



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 75 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Gilda Z. Jacobs
Committee: Banking and Financial Institutions

CONTENT

The bill would create the "Consumer Credit Protection Remedies Act" to authorize a consumer and a consumer reporting agency to bring an action against a person who violated the Consumer Credit Protection Act (proposed by Senate Bill 340).

A consumer could bring an action against a person who negligently failed to comply with any requirement imposed under the Consumer Credit Protection Act with respect to the consumer. The consumer could sue to recover actual damages as a result of the failure, plus reasonable attorney fees and court costs. A consumer could bring an action against a person who failed to send a replacement or reminder of a personal identification number (PIN) or password or temporarily lift a security freeze within 15 minutes of an electronic request (as permitted by Senate Bill 340) only if the person's failure to comply was knowing and willful.

A consumer reporting agency could bring an action against a person who obtained a credit report or requested a security freeze, the temporary lifting of a freeze, or the removal of a freeze under the Consumer Credit Protection Act from the consumer reporting agency under false pretenses or in an attempt to violate Federal or State law. The agency could sue to recover actual damages or \$1,000, whichever was greater.

If a court in an action described in the bill found that an unsuccessful pleading, motion, or other paper filed in connection the action had been filed in bad faith or for purposes of harassment, the court would have to award attorney fees to the prevailing party in an amount the court found reasonable in relation to the work performed in responding to the pleading.

The bill would take effect 90 days after the date it was enacted and is tie-barred to Senate Bill 340.

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bill would have a minimal fiscal impact on State and local government. To the extent that there would be an increase in civil actions as a result of this bill, the courts could incur increased costs, but these would be absorbed by the existing court system.

Date Completed: 5-23-07

Fiscal Analyst: Stephanie Yu

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Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.