

Act No. 13  
Public Acts of 2020  
Approved by the Governor  
January 27, 2020  
Filed with the Secretary of State  
January 27, 2020  
EFFECTIVE DATE: April 26, 2020

**STATE OF MICHIGAN  
100TH LEGISLATURE  
REGULAR SESSION OF 2020**

Introduced by Rep. Lilly

## **ENROLLED HOUSE BILL No. 4411**

AN ACT to amend 1994 PA 160, entitled “An act to prohibit certain methods, acts, and practices of credit services organizations; to prescribe remedies and penalties; and to repeal certain acts and parts of acts,” by amending section 3 (MCL 445.1823).

*The People of the State of Michigan enact:*

Sec. 3. A credit services organization, a salesperson, agent, or representative of a credit services organization, or an independent contractor who sells or attempts to sell the services of a credit services organization shall not do any of the following:

(a) Charge or receive from a buyer that is seeking a loan or extension of credit any money or other valuable consideration before the closing of the loan or extension of credit.

(b) Charge a buyer or receive from a buyer of services money or other valuable consideration before completing performance of all services the credit services organization has agreed to perform for the buyer.

(c) Charge a buyer or receive from a buyer money or other valuable consideration solely for referral to a retail seller that will or may extend credit to the buyer if the credit that is or may be extended to the buyer is substantially the same as that available to the general public.

(d) Make or use a false or misleading representation in the offer or sale of the services of a credit services organization.

(e) Engage, directly or indirectly, in a fraudulent or deceptive act, practice, or course of business in connection with the offer or sale of the services of a credit services organization including, but not limited to, both of the following:

(i) Guaranteeing or otherwise stating that the organization is able to delete an adverse credit history unless the representation clearly discloses, in a manner equally as conspicuous as the guarantee, that this can be done only if the credit history is inaccurate or obsolete and is not claimed to be accurate by the creditor that submitted the information.

(ii) Guaranteeing or otherwise stating that the organization is able to obtain an extension of credit regardless of the buyer’s previous credit problems or credit history unless the representation clearly discloses, in a manner equally as conspicuous as the guarantee, the eligibility requirements for obtaining an extension of credit.

(f) Fail to perform the agreed services within 90 days following the date the buyer signs the contract for services. However, this subdivision does not apply to a contract for ongoing services if all of the following are met:

(i) The agreed services consist solely of services described in section 2(b)(i) or (iii).

(ii) The buyer agrees to pay for the agreed services as part of a written agreement that provides for periodic payments during the agreement's term solely for the ongoing performance of those services.

(iii) The written agreement states that the agreement may be canceled by the buyer without penalty or further obligation at any time.

(g) Counsel or advise a buyer to make a statement that is known, or should be known, to be untrue or misleading to a consumer credit reporting agency, a person that has extended credit to a buyer, or to a person to which the buyer is applying for an extension of credit.

(h) Remove, assist, or advise the buyer to remove adverse information from the buyer's credit record that is accurate and not obsolete.

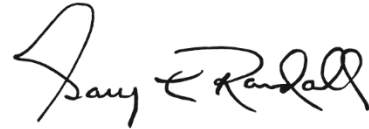
(i) Create, assist, or advise the buyer to create a new credit record by using a different name, address, Social Security number, or employer identification number.

(j) Submit a buyer's dispute to a consumer credit reporting agency without the buyer's knowledge.

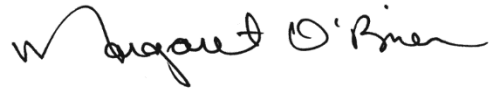
(k) Provide a service to a buyer that is not pursuant to a written contract that complies with this section.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved \_\_\_\_\_

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Governor