRACT;**

21                           **(II) INCREASING THE INTEREST RATE PAYABLE UNDER THE**  
22 **CONSUMER CREDIT CONTRACT;**

23                           **(III) REDUCING THE CREDIT LIMIT AVAILABLE UNDER THE**  
24 **CONSUMER CREDIT CONTRACT; OR**

25                           **(IV) ALTERING A TERM OF THE CONSUMER CREDIT**  
26 **CONTRACT IN ANY OTHER MANNER ADVERSE TO THE CONSUMER.**

27           **(C) A PROVISION INCLUDED IN A CONSUMER CREDIT CONTRACT IN**  
28 **VIOLATION OF SUBSECTION (B) OF THIS SECTION IS VOID AND**  
29 **UNENFORCEABLE.**

30           **(D) SUBSECTION (B) OF THIS SECTION DOES NOT PROHIBIT A PERSON**  
31 **FROM USING INFORMATION TO DETECT OR PREVENT FRAUDULENT ACTIVITY IN**  
32 **CONNECTION WITH THE PROVISION OF CONSUMER CREDIT.**

1           **(E) A VIOLATION OF THIS SECTION IS:**

2                   **(1) AN UNFAIR OR DECEPTIVE TRADE PRACTICE WITHIN THE**  
3 **MEANING OF TITLE 13 OF THIS ARTICLE; AND**

4                   **(2) SUBJECT TO THE PENALTY AND ENFORCEMENT PROVISIONS**  
5 **CONTAINED IN TITLE 13 OF THIS ARTICLE.**

6           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 October 1, 2010.