

## REPORT OF CONFERENCE COMMITTEE

**MADAM PRESIDENT AND MR. SPEAKER:**

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 2800: Home repair fraud; revise penalties (AG).

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendments 1 & 2.
2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

8           SECTION 1. (1) As used in this section, the term "security  
9 freeze" means a notice that is placed in the file of a consumer at  
10 the request of the consumer under subsection (2) that prohibits  
11 the consumer reporting agency from releasing the consumer's credit  
12 report or score.

13           (2) (a) A consumer may place a security freeze in his file  
14 with a consumer reporting agency by making a request in writing by  
15 certified mail to the consumer reporting agency at an address  
16 designated by that agency to receive such requests. At the time  
17 of the request, the consumer must provide to the consumer agency  
18 sufficient identification to establish the identity of the  
19 consumer.

20           (b) A consumer agency shall place a security freeze in  
21 the file of a consumer not later than five (5) business days after  
22 the consumer reporting agency receives a request from the consumer  
23 to place the security freeze in his file.

24           (c) Not later than ten (10) business days after the  
25 placement of the security freeze in the file of the consumer, the  
26 consumer reporting agency shall send written confirmation to the  
27 consumer of the placement of the security freeze in his file and  
28 provide the consumer with:

29 (i) A unique personal identification number or  
30 password, which is not the social security number of the consumer,  
31 to be used by the consumer to authorize the temporary release of  
32 the consumer report pursuant to subsection (7) or the removal of a  
33 security freeze from the file pursuant to subsection (8);

34 (ii) Information explaining the procedures by  
35 which a consumer may contact the consumer reporting agency to  
36 authorize the temporary release of his consumer report pursuant to  
37 subsection (7) or the removal of a security freeze from his file  
38 pursuant to subsection (8); and

39 (iii) The written disclosure required pursuant to  
40 subsection (3).

41 (d) A consumer may request in writing a replacement  
42 personal identification number or password. At the time of the  
43 request, the consumer must provide to the consumer reporting  
44 agency sufficient identification to establish the identity of the  
45 consumer. Not later than ten (10) business days after receiving  
46 the request, the consumer reporting agency shall provide the  
47 consumer with a new, unique personal identification number or  
48 password, which is not the social security number of the consumer,  
49 to be used by the consumer instead of the number or password that  
50 was provided pursuant to paragraph (c)(i).

51 (e) Except as otherwise provided in subsections (7),  
52 (8) and (9), a consumer reporting agency shall not remove a  
53 security freeze placed in the file of a consumer.

54 (f) The presence of a security freeze in the file of a  
55 consumer must not be considered to be an adverse factor in the  
56 consumer's report or consumer's credit score.

57 (3) If a consumer requests that a security freeze be placed  
58 in his file, a consumer reporting agency shall provide a written  
59 disclosure of the rights of the consumer. The written disclosure  
60 is sufficient if it is in substantially the following form:

61 "You have a right to place a security freeze in your file  
62 which will prohibit a consumer reporting agency from releasing any  
63 information in your file without your express authorization.  
64 A security freeze must be requested in writing by certified mail.  
65 The security freeze is designed to prevent a consumer reporting  
66 agency from releasing your consumer report without your consent.  
67 However, you should be aware that using a security freeze to take  
68 control over who is allowed access to the personal and financial  
69 information in your file may delay, interfere with or prohibit the  
70 timely approval of any subsequent request or application you make  
71 regarding a new loan, credit, mortgage, insurance, government  
72 services or payments, rental housing, employment, investment,  
73 license, cellular telephone, utilities, digital signature,  
74 Internet credit card transaction or other services, including an  
75 extension of credit at point of sale. When you place a security  
76 freeze in your file, you will be provided a personal  
77 identification number or password to use if you choose to remove  
78 the security freeze from your file or to authorize the temporary  
79 release of your consumer report for a specific period after the  
80 security freeze is in place. To provide that authorization, you  
81 must contact the consumer reporting agency and provide all the  
82 following:

83 (a) Sufficient identification to verify your identity.

