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Summary: Consumer credit reports

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

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**VERSIONS OF THIS BILL**

[12/05/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/3241_20241205.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING CHAPTER 19 TO TITLE 37 SO AS TO PROHIBIT THE REPORTING OF MEDICAL DEBT INFORMATION AND CERTAIN OTHER INFORMATION THAT IS NOT RELEVANT TO THE CREDIT OR PAYMENT HISTORY OF A CONSUMER, TO PROVIDE DEFINITIONS, TO PROVIDE MEANS FOR INVESTIGATING VIOLATIONS, AND TO PROVIDE PENALTIES FOR VIOLATIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Title 37 of the S.C. Code is amended by adding:

CHAPTER 19

Consumer Credit Reports

 Section 37-19-110. The purpose of this chapter is to prohibit the reporting of medical debt information and certain other information that is not relevant to the consumer’s credit or payment history, to provide definitions, to provide means for investigating violations, and to provide penalties for violations.

 Section 37-19-120. As used in this section:

 (1) “Consumer” means an individual person.

 (2) “Consumer credit report” means a written, oral, or other communication of any information produced by a consumer reporting agency that bears on a consumer’s creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or collected to serve as a factor in establishing the consumer’s credit score or eligibility for credit.

 (3) “Consumer credit score” or “risk predictor” or “risk score” means a numeric value or categorization derived from a statistical tool or modeling system used to predict the likelihood of a consumer’s credit behavior, including default.

 (4) “Consumer credit reporting agency” means an organization that regularly engages in the practice of assembling or evaluating consumer credit information, creating consumer credit reports, or creating consumer credit scores for use by third parties.

 (5) “Medical debt” means debt arising from healthcare services or healthcare goods, including products, devices, durable medical equipment, and prescription drugs. Medical debt does not include debt charged to a credit card unless the credit card is issued under an open-end or closed-end plan offered specifically for the payment of healthcare services or healthcare goods.

 Section 37-19-130. In addition to provisions of the Fair Credit Reporting Act, 15 USC Section 1681, et. seq., a consumer credit reporting agency shall not furnish for use of an authorized recipient in this State in connection with a credit, insurance, or consumer transaction, a consumer credit report or consumer credit score that contains or uses information:

 (1) which is not measurable, objective, and related to the consumer’s credit or payment history, or personal information directly pertaining to his credit standing; or

 (2) concerning medical debt.

 Section 37-19-140. The provisions of Section 37-20-170 apply to the handling of disputes of the accuracy of an item in a consumer’s records with a consumer credit reporting agency.

 Section 37-19-150. (A) In addition to all other penalties that may be imposed, a consumer credit reporting agency or other person that wilfully violates a provision of this chapter is liable for three times the amount of actual damages or not more than one thousand dollars for each incident, whichever is greater, as well as reasonable attorney’s fees and costs.

 (B) In addition to all other penalties that may be imposed, a consumer credit reporting agency or other person that negligently violates this chapter is liable for actual damages and reasonable attorney’s fees and costs.

 (C) In addition to the damages assessed pursuant to subsections (A) and (B), if the injury is to the consumer’s creditworthiness, credit standing, credit capacity, character, general reputation, employment options, or eligibility for insurance, and results from the failure to place and enforce the security freeze provided for in Section 37-20-160 and the failure is not corrected by the consumer credit reporting agency within ten days after the entry of a judgment for damages, the assessed damages must be increased to not more than one thousand dollars each day until the security freeze is imposed.

 (D) A consumer seeking damages pursuant to this section also may institute a civil action to enjoin and restrain future acts constituting a violation of this chapter.

 (E) The remedial provisions of this chapter are cumulative of and in addition to any other action at law and any action taken by the Department of Consumer Affairs pursuant to Chapter 6.

 (F) This section is not intended, and must not be construed, to confer liability on a person who acts reasonably and who does not act wilfully or grossly negligent.

SECTION 2. This act takes effect upon approval by the Governor.

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