

2021 Regular Session

HOUSE BILL NO. 374

BY REPRESENTATIVE DUPLESSIS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

LESSOR/LESSEE: Provides relative to residential lessee screening

1 AN ACT

2 To amend and reenact R.S. 9:3571.1(B), (C), and (H)(2) and to enact R.S. 9:3258.1 and
3 3571.1(A)(4), relative to residential leases; to provide for notice to applicants by
4 certain lessors of residential properties; to provide for exceptions; to provide relative
5 to consumer reporting agencies; to provide relative to credit reports; to provide for
6 personal hardship statements after a declared disaster or emergency; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 9:3571.1(B), (C), and (H)(2) are hereby amended and reenacted and
10 R.S. 9:3258.1 and 3571.1(A)(4) are hereby enacted to read as follows:

11 §3258.1. Residential lessee screening

12 A. A lessor shall not require payment of an application fee unless, prior to
13 accepting the payment, the lessor does all of the following:

14 (1) Adopts written screening or admission criteria.

15 (2) Gives written notice to the applicant of all of the following:

16 (a) The amount of the applicant screening charge.

17 (b) The lessor's screening or admission criteria, including the financial,
18 employment, criminal, and rental history criteria, used in deciding whether to rent
19 or lease to the applicant.

20 (c) The process that the lessor typically will follow in screening the
21 applicant, including whether the lessor uses a credit reporting agency, credit reports,

1 public records or criminal records, or contacts employers, lessors, or other
2 references.

3 (d) The applicant's right, pursuant to R.S. 9:3571.1(C)(2), to report that the
4 applicant has experienced a financial hardship resulting directly or indirectly from
5 a declared disaster or emergency to the credit reporting agency prior to the
6 application.

7 B. Notice required by this Section may be delivered, stored, and presented
8 by electronic means if the electronic means meet the requirements of the Louisiana
9 Uniform Electronic Transactions Act, as provided in R.S. 9:2601, et seq.

10 C. This Section shall apply to all lessors of property to be used as a primary
11 residence except for owner-occupied buildings with no more than four units.

12 * * *

13 §3571.1. Credit reporting agency information and reports; consumer access to files;
14 right of correction; dissemination or maintenance of untrue or misleading
15 credit information by credit reporting agency; investigation; right to recovery

16 A.(1) Each credit reporting agency shall, within five business days of receipt
17 of a written request from a consumer, mail, first class, to that consumer a copy of his
18 credit report, including the nature and substance of any information being provided
19 to credit reporting agency customers of the agency.

20 * * *

21 (4) When a consumer requests a copy of a credit report, the credit reporting
22 agency providing the credit report shall notify the resident of the resident's right to
23 request a personal statement to accompany the credit report as detailed in Paragraph
24 (C)(2) of this Section.

25 B.(1) Any credit reporting agency doing business in this state shall maintain
26 reasonable procedures to comply with the federal Fair Credit Reporting Act, the
27 Consumer Credit Protection Act, and all provisions of this Section. Each credit
28 reporting agency shall use reasonable care to ~~insure~~ ensure the maximum possible
29 accuracy of the credit reports it disseminates.

1 (2)(a) If a credit reporting agency includes information from a court file on
2 a consumer in a credit report, the report shall match the full name and date of birth
3 of the individual in any case where the court file includes the individual's full name
4 and date of birth.

5 (b) A credit report that includes information from a court file shall accurately
6 record and report the outcome of the eviction proceedings in the report. The credit
7 reporting agency is not liable under this Section if it reports complete and accurate
8 information as provided by the court.