84 (b) Your personal identification number or password  
85 provided by the consumer reporting agency.

86 (c) A statement that you choose to remove the security  
87 freeze from your file or that you authorize the consumer reporting  
88 agency to temporarily release your consumer report. If you  
89 authorize the temporary release of your consumer report, you must  
90 specify the period for which your consumer report must be  
91 available. A consumer reporting agency must remove the security  
92 freeze from your file or authorize the temporary release of your

93 consumer report not later than three (3) business days after  
94 receiving the above information.

95 A security freeze does not apply to certain persons,  
96 including a person, or collection agencies acting on behalf of a  
97 person, with whom you have an existing account that requests  
98 information in your consumer report for the purposes of reviewing  
99 or collecting the account."

100 (4) (a) Except as otherwise provided in this subsection:

101 (i) A consumer reporting agency may charge a  
102 consumer a reasonable fee, not to exceed Ten Dollars (\$10.00), to  
103 place a security freeze in his file.

104 (ii) After a security freeze has been placed in  
105 the file of a consumer, a consumer reporting agency may charge the  
106 consumer a reasonable fee:

107 1. Not to exceed Ten Dollars (\$10.00), to  
108 remove the security freeze from his file pursuant to subsection  
109 (8).

110 2. Not to exceed Ten Dollars (\$10.00), to  
111 temporarily release his consumer report for a specific period  
112 pursuant to subsection (7).

113 (b) A consumer reporting agency may not charge a  
114 consumer the fees set forth in paragraph (a) to place a security  
115 freeze in his file, to temporarily release his consumer report for  
116 a specific period, or to a specific person, or to remove a  
117 security freeze from his file if the consumer is a victim of  
118 identity theft and the consumer submits, at the time the security  
119 freeze is requested, a valid copy of a police report,  
120 investigative report or complaint which the consumer has filed  
121 with a law enforcement agency regarding the unlawful use of the  
122 personal information of the consumer by another person.

123 (c) On January 1 of each year, a consumer reporting  
124 agency may increase the fees set forth in paragraph (a) based

125 proportionally on changes to the Consumer Price Index of All Urban  
126 Consumers, as determined by the United States Department of Labor,  
127 with fractional changes rounded to the nearest Twenty-five Cents  
128 (25¢).

129 (5) (a) After a security freeze has been placed in the file  
130 of a consumer, a consumer reporting agency shall not make any  
131 changes to the file of the consumer relating to:

- 132 (i) The name of the consumer;
- 133 (ii) The date of birth of the consumer;
- 134 (iii) The social security number of the consumer;

135 or

136 (iv) The address of the consumer, unless the  
137 consumer reporting agency sends written confirmation of the change  
138 to the consumer not later than thirty (30) calendar days after the  
139 change is posted to the file of the consumer.

140 (b) If the consumer reporting agency changes the  
141 address of the consumer, the consumer reporting agency must send  
142 written confirmation of the change of address to both the new  
143 address and the former address of the consumer.

144 (c) The provisions of this subsection do not require a  
145 consumer reporting agency to send written confirmation to a  
146 consumer concerning technical corrections made by the consumer  
147 reporting agency to information in the file of the consumer,  
148 including, without limitation, technical corrections involving the  
149 abbreviation of a name or street, the transposition of numbers or  
150 letters, or the misspelling of a word.

151 (6) (a) Except as otherwise provided in subsections (7)  
152 through (10), if a security freeze has been placed in the file of  
153 a consumer, a consumer reporting agency shall not provide a  
154 consumer report or credit score of that consumer to any person.

155 (b) If, a third party requests access to a consumer  
156 credit report on which a security freeze is in effect, and this

157 request is in connection with an application for credit or any  
158 other use, and the consumer does not allow his credit report to be  
159 accessed for that specific third party or period of time, the  
160 third party may treat the application as incomplete.

