

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

## **House Bill 3097**

By Delegates Barnhart, Hott, Mallow, Criss, and J.

Cannon

[Introduced March 04, 2025; referred to the  
Committee on Finance]

1 A BILL to amend and reenact §46A-6C-3 of the Code of West Virginia, 1931, as amended, relating  
2 to prohibiting credit service organizations from selling consumer information to third party  
3 financing entities.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE            6C.            CREDIT            SERVICES            ORGANIZATIONS.**

**§46A-6C-3. Prohibited conduct.**

1 A credit services organization, a salesperson, agency or representative of a credit services  
2 organization or an independent contractor who sells or attempts to sell the services of a credit  
3 services organization may not:

4 (1) Charge a buyer or receive from a buyer money or other valuable consideration before  
5 completing performance of all services the credit services organization has agreed to perform for  
6 the buyer, unless the credit services organization has obtained in accordance with section four of  
7 this article a surety bond in the amount required by section four of this article issued by a surety  
8 company authorized to do business in this state or established and maintained a surety account at  
9 a federally insured bank or savings and loan association located in this state in which the amount  
10 required is held in trust as required by §46A-6C-4 of this code;

11 (2) Charge a buyer or receive from a buyer money or other valuable consideration solely  
12 for referral of the buyer to a retail seller who will or may extend credit to the buyer if the credit that is  
13 or will be extended to the buyer is substantially the same as that available to the general public  
14 from other sources;

15 (3) Make or use a false or misleading representation in the offer or sale of the services of a  
16 credit services organization, including:

17 (A) Guaranteeing to "erase bad credit" or words to that effect unless the representation  
18 clearly discloses that this can be done only if the credit history is inaccurate or obsolete; and

19 (B) Guaranteeing an extension of credit regardless of the person's previous credit problem  
20 or credit history unless the representation clearly discloses the eligibility requirements for

obtaining an extension of credit.

(4) Engage, directly or indirectly, in an unfair or deceptive act, practice, or course of business in connection with the offer or sale of the services of a credit services organization;

(5) Make, or advise a buyer to make a statement with respect to a buyer's credit worthiness, credit standing, or credit capacity that is false or misleading or that should be known by the exercise of reasonable care to be false or misleading, to a consumer reporting agency or to a person who has extended credit to a buyer or to whom a buyer is applying for an extension of credit;

(6) Advertise or cause to be advertised, in any manner whatsoever, the services of a credit services organization without filing a registration statement with the Secretary of State, unless otherwise provided by this chapter;

(7) Sell consumer information to third party financing entities or furnish a consumer report in connection with a credit transaction that is not initiated by a consumer, if the report is being procured based in whole or in part on the presence of an inquiry made in connection with a residential mortgage loan.

NOTE: The purpose of this bill is to prohibit credit service organizations from selling consumer information to third party financing entities.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.