

VIRGINIA ACTS OF ASSEMBLY -- 2010 SESSION

CHAPTER 421

An Act to amend and reenact §§ 59.1-335.5 and 59.1-335.7 of the Code of Virginia, relating to practices prohibited under the Virginia Credit Services Businesses Act.

[H 872]

Approved April 11, 2010

Be it enacted by the General Assembly of Virginia:

1. That §§ 59.1-335.5 and 59.1-335.7 of the Code of Virginia are amended and reenacted as follows:

§ 59.1-335.5. Prohibited practices.

A credit services business, and its salespersons, agents and representatives, and independent contractors who sell or attempt to sell the services of a credit services business, shall not do any of the following:

1. Charge or receive any money or other valuable consideration prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer, *unless the consumer has agreed to pay for such services during the term of a written subscription agreement that provides for the consumer to make periodic payments during the agreement's term in consideration for the credit services business's ongoing performance of services for or on behalf of the consumer, provided that such subscription agreement may be cancelled at any time by the consumer;*

2. Charge or receive any money or other valuable consideration solely for referral of the consumer to a retail seller or to any other credit grantor who will or may extend to the consumer, if the credit that is or will be extended to the consumer is upon substantially the same terms as those available to the general public;

3. Make, or counsel or advise any consumer to make, any statement that is untrue or misleading and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading, to a consumer reporting agency or to any person who has extended credit to a consumer or to whom a consumer is applying for an extension of credit, with respect to a consumer's creditworthiness, credit standing, or credit capacity; or

4. Make or use any untrue or misleading representations in the offer or sale of the services of a credit services business or engage, directly or indirectly, in any act, practice, or course of business which operates or would operate as a fraud or deception upon any person in connection with the offer or sale of the services of a credit services business.

§ 59.1-335.7. Contents of information statement.

The information statement required under § 59.1-335.6 of this chapter shall include all of the following:

1. a. A complete and accurate statement of the consumer's right to review any file on the consumer maintained by any consumer reporting agency, and the right of the consumer to receive a copy of a consumer report containing all information in that file as provided under the Federal Fair Credit Reporting Act (15 U.S.C. § 1681g);

b. A statement that a copy of the consumer report containing all information in the consumer's file will be furnished free of charge by the consumer reporting agency if requested by the consumer within ~~thirty~~ 30 days of receiving a notice of a denial of credit as provided under the Federal Fair Credit Reporting Act (15 U.S.C. § 1681j); and

c. A statement that a nominal charge may be imposed on the consumer by the consumer reporting agency for a copy of the consumer report containing all information in the consumer's file, if the consumer has not been denied credit within ~~thirty~~ 30 days from receipt of the consumer's request;

2. A complete and accurate statement of the consumer's right to dispute the completeness or accuracy of any item contained in any file on the consumer that is maintained by any consumer reporting agency, as provided under the Federal Fair Credit Reporting Act (15 U.S.C. § 1681i);

3. A complete and detailed description of the services to be performed by the credit services business for or on behalf of the consumer, and the total amount the consumer will have to pay, or become obligated to pay, for the services. Such statement shall include the following notice in at least ~~ten-point~~ 10-point bold type:

IMPORTANT NOTICE:
YOU HAVE NO OBLIGATION TO PAY
ANY FEES OR CHARGES UNTIL ALL
SERVICES HAVE BEEN PERFORMED
COMPLETELY FOR YOU, *UNLESS YOU*

*ENTER INTO A SUBSCRIPTION AGREEMENT
REQUIRING PERIODIC PAYMENTS IN
CONSIDERATION FOR ONGOING SERVICES.*

; and

4. The notice prescribed by subdivision 3 of this section shall also be posted by means of a conspicuous sign so as to be readily noticeable and readable at the location within the premises of the credit services business where consumers are interviewed by personnel of the business.