

## House Amendments to Senate Bill No. 3034

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

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

8           SECTION 1. (1) On written request sent by certified mail  
9 that includes proper identification provided by a consumer and a  
10 copy of a valid police report, investigative report or complaint  
11 which the consumer has filed with a law enforcement agency  
12 regarding the unlawful use of the personal information of the  
13 consumer by another person, a consumer reporting agency shall  
14 place a security freeze on a consumer's consumer file not later  
15 than the fifth business day after the date the agency receives the  
16 request. A reporting agency may charge a consumer a reasonable  
17 fee not to exceed Ten Dollars (\$10.00) to place a security freeze  
18 in his file.

19           (2) On written request for a security freeze provided by a  
20 consumer under subsection (1), a consumer reporting agency shall  
21 disclose to the consumer the process of placing, removing and  
22 temporarily lifting a security freeze and the process for allowing  
23 access to information from the consumer's file with the consumer  
24 reporting agency for a specific requester or period while the  
25 security freeze is in effect.

26           (3) A consumer reporting agency shall, not later than the  
27 tenth business day after the date the agency receives the request  
28 for a security freeze:

29                   (a) Send a written confirmation of the security freeze  
30 to the consumer; and

31                   (b) Provide the consumer with a unique personal  
32 identification number or password to be used by the consumer to

33 authorize a removal or temporary lifting of the security freeze  
34 under Section 4 of this act.

35 (4) A consumer may request in writing a replacement personal  
36 identification number or password. The request must comply with  
37 the requirements for requesting a security freeze under subsection  
38 (1). The consumer reporting agency shall, not later than the  
39 third business day after the date the agency receives the request  
40 for a replacement personal identification number or password,  
41 provide the consumer with a new unique personal identification  
42 number or password to be used by the consumer instead of the  
43 number or password that was provided under subsection (3).

44 (5) As used in this act, the term "security freeze" means a  
45 notice that (a) prohibits a consumer reporting agency from  
46 releasing a consumer report relating to the consumer, and (b) is  
47 placed in the file retained by the consumer reporting agency on  
48 that consumer at the consumer's request pursuant to subsection  
49 (1).

50 **SECTION 2.** If a security freeze is in place, a consumer  
51 reporting agency shall notify the consumer in writing of a change  
52 in the consumer's file retained by the consumer reporting agency  
53 to the consumer's name, date of birth, social security number, or  
54 address not later than thirty (30) calendar days after the date  
55 the change is made. The agency shall send notification of a  
56 change of address to both the new address and former address of  
57 the consumer. This section does not require notice of an  
58 immaterial change, including a street abbreviation change or  
59 correction of a transposition of letters or misspelling of a word.

60 **SECTION 3.** A consumer reporting agency shall notify a person  
61 who requests a consumer report if a security freeze is in effect  
62 for the consumer file involved in that report.

63 **SECTION 4.** (1) On a request in writing or by telephone and  
64 with proper identification provided by a consumer, including the  
65 consumer's personal identification number or password provided  
66 under Section 1 of this act, a consumer reporting agency shall

67 remove a security freeze within three (3) hours after the date the  
68 agency receives the request.

69 (2) On a request in writing or by telephone and with proper  
70 identification provided by a consumer, including the consumer's  
71 personal identification number or password provided under Section  
72 1 of this act, a consumer reporting agency shall, within three (3)  
73 hours after the agency receives the request, temporarily lift the  
74 security freeze for:

75 (a) A certain properly designated period; or

76 (b) A certain properly identified requester.

77 (3) A consumer reporting agency may develop procedures  
78 involving the use of a telephone, a facsimile machine, the  
79 Internet or another electronic medium to receive and process a  
80 request from a consumer under this section.

81 (4) A consumer reporting agency shall remove a security  
82 freeze placed on a consumer file if the security freeze was placed  
83 due to a material misrepresentation of fact by the consumer. The  
84 consumer reporting agency shall notify the consumer in writing  
85 before removing the security freeze under this subsection.

86 (5) A consumer reporting agency may not charge a fee for a  
87 request under subsection (1) or (2).

