

Title 09 DEPARTMENT OF LABOR, LICENSING, AND REGULATION

Subtitle 03 COMMISSIONER OF FINANCIAL REGULATION

Chapter 07 Credit Reporting Agencies

Authority: Business Regulation Article, §2-105; Commercial Law Article, §14-1215, 14-1217(b)(9), 14-1217(b)(10), 14-1217(d), 14-1218(e), 14-1226(f), 14-1226(g); Annotated Code of Maryland

.01 Scope.

(text unchanged)

.02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) "Branch location" means any location other than the principal executive office of a consumer reporting agency at which the consumer reporting agency will conduct activities required to be registered under Commercial Law Article, §14-1215, Annotated Code of Maryland.

(2) "Breach of the security of a system" has the meaning stated in Commercial Law Article, §14-3504, Annotated Code of Maryland.

[(1)] (3) (text unchanged)

[(2)] (4) "Collection agency" has the meaning stated in Business Regulation Article, §7-101[(c)], Annotated Code of Maryland.

[(3)] (5) "Commissioner" has the meaning stated in Commercial Law Article, §14-1201[(j)], Annotated Code of Maryland.

[(4)] (6) "Consumer" has the meaning stated in Commercial Law Article, §14-1201[(c)], Annotated Code of Maryland.

[(5)] (7) "Consumer report" has the meaning stated in Commercial Law Article, §14-1201[(d)], Annotated Code of Maryland.

[(6)] (8) Consumer Reporting Agency.

(a) – (b) (text unchanged)

(9) "Control person" means a person who has the power, directly or indirectly, to direct the management or policies of a consumer reporting agency, whether through ownership of securities, by contract, or otherwise.

[(7)] (10) Credit Repair Agency.

(a) (text unchanged)

(b) "Credit repair agency" does not include a person who is not included within the definition of "credit services business" stated in Commercial Law Article, §14-1901[(b)], Annotated Code of Maryland.

[(8)] (11) "File" has the meaning stated in Commercial Law Article, §14-1201[(g)], Annotated Code of Maryland

(12) "Nationwide Mortgage Licensing System and Registry" or "NMLS" has the meaning stated in Financial Institutions Article, §11-501, Annotated Code of Maryland.

[(9)] (13) "Person" has the meaning stated in Commercial Law Article, §14-1201[(b)], Annotated Code of Maryland.

(14) "Personal information" has the meaning stated in Commercial Law Article, §14-3501, Annotated Code of Maryland.

(15) "Simple and easy to understand" has the meaning stated in 16 CFR §642.2.

.03 Annual Registration.

A. [This regulation does not require a consumer reporting agency to register each year information previously registered that remains unchanged] During the time period established by the Commissioner under subsection (b) of this regulation, each consumer reporting agency shall:

(1) Obtain and maintain a valid unique identifier issued by NMLS when an account is created with NMLS; and

(2) Transfer registration information to NMLS.

[B. A consumer reporting agency which issues consumer reports on residents of this State shall register with the Commissioner:

- (1) On or before the effective date of these regulations; and
- (2) On or before January of each year after the effective date of these regulations.]

B. The Commissioner shall establish a time period that is not less than 2 months after the effective date of these regulations within which a registrant must transfer registration information to NMLS.

C. At least 30 days before the transfer period begins, the Commissioner shall:

- (1) *Notify all registrants of the transfer period; and*
- (2) *Provide instructions for the transfer of registration information to NMLS.*

D. Subject to §A of this regulation, a consumer credit reporting agency submitting an initial registration or a registration renewal shall apply for the initial registration or registration renewal through NMLS on or after November 1 of the year in which these regulations are effective and annually thereafter.

