S T A T E O F N E W Y O R K

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I N A S S E M B L Y

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Introduced by M. of A. JEFFRIES, REILLY, ZEBROWSKI, ROBINSON, COLTON, GABRYSZAK, SCARBOROUGH, P. RIVERA, BROOK-KRASNY -- Multi-Sponsored by -- M. of A. BOYLAND, CAHILL, CAMARA, HOOPER, MAISEL, MAYERSOHN, J. RIVERA, WEISENBERG -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to credit score disclosure

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 380-u of the general business law, as relettered by chapter 63 of the laws of 2006, is relettered section 380-v and a new section 380-u is added to read as follows:

S 380-U. CREDIT SCORE DISCLOSURE. (A)(1) ANY VENDOR OFFERING CONSUMER CREDIT OF TWENTY-FIVE DOLLARS OR MORE SHALL DISCLOSE CREDIT SCORE QUALIFICATION LEVELS TO ALL APPLICANTS FOR CREDIT.

(2) A VENDOR SHALL DISCLOSE WITHIN TEN DAYS, TO ANY PERSON DENIED CREDIT INCLUDING DENIAL FROM A PREFERRED OFFER, THE ACTUAL NUMERICAL CREDIT SCORE AND THE ANALYSIS USED TO CALCULATE SUCH SCORE ON WHICH THE DENIAL WAS BASED. THE OPTION OF INTERNET ACCESS FOR SUCH DISCLOSURE SHALL BE PROVIDED VIA A SECURE ACCESS CODE GIVEN TO THE PERSON DENIED CREDIT.

(3) IF A VENDOR RELIES UPON A CREDIT REPORTING AGENCY TO CALCULATE CREDIT SCORES, SUCH AGENCY SHALL BE DEEMED AN AGENT OF THE VENDOR AND SHALL DISCLOSE THE CREDIT SCORE AND THE ANALYSIS USED BY SUCH AGENCY TO CALCULATE SUCH SCORE TO ANY APPLICANT FOR CREDIT.

(4) ANY CONSUMER SHALL BE ENTITLED TO ONE CREDIT REPORT EVERY FOUR MONTHS FROM ANY SINGLE VENDOR, OR ONE REPORT PER MONTH WHERE SUCH CONSUMER WAS SOLICITED FOR A CREDIT OFFER BY A VENDOR.

(B) (1) DISCLOSURE REQUIRED PURSUANT TO SUBDIVISION (A) OF THIS SECTION SHALL PROVIDE SUCH INFORMATION, INCLUDING NUMERICAL AMOUNTS,

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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SUFFICIENT TO ALLOW AN AVERAGE CONSUMER TO VERIFY THE CALCULATION OF THEIR CREDIT SCORE.

(2) DISCLOSURE REQUIRED PURSUANT TO SUBDIVISION (A) OF THIS SECTION SHALL PROVIDE SPECIFIC INFORMATION AS TO HOW SUCH PERSON CAN IMPROVE THEIR CREDIT SCORE, INCLUDING THE PRECISE NUMERICAL AMOUNTS ASSOCIATED WITH SPECIFIC SCORE INCREASING CREDIT ACTIVITIES. GENERAL REFERENCES TO CREDIT BUILDING ACTIVITIES WITHOUT ACCOMPANYING PRECISE NUMERICAL AMOUNTS ASSOCIATED WITH SPECIFIC SCORE INCREASING ACTIVITIES SHALL NOT BE DEEMED SUFFICIENT TO MEET THE DISCLOSURE REQUIREMENTS OF THIS SECTION.

(C) (1) FAILURE BY A VENDOR OR VENDOR'S AGENT TO MAKE DISCLOSURE TO A CONSUMER PURSUANT TO THIS SECTION SHALL BE DEEMED AN UNFAIR BUSINESS PRACTICE.

(2) THE STATE OR COUNTY ATTORNEY GENERAL MAY SEEK ENFORCEMENT OF THE PROVISIONS OF THIS SECTION INCLUDING THE IMPOSITION OF FINES OF TWENTY-FIVE DOLLARS PER VIOLATION OR A SINGLE FINE OF FIVE THOUSAND DOLLARS, WHICHEVER IS GREATER.

S 2. Section 380-a of the general business law is amended by adding a new subdivision (o) to read as follows:

(O) THE TERM "CREDIT SCORE" MEANS A NUMBER CALCULATED FROM A SYSTEM OF POINTS ASSIGNED TO INFORMATION IN A CREDIT HISTORY REPORT AND UTILIZED BY LENDERS TO IDENTIFY THE RISK LEVEL OF A CREDIT APPLICANT.

S 3. This act shall take effect immediately.