

Notes from SJR 38 Work Group Meeting of Dec. 9, 2005 -- Discussion on Security Freezes

Claudia Clifford - a security freeze is the only measure that helps prevent ID theft. Should apply to all consumers and be voluntary.

Steve Turkiewicz - raised concerns about financial elder abuse if children can freeze credit.

Brad Griffin - not a problem applying to everyone from the retailers' perspective. Major concern is that implementing a freeze is a cost to the credit reporting agencies. They need to be able to charge a reasonable fee. ID theft victims could get the freeze for free.

Barbara Ranf - Freeze is proactive but won't stop credit card theft or use. Sees need for fee to cover costs.

Questions raised about how much freezes are being used, how many states have laws allowing freezes, uniformity among state laws. [later discussion noted 12 states with freeze. California was first. Pam Bucy noted that almost all of California's law has been litigated. AARP worked with New Jersey on its law.]

Checking Low and High Fees

- Claudia Clifford volunteered to find out about discussion in New Jersey, where the new law allows anyone to impose a freeze without a cost.
- Brad Griffin volunteered to check on discussions regarding Nevada law, where new law allows fees of around \$20.

Discussion on per-agency fee:

Pam Bucy and Brad Griffin will check to make sure that a person requesting a freeze must request it of each credit reporting agency (national as well as regional). Fees, if charged, would be paid to each.

Discussion on whether pre-screened credit card solicitations can be made even if freeze in place. Impression was that solicitations can be done under a freeze.

Exceptions to Freeze:

Question of who is included under exceptions to freeze, for example, the Montana Bar Association in vetting potential new lawyers. Amy Pfeifer noted that exceptions appear to be for people who need information whether you want them to have it or not.

Questions regarding implementation:

Brad Griffin - prefers notice not be done electronically or by phone. Certified mail paramount.

Claudia Clifford - ability to unfreeze should be quick. Considers certified letter a barrier to use.

Questions on specific approach for elderly:

Jacqueline Lenmark - suggested letters of conservatorship or guardianship or a power of attorney might be needed for inclusion in applicable cases for a freeze on credit of elderly.

Notification provisions:

Brad Griffin - Liked California notice. Will ask Eric Ellman with CDIA (Consumer Data Industry Association) if California notice OK with credit agencies. Consistency important from state to state.

Questions on how notice would read. Is it better to provide in rule or in statute? Opportunity for consumer education. Important not to have a special design for a low-population state like Montana.

Model Bills - Brad Griffin will see if CDIA has a model bill. Pat Murdo will request model bill from American Legislative Exchange Council. Consumers Union has model bill (handed out to work group). Pam Bucy will check for model bills from National Association of Attorneys General.