161 (7) (a) To authorize the temporary release of a consumer  
162 report after a security freeze has been placed in the file of the  
163 consumer, the consumer must contact the consumer reporting agency  
164 at a point of contact designated by the agency to receive such  
165 requests and request that his consumer report be temporarily  
166 released for a specific period. At the time of the request, the  
167 consumer must provide to the consumer reporting agency:

168 (i) Sufficient identification to establish the  
169 identity of the consumer;

170 (ii) The personal identification number or  
171 password provided by the consumer reporting agency pursuant to  
172 subsection (2)(c)(i); and

173 (iii) Information regarding the specific period  
174 for which the consumer report must be temporarily released.

175 (b) A consumer reporting agency that receives a request  
176 from a consumer pursuant to paragraph (a) shall, not later than  
177 three (3) business days after receiving the request, temporarily  
178 release the consumer report for the specific period requested by  
179 the consumer.

180 (c) A consumer reporting agency may develop procedures  
181 for a consumer to contact the consumer reporting agency to  
182 authorize the temporary release of his consumer report pursuant to  
183 paragraph (a). These procedures may include, without limitation,  
184 the use of the telephone, facsimile machine, the Internet or other  
185 electronic media by a consumer to authorize the temporary release  
186 of his consumer report in an expedited manner.

187 (8) (a) To authorize the removal of a security freeze that  
188 has been placed in the file of a consumer, the consumer must

189 contact the consumer reporting agency at a point of contact  
190 designated by the agency to receive such requests and request that  
191 the security freeze be removed. At the time of the request, the  
192 consumer must provide to the consumer reporting agency:

193 (i) Sufficient identification to establish the  
194 identity of the consumer; and

195 (ii) The personal identification number or  
196 password provided by the consumer reporting agency pursuant to  
197 subsection (2)(c)(i).

198 (b) A consumer reporting agency that receives a request  
199 from a consumer pursuant to paragraph (a) shall, not later than  
200 three (3) business days after receiving the request:

201 (i) Remove the security freeze from the file of  
202 the consumer; and

203 (ii) Send written notice to the consumer that the  
204 security freeze has been removed from the file of the consumer.

205 (c) A consumer reporting agency may develop procedures  
206 for a consumer to contact the consumer reporting agency to  
207 authorize the removal of a security freeze pursuant to paragraph  
208 (a). These procedures may include, without limitation, the use of  
209 a telephone, a facsimile machine, the Internet or other electronic  
210 media by a consumer to authorize the removal of a security freeze  
211 in an expedited manner.

212 (9) (a) A consumer reporting agency may remove a security  
213 freeze from the file of a consumer if the consumer reporting  
214 agency has a reasonable belief that:

215 (i) The security freeze was placed in the file of  
216 the consumer because of a material misrepresentation of fact by  
217 the consumer; or

218 (ii) The consumer placed the security freeze in  
219 his file for the purposes of:

220 1. Committing fraud;

221                                   2. Committing any other act prohibited by  
222 law; or

223                                   3. Aiding and abetting any act prohibited by  
224 law.

225                   (b) If a consumer reporting agency intends to remove a  
226 security freeze from the file of a consumer pursuant to paragraph  
227 (a), the consumer reporting agency shall send written notice to  
228 the consumer before removing the security freeze.

229                   (10) Notwithstanding that a security freeze has been placed  
230 in the file of a consumer, a consumer reporting agency may release  
231 the consumer report of the consumer to:

232                   (a) A person with whom the consumer has an existing  
233 business relationship, or the subsidiary, affiliate or agent of  
234 that person, for any purpose relating to that business  
235 relationship.

236                   (b) A licensed collection agency to which an account of  
237 the consumer has been assigned for the purposes of collection.

238                   (c) A person with whom the consumer has an account or  
239 contract or to whom the consumer has issued a negotiable  
240 instrument, or the subsidiary, affiliate, agent, assignee or  
241 prospective assignee of that person, for purposes relating to that  
242 account, contract or negotiable instrument.