88 **SECTION 5.** A security freeze does not apply to a consumer  
89 report provided to:

90 (a) A state or local governmental entity, including a  
91 law enforcement agency or court or private collection agency, if  
92 the entity, agency or court is acting under a court order,  
93 warrant, subpoena or administrative subpoena;

94 (b) An agency acting to investigate or collect child  
95 support payments or acting under Title IV-D of the Social Security  
96 Act (42 USCS Section 651 et seq.);

97 (c) The State Tax Commission acting to investigate or  
98 collect delinquent sales or franchise taxes;

99 (d) A tax assessor-collector acting to investigate or  
100 collect delinquent ad valorem taxes;

101 (e) A person for the purposes of prescreening as  
102 provided by the Fair Credit Reporting Act (15 USCS Section 1681 et  
103 seq.), as amended;

104 (f) A person who intends to use the information for  
105 employment purposes;

106 (g) A person who intends to use the information in  
107 connection with adjusting a rate, adjusting a claim, or  
108 underwriting of insurance involving the consumer;

109 (h) A person with whom the consumer has an account or  
110 contract or to whom the consumer has issued a negotiable  
111 instrument, or the person's subsidiary, affiliate, agent,  
112 assignee, prospective assignee or private collection agency, for  
113 purposes related to that account, contract or instrument;

114 (i) A subsidiary, affiliate, agent, assignee or  
115 prospective assignee of a person to whom access has been granted  
116 under Section 4(2);

117 (j) A person who administers a credit file monitoring  
118 subscription service to which the consumer has subscribed;

119 (k) A person for the purpose of providing a consumer  
120 with a copy of the consumer's report on the consumer's request;

121 (l) A check service or fraud prevention service company  
122 that issues consumer reports:

123 (i) To prevent or investigate fraud; or

124 (ii) For purposes of approving or processing  
125 negotiable instruments, electronic funds transfers or similar  
126 methods of payment;

127 (m) A deposit account information service company that  
128 issues consumer reports related to account closures caused by  
129 fraud, substantial overdrafts, automated teller machine abuses or  
130 similar negative information regarding a consumer to an inquiring  
131 financial institution for use by the financial institution only in  
132 reviewing a consumer request for a deposit account with that  
133 institution; or

134 (n) A consumer reporting agency that:

135 (i) Acts only to resell credit information by  
136 assembling and merging information contained in a database of  
137 another consumer reporting agency or multiple consumer reporting  
138 agencies; and

139 (ii) Does not maintain a permanent database of  
140 credit information from which new consumer reports are produced.

141 **SECTION 6.** The requirement under this act to place a  
142 security freeze on a consumer file does not apply to:

143 (a) A check service or fraud prevention service company  
144 that issues consumer reports:

145 (i) To prevent or investigate fraud; or

146 (ii) For purposes of approving or processing  
147 negotiable instruments, electronic funds transfers or similar  
148 methods of payment; or

149 (b) A deposit account information service company that  
150 issues consumer reports related to account closures caused by  
151 fraud, substantial overdrafts, automated teller machine abuses or  
152 similar negative information regarding a consumer to an inquiring  
153 financial institution for use by the financial institution only in  
154 reviewing a consumer request for a deposit account with that  
155 institution.

156 **SECTION 7.** A consumer reporting agency shall honor a  
157 security freeze placed on a consumer file by another consumer  
158 reporting agency.

159 **SECTION 8.** If a third party requests access to a consumer  
160 report on which a security freeze applies, and this request is in  
161 connection with an application for credit or any other use, and  
162 the consumer does not immediately request the consumer reporting  
163 agency to lift the security freeze and allow his or her credit  
164 report to be accessed for that specific party or period of time,  
165 the third party may treat the consumer's application as  
166 incomplete.

167 **SECTION 9.** The terms "consumer," "consumer report" and  
168 "consumer reporting agency" as used in this act shall have the

169 same meanings as given to those respective terms in the Fair  
170 Credit Reporting Act (15 USCS Section 1681 et seq.), as amended.

171 **SECTION 10.** Sections 1 through 9 of this act shall stand  
172 repealed on July 1, 2009.

173 **SECTION 11.** This act shall take effect and be in force from  
174 and after July 1, 2007.

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

1 AN ACT TO REQUIRE CONSUMER REPORTING AGENCIES TO PLACE A  
2 SECURITY FREEZE IN CONSUMER FILES UPON THE WRITTEN REQUEST BY  
3 CERTAIN CONSUMERS; TO PROVIDE FOR REQUIREMENTS AND PROCEDURES  
4 RELATING TO A SECURITY FREEZE; TO REQUIRE A CONSUMER REPORTING  
5 AGENCY TO MAKE CERTAIN DISCLOSURES RELATING TO A SECURITY FREEZE;  
6 AND FOR RELATED PURPOSES.

HR07\SB3034A.J

Don Richardson  
Clerk of the House of Representatives