

**SUBSTITUTE FOR  
HOUSE BILL NO. 4411**

A bill to amend 1994 PA 160, entitled  
"Credit services protection act,"  
by amending section 3 (MCL 445.1823).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3. A credit services organization, a salesperson, agent,  
2       or representative of a credit services organization, or an  
3       independent contractor who sells or attempts to sell the services  
4       of a credit services organization shall not do any of the  
5       following:

6       (a) Charge or receive from a buyer ~~who~~**that** is seeking a loan  
7       or extension of credit any money or other valuable consideration  
8       before the closing of the loan or extension of credit.

9       (b) Charge a buyer or receive from a buyer of services money



1 or other valuable consideration before completing performance of  
2 all services the credit services organization has agreed to perform  
3 for the buyer.

4 (c) Charge a buyer or receive from a buyer money or other  
5 valuable consideration solely for referral to a retail seller ~~who~~  
6 **that** will or may extend credit to the buyer if the credit that is  
7 or may be extended to the buyer is substantially the same as that  
8 available to the general public.

9 (d) Make or use a false or misleading representation in the  
10 offer or sale of the services of a credit services organization.

11 (e) Engage, directly or indirectly, in a fraudulent or  
12 deceptive act, practice, or course of business in connection with  
13 the offer or sale of the services of a credit services organization  
14 including, but not limited to, both of the following:

15 (i) Guaranteeing or otherwise stating that the organization is  
16 able to delete an adverse credit history unless the representation  
17 clearly discloses, in a manner equally as conspicuous as the  
18 guarantee, that this can be done only if the credit history is  
19 inaccurate or obsolete and is not claimed to be accurate by the  
20 creditor ~~who~~ **that** submitted the information.

21 (ii) Guaranteeing or otherwise stating that the organization is  
22 able to obtain an extension of credit regardless of the buyer's  
23 previous credit problems or credit history unless the  
24 representation clearly discloses, in a manner equally as  
25 conspicuous as the guarantee, the eligibility requirements for  
26 obtaining an extension of credit.

27 (f) Fail to perform the agreed services within 90 days  
28 following the date the buyer signs the contract for services.

29 **However, this subdivision does not apply to a contract for ongoing**



1 services if all of the following are met:

2 (i) The agreed services consist solely of services described in  
3 section 2(b) (i) or (iii) .

4 (ii) The buyer agrees to pay for the agreed services as part of  
5 a written agreement that provides for periodic payments during the  
6 agreement's term solely for the ongoing performance of those  
7 services.

8 (iii) The written agreement states that the agreement may be  
9 canceled by the buyer without penalty or further obligation at any  
10 time.

11 (g) Counsel or advise a buyer to make a statement that is  
12 known, or should be known, to be untrue or misleading to a consumer  
13 credit reporting agency, a person ~~who~~**that** has extended credit to a  
14 buyer, or to a person to ~~whom~~**which** the buyer is applying for an  
15 extension of credit.

16 (h) Remove, assist, or advise the buyer to remove adverse  
17 information from the buyer's credit record ~~which~~**that** is accurate  
18 and not obsolete.

19 (i) Create, assist, or advise the buyer to create a new credit  
20 record by using a different name, address, ~~social security~~**Social**  
21 **Security** number, or employer identification number.

22 (j) Submit a buyer's dispute to a consumer credit reporting  
23 agency without the buyer's knowledge.

24 (k) Provide a service to a buyer that is not pursuant to a  
25 written contract that complies with this section.

26 Enacting section 1. This amendatory act takes effect 90 days  
27 after the date it is enacted into law.