243                   (d) A person seeking to use information in the file of  
244 the consumer for the purposes of prescreening pursuant to the Fair  
245 Credit Reporting Act, 15 USCS Sections 1681 et seq.

246                   (e) A subsidiary, affiliate, agent, assignee or  
247 prospective assignee of a person to whom access has been granted  
248 pursuant to subsection (7) for the purposes of facilitating the  
249 extension of credit.

250                   (f) A person seeking to provide the consumer with a  
251 copy of the consumer report or the credit score of the consumer  
252 upon the request of the consumer.



253 (g) A person administering a credit file monitoring  
254 subscription service to which the consumer has subscribed.

255 (h) A person requesting the consumer report pursuant to  
256 a court order, warrant or subpoena.

257 (i) A federal, state or local governmental entity,  
258 agency or instrumentality that is acting within the scope of its  
259 authority, including, without limitation, an agency which is  
260 seeking to collect child support payments pursuant to Part D of  
261 Title IV of the Social Security Act, 42 USCS Section 651 et seq.

262 (j) A person holding a license issued by the  
263 Mississippi Gaming Commission, or the subsidiary, affiliate,  
264 agent, assignee or prospective assignee of that person, for  
265 purposes relating to any activities conducted pursuant to the  
266 license.

267 (k) An employer, or the subsidiary, affiliate, agent,  
268 assignee or prospective assignee of that employer, for purposes  
269 of:

270 (i) Preemployment screenings relating to the  
271 consumer; or

272 (ii) Decisions or investigations relating to the  
273 consumer's current or former employment with the employer.

274 (l) Any person or entity for use in setting or  
275 adjusting a rate, adjusting a claim or underwriting for insurance  
276 purposes.

277 (11) The following companies are not required to place a  
278 security freeze in the file of a consumer:

279 (a) A check services or fraud prevention services  
280 company which issues reports on incidents of fraud or  
281 authorizations for the purpose of approving or processing  
282 negotiable instruments, electronic funds transfers or similar  
283 methods of payments.

284 (b) A deposit account information service company which  
285 issues reports regarding account closures because of fraud,  
286 substantial overdrafts, abuse of automatic teller machines or  
287 similar negative information regarding a consumer to inquiring  
288 banks or other financial institutions for use only in reviewing a  
289 consumer request for a deposit account at the inquiring bank or  
290 financial institution.

291 (c) A consumer reporting agency which acts only as a  
292 reseller of credit information by assembling and merging  
293 information contained in the database of another consumer  
294 reporting agency or in the databases of multiple consumer  
295 reporting agencies and which does not maintain a permanent  
296 database of consumer credit information from which new consumer  
297 reports are produced. Such a consumer reporting agency shall  
298 honor any security freeze placed on a consumer report by another  
299 consumer reporting agency.

300 (d) A person or an organization that owns a database or  
301 file that consists solely of negative consumer information,  
302 including criminal history information, used for:

- 303 (i) Fraud prevention or detection;  
304 (ii) Tenant screening; or  
305 (iii) Employment screening.

306 **SECTION 2.** This act shall take effect and be in force from  
307 and after January 1, 2007.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT AUTHORIZING CONSUMERS TO PLACE A SECURITY FREEZE IN  
2 CERTAIN FILES MAINTAINED BY A CONSUMER REPORTING AGENCY; TO  
3 PROVIDE FOR CERTAIN REQUIREMENTS AND PROCEDURES RELATING TO A

4 SECURITY FREEZE; TO REQUIRE A CONSUMER REPORTING AGENCY TO MAKE  
5 CERTAIN DISCLOSURES RELATING TO A SECURITY FREEZE; AND FOR RELATED  
6 PURPOSES.

CONFEREES FOR THE SENATE

X (SIGNED)  
Tollison

X (SIGNED)  
Walls

(NOT SIGNED)  
Albritton

CONFEREES FOR THE HOUSE

X (SIGNED)  
Blackmon

X (SIGNED)  
Compretta

X (SIGNED)  
Moss