[C.] *E. To register [under this regulation, a consumer reporting agency shall submit to the Commissioner in writing the following information:], the consumer reporting agency must provide all information required by the Commissioner through NMLS, including:*

[(1) The legal name of the consumer reporting agency;

(2)] (1) The addresses of:

(a) The principal *executive* office, and

(b) All [offices located] *branch locations* [in this State];

[(3)] (2) (text unchanged)

[(4)] (3) (text unchanged)

[(5)] (4) (text unchanged)

[(6)] (5) A certification by a control person that trained personnel sufficient to promptly and properly investigate and respond to consumer complaints and inquiries are available; [and]

[(7)] (6) (text unchanged)

(7) *A certification by a control person who has primary oversight responsibility for the consumer reporting agency's technology system that the consumer reporting agency is in compliance with all applicable data security requirements, including the requirements of the Gramm-Leach-Bliley Act (15 U.S.C. §6801 et seq.) and its implementing regulations;*

(8) *A copy of the declaration page of the consumer reporting agency's current cyber insurance policy issued by an insurer that is approved to do business in the State;*

(9) *A list of all websites and web applications where there is consumer access to a service offered by the consumer reporting agency;*

(10) *A list of fees for all products or services offered to consumers by the consumer reporting agency.*

(11) *The total number of Maryland consumers for which the consumer reporting agency maintains files;*

(12) *The total number of complaints received the previous calendar year for which the consumer reporting agency received a complaint from a Maryland consumer; and*

(13) *The total number of complaints received the previous calendar year for which the consumer reporting agency received a complaint from a Maryland consumer involving a claim of inaccurate information in the consumer report or consumer file.*

F. A person registering as a consumer reporting agency with the Commissioner shall pay to NMLS any fees that NMLS imposes in connection with the registration.

[D.] *G. Except for the information required in §E(11) - (13) of this regulation, [If] if the information supplied in a consumer reporting agency's registration [submission] becomes inaccurate at any time during the calendar year, the consumer reporting agency shall immediately submit the changes to the Commissioner [written notice of the changes] through the NMLS.*

.04 Bond

A. The amount of the surety bond shall be determined as follows:

(1) *A consumer reporting agency that compiles and maintains files on consumers on a nationwide basis as defined under 15 U.S.C. §1681a(p) shall file through NMLS a \$1,000,000 bond;*

(2) *A nationwide specialty consumer reporting agency as defined under 15 U.S.C. §1681a(x) shall file through NMLS a \$1,000,000 bond;*

(3) *A consumer reporting agency that is a reseller as defined under 15 U.S.C. §1681a(u) shall file through NMLS a \$1,000,000 bond; and*

(4) *A consumer reporting agency that otherwise does not qualify under §A(1)-(3) of this regulation, and maintains files on or prepares reports on less than or equal to 10% of Maryland residents over 18 years of age at the time of registration shall file through NMLS a \$100,000 bond;*

(6) *A consumer reporting agency that otherwise does not qualify under §A(1)-(3) of this regulation, and maintains files on or prepares reports on more than 10% but less than or equal to 25% of Maryland residents over 18 years of age at the time of registration shall file through NMLS a \$250,000 bond;*

(7) *A consumer reporting agency that otherwise does not qualify under §A(1)-(3) of this regulation, and maintains files on or prepares reports on more than 25% but less than or equal to 50% of Maryland residents over 18 years of age at the time of registration shall file through NMLS a \$500,000 bond;*

(8) A consumer reporting agency that otherwise does not qualify under §A(1)-(3) of this regulation, and maintains files on or prepares reports on more than 50% but less than or equal to 75% of Maryland residents over 18 years of age at the time of registration shall file through NMLS a \$750,000 bond; or

(9) A consumer reporting agency that otherwise does not qualify under §A(1)-(3) of this regulation, and maintains files on or prepares reports on more than 75% of Maryland residents over 18 years of age at the time of registration shall file through NMLS a \$1,000,000 bond.

