

By Mr. Marzilli of Arlington, petition of J. James Marzilli, Jr., relative to the disclosure of consumer credit reporting information. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year Two Thousand and Three.

AN ACT REGULATING THE DISCLOSURE OF CONSUMER CREDIT SCORES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 93, Section 56(a) of the General Laws is
2 hereby amended by adding the following subsections:—

3 (4) any information concerning credit scores or any other risk
4 scores or predictors relating to the consumer together with a clear
5 and concise summary of how the scores and predictors are
6 derived, the range of possible scores under the model used, the
7 factors taken into account in deriving a score or predictor, how
8 such factors are applied to the consumer, the relative weight given
9 to each factor, and the manner and extent to which such factors
10 raise or lower the score or predictor; in complying with this
11 section, a consumer reporting agency shall supply to the consumer
12 a credit score that is widely distributed to users of credit scores by
13 that consumer reporting agency, or a credit score that assists the
14 consumer in understanding the credit scoring assessment of credit
15 behavior of the consumer and predictions about future credit
16 behavior.

17 (5) nothing in Subsection (4) may be construed to compel a
18 consumer reporting agency to maintain credit scores in its files, or
19 to develop or disclose a credit score if the agency does not dis-
20 tribute scores that are used in connection with extensions of
21 credit, or develop credit scores that assist creditors in under-
22 standing the general credit behavior of the consumer and pre-
23 dicting future credit.

1 SECTION 2. Chapter 93, Section 56 of the General Laws is
2 hereby amended by inserting after “Each calendar year you are
3 entitled to receive, upon request, one free consumer credit report”
4 in lines 44 to 45 the following:—

5 You have a right to obtain a copy of your credit score, accom-
6 panied by explanatory information, from a consumer reporting
7 agency. You may be charged a reasonable fee not exceeding eight
8 dollars. There is no fee, however, if you have been turned down
9 for credit, employment, insurance, or rental dwelling based in part
10 on your credit score within the preceding sixty days. The con-
11 sumer reporting agency must provide someone to explain your
12 credit score, how credit scores are prepared, and the key factors
13 that have affected your scores. Each calendar year you are entitled
14 to receive, upon request, one free copy of your credit score and
15 explanatory information.

1 SECTION 3. Chapter 93 of the General Laws is hereby
2 amended by adding the following section:—

3 Section 57.(a) Any person that makes or arranges extensions of
4 credit for consumer purposes and uses credit scores for such
5 arrangements shall be required to provide to the consumer to
6 whom the credit score relates a copy of the information described
7 in Section 56(a)(4) that was obtained from a consumer reporting
8 agency or that was developed by the user of the credit score infor-
9 mation; if the user of the credit score information obtained such
10 information from a third party that developed such information,
11 the user shall provide a copy of the information described in
12 Section 56 subsection (4) provided to the user by the person or
13 entity that developed the credit score and a notice that generally
14 describes credit scores, their use, and the sources and kinds of
15 data used to generate credit scores.

16 (b) Nothing in this section may be construed to require the user
17 of a credit score described in subsection (a) to explain to the con-
18 sumer the information provided pursuant to Section 56(a)(4)
19 unless that information was developed by the user, or to provide
20 more than one disclosure under this Section to any one consumer
21 per credit transaction.

22 (c) Except as otherwise provided in this section, the obligation
23 of a user of a credit score under this subsection shall be limited to

24 providing a copy of the information that was received from the
25 consumer reporting agency or other person; a user of a credit
26 score has no liability under this Section for the content of credit
27 score information received from a consumer reporting agency or
28 for the omission of any information within the report provided by
29 the consumer reporting agency.

30 (d) Any provision of any contract that prohibits the disclosure
31 of the information described in Section 56(a)(4) by a consumer
32 reporting agency or a person who makes or arranges extensions of
33 credit to the consumer to whom the credit score relates is void; a
34 user of a credit score shall not be liable under any such contrac-
35 tual provision for disclosure of such information.