9 C.(1) Upon written notification by the affected consumer disputing the
10 completeness or accuracy of any item so maintained or disseminated, a credit
11 reporting agency shall initiate an investigation of the disputed item. Within
12 forty-five calendar days of receipt of such written notification, the credit reporting
13 agency shall either promptly correct the disputed item or shall provide a written
14 update of the current status of the disputed file items after investigation of said items.
15 When the consumer provides evidence substantiating his claim, the credit reporting
16 agency shall consider such information. If the investigation does not resolve the
17 dispute, the consumer may file a brief statement setting forth the nature of the
18 dispute. The credit reporting agency may limit such statements to not more than one
19 hundred words if it provides the consumer with assistance in writing a clear
20 summary of the dispute. Whenever a dispute statement is filed, unless there are
21 compelling grounds to believe such dispute is frivolous or irrelevant, the credit
22 reporting agency shall in any subsequent report containing the information in
23 question clearly note that it is disputed and provide either the consumer's statement
24 or a clear and accurate summary thereof.

25 (2) If a consumer reports in good faith that the consumer has experienced
26 financial hardship resulting directly or indirectly from a declared disaster or
27 emergency pursuant to R.S. 29:724, a credit reporting agency maintaining a file on
28 the consumer shall accept and include in that file a personal statement, if furnished
29 by the consumer, indicating that the consumer has been financially impacted by a

1 declared disaster or emergency and shall provide that personal statement along with
2 or accompanying any credit report provided by the agency, beginning on the date of
3 such request, unless the consumer requests that the personal statement be removed.

4 * * *

5 H. For the purposes of this Section:

6 * * *

7 (2) "Credit report" means any written, oral, or other communication of any
8 credit information by a credit reporting agency, ~~as defined in the federal Fair Credit~~
9 ~~Reporting Act, which operates or maintains a database of consumer credit~~
10 ~~information~~ bearing on a consumer's credit worthiness, credit standing, ~~or~~ credit
11 capacity, character, general reputation, personal characteristics, or mode of living
12 which is used or expected to be used or collected in whole or in part for the purpose
13 of serving as a factor in establishing the consumer's eligibility for any of the
14 following:

15 (a) Credit or insurance to be used primarily for personal, family, or
16 household purposes.

17 (b) Employment purposes.

18 (c) Any other purpose authorized under the Fair Credit Reporting Act.

19 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 374 Original

2021 Regular Session

Duplessis

Abstract: Provides for residential lessee screening including consumer credit reports and personal hardship statements subsequent to a declared emergency.

Proposed law (R.S. 9:3258.1) provides that a landlord may not require payment of an application fee unless the landlord has adopted written screening criteria and gives written notice to applicants of the following:

- (1) The applicant screening charge amount.
- (2) The landlord's screening criteria.

- (3) The landlord's process of screening the applicants, including whether the lessor uses a credit reporting agency, public or criminal records, or references.
- (4) The applicant's right to report a financial hardship resulting from a declared disaster or emergency to a credit reporting agency prior to applying.

Proposed law (R.S. 9:3258.1) applies to all landlords of property used as a primary residence except for owner-occupied buildings of no more than four units.

Present law (R.S. 9:3571.1) provides for credit reporting agency information and reports.

Proposed law (R.S. 9:3571.1(A)(4)) requires the credit reporting agency to notify the consumer of the right to request a personal statement detailing financial hardship from a declared emergency when a consumer requests a copy of a credit report.

Proposed law (R.S. 9:3571.1(B)(2)(a) and (b)) provides that if a credit reporting agency includes information from a court file, the report shall match the full name and date of birth of the individual in the court file, and requires the credit report to accurately report the outcome of eviction proceedings. Proposed law provides that the credit reporting agency is not liable if it reports complete and accurate information as provided by the court.

Proposed law (R.S. 9:3571.1(C)(2)) authorizes consumers to report in good faith that they have experienced financial hardship resulting from a declared disaster or emergency pursuant to R.S. 29:724, and if so reported, requires the credit reporting agency to include the statement with any credit report provided by the agency.

Present law (R.S. 9:3571.1(H)(2)) provides that a "credit report" means the communication of any credit information by a credit reporting agency bearing on a consumer's credit worthiness, credit standing, or credit capacity.

Proposed law (R.S. 9:3571.1(H)(2)) retains present law but expands the definition to include character, general reputation, personal characteristics, or mode of living.

(Amends R.S. 9:3571.1(B), (C), and (H)(2); Adds R.S. 9:3258.1 and 3571.1(A)(4))