

HOUSE BILL No. 6457

September 12, 2006, Introduced by Reps. Baxter, Caul, Nitz, Mortimer, Farhat, Pavlov, Casperson, Palsrok, Moore, Ball and Emmons and referred to the Committee on Banking and Financial Services.

A bill to require consumer reporting agencies to report certain new credit activity to consumers who have registered with the office of financial and insurance services; and to provide for the powers and duties of certain state officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "consumer identity protection act".

3 Sec. 2. As used in this act:

4 (a) The credit authority list shall consist of the names,
5 addresses, and social security

6 (b) "Administrator" means the office of financial and
7 insurance services of the department of labor and economic growth.

8 (c) "Consumer" means an individual who resides in this state.

1 (d) "Consumer report" and "consumer reporting agency" mean
2 those terms as defined in section 603 of the fair credit reporting
3 act, 15 USC 1681a.

4 (d) "Credit activity list" means the list of consumers
5 maintained by the administrator under section 3.

6 (e) "New activity" means any transaction in which credit is
7 first extended to a consumer or in which the consumer is a
8 borrower, debtor, mortgagor, or guarantor or otherwise first
9 becomes directly or indirectly responsible for any debt or other
10 credit obligation. New activity does not include an advance on or
11 transaction involving an existing credit arrangement or a renewal,
12 modification, or extension of a credit arrangement between the
13 consumer and a creditor.

14 (f) "Person" means an individual, partnership, corporation,
15 limited liability company, association, governmental entity, or
16 other legal entity.

17 Sec. 3. (1) Within 120 days after the effective date of this
18 act, the administrator shall establish a state credit activity
19 list.

20 (2) All of the following apply to the credit activity list
21 established under subsection (1):

22 (a) The credit activity list shall consist of the names,
23 addresses, and social security numbers of those consumers who have
24 registered with the administrator to receive the notifications
25 described in section 4.

26 (b) The administrator shall publish the credit activity list
27 quarterly for use by consumer reporting agencies.

1 (c) The credit activity list fund is created in the state
2 treasury. Money received from fees under subdivision (d) shall be
3 credited to the fund. The state treasurer shall direct the
4 investment of the fund. The state treasurer shall credit to the
5 fund interest and earnings from fund investments. Money remaining
6 in the fund at the end of a fiscal year shall be carried over in
7 the fund to the next and succeeding fiscal years. Money in the fund
8 may be appropriated to the administrator to cover the costs of
9 administering the credit activity list.

10 (d) The administrator shall establish and collect 1 or both of
11 the following fees to cover the costs to the administrator for
12 administering the credit activity list:

13 (i) Fees charged to consumer reporting agencies for access to
14 the credit activity list.

15 (ii) An annual fee charged to consumers for inclusion on the
16 credit activity list. The administrator shall not charge a consumer
17 an annual fee of more than \$5.00.

18 Sec. 4. (1) Beginning 90 days after the administrator
19 establishes a credit activity list under section 3(1), a consumer
20 reporting agency shall notify a consumer whose name and residential
21 address are on the then-current version of that credit activity
22 list of any new activity involving that consumer in the preceding
23 calendar quarter. The consumer reporting agency shall provide the
24 notice under this subsection in writing and within a reasonable
25 time after March 31, June 30, September 30, or December 31, as
26 applicable. The consumer reporting agency shall provide the notice
27 described in this subsection electronically to each consumer who

1 requests electronic notice.

2 (2) A consumer reporting agency shall not use a credit
3 activity list or any information from a credit activity list for
4 any purpose other than meeting the requirements of this act.

5 (3) The administrator shall not sell or transfer a credit
6 activity list or any information from a credit activity list to any
7 person for any purpose unrelated to this act.