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House of Representatives
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MEMORANDUM

To: All Members of the House of Representatives

From: Representative Margo Davidson

Date: May 10, 2011

Subject: Co-sponsorship: Prohibiting the Denial of Credit Based on Paid Liens

In the near future, I will be introducing a bill to amend the Unfair Trade Practices and Consumer Protection Law by adding a new section to prohibit the denial of credit to a person solely on the basis of a legal or equitable lien against the person's property which has been satisfied. By adding this new section to the law, lenders will no longer be able to use a paid lien/judgment to deny a person credit.

Too often people find themselves dealing with financial hardships and sometimes fall behind with creditors. Liens are placed against these individuals' property in an effort to guarantee payment. When a person is finally able to dig themselves out of a financial hole, they often pay off their debt, including any liens placed against them. Unfortunately, even a paid lien continues to disparage a person's credit. It is common practice for credit bureaus to include paid liens on a person's record for up to seven years. Some lenders use this information to deny a line of credit to the applicant. In an effort to help those individuals who have worked hard to improve their financial situation, my legislation would prohibit the denial of credit solely on the basis of a paid lien. Individuals who have taken responsibility for their actions and satisfied their debts deserve to have the opportunity for credit without their past mistakes penalizing them for years to come.

I ask you to join me in co-sponsoring this important legislation. Please contact Dawn coleman at 783-4907 or via e-mail at dcoleman@pahouse.net