B. In considering a request to grant an exemption to the requirement for a consumer reporting agency to file a surety bond with the Commissioner at the time of registration or registration renewal, the Commissioner may grant to a consumer reporting agency an exemption from the surety bond required under §A(1)-(3) of this regulation if the Commissioner determines that the following conditions are met:

(1) The granting of an exemption is not detrimental to the public interest;

(2) The consumer reporting agency has conducted its business in a lawful manner;

(3) The consumer reporting agency has complied, and has the capability and systems in place to continue to comply with the provisions of the Maryland Personal Information Protection Act (Commercial Law Article §§ 14-3501, et seq.); and

(3) The consumer reporting agency demonstrates the financial ability to pay potential claims by establishing any of the following:

(a) The consumer reporting agency's tangible net worth, as reported on an unconsolidated basis and certified by a control person, is equal to or greater than twice the amount of the surety bond required under §A of this regulation;

(b) The consumer reporting agency's short term credit rating by a nationally recognized rating agency is at least equal to P2, A2 or F2 or an equivalent rating; or

(c) The consumer reporting agency has regularly maintained, and will likely during the registration period, maintain, liquid assets, in form acceptable to the Commissioner, and in an amount that is at least equal to or greater than twice the amount of the surety bond required under §A of this regulation.

.04 Operational Procedures.

A. A consumer reporting agency shall devise procedures to identify inaccurate information in consumer credit information submitted to it by [its business customers] a person who furnishes information to a consumer reporting agency.

B. As a part of the procedures required in §A of this regulation, a consumer reporting agency [shall:

(1) Inform business customers of the inaccuracies discovered in information which they supplied;

(2) Take appropriate steps to work with its business customers to correct errors and prevent them from occurring in the future; and]

(1) Shall comply with 15 U.S.C. §§1681i;

(2) May not include in a consumer's file any new or existing loans that are usurious or otherwise void or unenforceable under Maryland law and shall inform all persons who furnish information to the consumer reporting agency that the credit reporting agency may not supply information pertaining to any loans that are usurious or otherwise void or unenforceable under Maryland law; and

(3) Shall use personal information and publicly available information to match tax liens and judgments to the appropriate consumer file.

C. Complaints-----General.

(1) —(2) (text unchanged)

D. Complaints-----Specific Types.

(1) —(7) (text unchanged)

E. Costs. A consumer reporting agency shall pay the actual cost per day for each investigator engaged in an investigation by the Commissioner.

0.5 Restrictions on Sale or Transfer of Information In a File.

A. A consumer reporting agency shall provide a simple and easy to understand notice to consumers of their right to restrict the sale or transfer of information in the consumer's file as provided by Commercial Law Article, §14-1202(b), Annotated Code of Maryland.

B. The notice required by §A of this regulation shall include a link to or instructions on how to access a secure, electronic method for consumers to provide notice to the consumer reporting agency of the consumer's decision to restrict the sale or other transfer of information in the consumer's file.

C. The notice required by §A of this regulation shall be provided:

(1) Every time a summary of rights is provided by a consumer reporting agency pursuant to Commercial Law Article, §14-1206, Annotated Code of Maryland or 15 U.S.C. §1681g; and

(2) Every time a consumer credit reporting agency notifies a consumer of the breach of the security of a system pursuant to the requirements of the Maryland Personal Information Protection Act (Commercial Law Article, §14-3501 et seq.).

D. A consumer reporting agency shall clearly and prominently display the notice required by §A of this regulation on its website.

E. A notice from a consumer restricting the sale or other transfer of information in the consumer's file:

(1) Shall be effective with respect to a consumer reporting agency beginning 2 business days after the date on which the consumer notifies the consumer reporting agency; and

(2) Shall be effective with respect to each parent company, affiliate, or subsidiary of the consumer reporting agency.

F. A consumer reporting agency shall establish a notification system, including a toll-free telephone number and a secure electronic method, which permits any consumer whose consumer report is maintained by the credit reporting agency to easily notify the agency of the consumer's election to restrict the sale or other transfer of information in the consumer's file.

.06 Permissible Purposes of Consumer Reports.

A consumer reporting agency shall not furnish a credit report to a person that the credit reporting agency knows or should know intends to use the information in connection with the making of a loan that is usurious or otherwise void or unenforceable under Maryland law.

.07 Current Listing of Consumer Reporting Agencies.

The Commissioner shall maintain a current listing of the names, addresses, and telephone numbers of consumer reporting agencies that maintain information or provide consumer reports on Maryland residents through NMLS Consumer Access at <https://nationwidelicensingsystem.org/about/Pages/NMLSConsumerAccess.aspx>.