

By: Representative Fleming

To: Banking and Financial Services

HOUSE BILL NO. 514

1 AN ACT TO PROHIBIT THE USE OF CREDIT SCORING TO DETERMINE  
2 WHETHER AN APPLICANT WILL BE ELIGIBLE FOR A POLICY OF INSURANCE OR  
3 ELIGIBLE TO OPEN A SAVINGS OR CHECKING ACCOUNT AT A FINANCIAL  
4 INSTITUTION; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) For the purposes of this section, the  
7 following terms shall have the following meanings:

8 (a) "Applicant" means a person who applies for a policy  
9 of any type of insurance or applies to open a savings or checking  
10 account at a financial institution.

11 (b) "Credit score" means a number derived from a  
12 statistical model or program that considers key attributes of an  
13 applicant and aspects of the transaction.

14 (c) "Credit scoring" means the use of a credit score,  
15 either alone or in conjunction with an evaluation of additional  
16 information about an applicant, to determine the applicant's  
17 creditworthiness.

18 (2) No person or entity shall use credit scoring to  
19 determine whether an applicant will be eligible for a policy of  
20 insurance or eligible to open a savings or checking account at a  
21 financial institution.

22 **SECTION 2.** This act shall take effect and be in force from  
23 and after July 1, 2005.