

By: Senator(s) Jordan

To: Business and Financial
Institutions

SENATE BILL NO. 2083

1 AN ACT TO PROHIBIT CONSUMER REPORTING AGENCIES OR OTHER
2 CREDIT SCORING ENTITIES FROM REDUCING THE CREDIT SCORE OF AN
3 INDIVIDUAL BELOW A CERTAIN RATING WITHOUT ALLOWING THAT INDIVIDUAL
4 A GRACE PERIOD; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 **SECTION 1.** As used in this act, unless the context clearly
7 requires otherwise:

8 (a) "Consumer reporting agency" has the meaning
9 assigned by Section 603, Fair Credit Reporting Act (15 USC Section
10 1681a), as amended.

11 (b) "Credit report" means a written or electronic
12 communication of any information by a consumer reporting agency
13 that bears on an individual's creditworthiness, credit standing or
14 credit capacity.

15 (c) "Credit score" means a numerical representation of
16 the risk presented by an individual that uses attributes of the
17 individual derived from a credit report or other consumer or
18 credit information in a formula to assess risk on an actuarial or
19 statistical basis.

20 (d) "Credit scoring entity" means a consumer reporting
21 agency or other entity that creates, compiles or provides credit
22 scores.

23 **SECTION 2.** (1) No consumer reporting agency or other credit
24 scoring entity may reduce the credit score of an individual below
25 the rating of six hundred (600) without allowing that individual a
26 grace period of six (6) months. After the expiration of the
27 grace period, the rating may be reduced.

28 (2) The Commissioner of Banking and Consumer Finance may
29 impose a civil penalty against any consumer reporting agency or
30 other credit scoring entity adjudged by the commissioner to be in
31 violation of the provisions of this act. Such civil penalty shall
32 not exceed One Thousand Dollars (\$1,000.00) per violation and
33 shall be deposited into the Department of Banking and Consumer
34 Finance, "Consumer Finance Fund."

35 (3) The Commissioner of Banking and Consumer Finance may
36 adopt rules and regulations necessary to carry out the provisions
37 of this act.

38 **SECTION 3.** This act shall take effect and be in force from
39 and after July 1, 2004.