

July 19, 2007

The Honorable Alfred W. Speer  
Clerk of the House of Representatives  
State Capitol  
Baton Rouge, Louisiana 70804

Re: House Bill No. 589 by Representative Ritchie  
CREDIT: Provides relative to the Credit Repair Services Organizations Act

Dear Mr. Speer:

House Bill No. 589 by Representative Ritchie authorizes advance payments to credit repair services organizations before all credit repair services have been fully performed. The goal of House Bill No. 589 is to expand the availability of such services for Louisiana residents; and clearly that could be a very helpful result. However, the Office of Financial Institutions is very concerned that without safeguards the measure has the potential for such companies requiring consumers to expend hundreds of dollars for incidental services that have no impact on the improvement of the consumer's credit record, credit history, or credit rating.

While I am torn between the positions of proponents and opponents of the bill, as the bill contains no safeguards, I am compelled to err on the side of caution. For this reason, I am vetoing House Bill No. 589 and returning it to the House of Representatives.

Sincerely,

Kathleen Babineaux Blanco  
Governor

jw