

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 gives written notice of all of the following:

14 (1) The amount of the applicant screening charge.

15 (2) Whether the lessor's screening or admission criteria considers credit
16 scores, employment history, criminal history, or eviction records in deciding whether
17 to rent or lease to the applicant.

18 (3) The process that the lessor typically will follow in screening the
19 applicant, including whether the lessor may rely upon a credit reporting agency,
20 credit reports, public records or criminal records, or may contact employers, prior
21 lessors, or other references.

1 Consumer Credit Protection Act, and all provisions of this Section. Each credit
2 reporting agency shall use reasonable care to ~~insure~~ ensure the maximum possible
3 accuracy of the credit reports it disseminates.

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

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

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

1 or accompanying any credit report provided by the agency, beginning on the date of
2 such request, unless the consumer requests that the personal statement be removed.

3 * * *

4 H. For the purposes of this Section:

5 * * *

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

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

16 (b) Employment purposes.

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

18 * * *

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 Engrossed

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 gives written notice to applicants of the following:

- (1) The applicant screening charge amount.
- (2) Whether the landlord considers certain screening.
- (3) The landlord's process of screening the applicants, including whether the lessor may rely upon a credit reporting agency, public or criminal records, or certain 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.

Proposed law prohibits causes of action and allows for immunity for a lessor's alleged violation of present and proposed law.

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 does not conflict with a credit reporting agency's duties under present law.

Proposed law requires the credit report to accurately report the outcome of residential eviction proceedings. Proposed law provides that the credit reporting agency shall not be 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))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Remove a provision of proposed law requiring a lessor to adopt written screening or admission criteria.
3. Remove a provision requiring a lessor to give written notice of the lessor's screening or admission criteria, used in deciding whether to rent or lease to the applicant.
4. Add a provision requiring a lessor to give written notice as to whether the lessor's screening or admission criteria considers credit, employment history, or eviction records in rental decisions.
5. Require a lessor to give written notice of the screening process followed including whether the lessor may rely upon a credit reporting agency.

6. Require a lessor to give written notice of the screening process followed including whether the lessor may contact employers or prior lessors.
7. Add a provision prohibiting a cause of action against a lessor or a lessor's agents or employees for violating proposed law and granting immunity to a lessor or a lessor's agents or employees from any cause of action for alleged violation of proposed law.
8. Clarify that the word "resident" in proposed law refers to a "consumer".
9. Clarify that proposed law does not conflict with a credit reporting agency's duties under the Fair Credit Reporting Act.
10. Remove a requirement that the name and date of birth of an applicant in a court file must match the name and date of birth of the applicant in a credit report where the credit report includes information from the court file.
11. Clarify that regulations in proposed law requiring eviction proceeding outcomes to be accurately reflected in a credit report relates to residential evictions.