

SENATE JUDICIARY
EXHIBIT NO. 2
DATE 1/12/11
BILL NO. SB60

DEPARTMENT OF JUSTICE
SB 60: Amend the Security Credit Freeze Law
to Protect Minors & Incapacitated Persons

Background

Identity theft is now the top-reported crime in the United States. Allowing consumers to voluntarily freeze their credit files is one of the most effective ways to prevent identity theft, because it virtually shuts off new credit to an individual.

In 2007, the Montana Legislature passed a security freeze law, which allows Montana consumers to proactively "lock up" their credit information so that no one can access it without their permission. However, language was inadvertently omitted that would allow parents or guardians to request a security freeze for a minor or an incapacitated person under their care.

SB 60 addresses this legal omission by allowing parents and guardians to request security freezes for their children or other dependents.

Children are at risk for identity theft. According to a recent survey, 7% of the identity theft complaints received by the Federal Trade Commission are from consumers 19 years of age or younger.¹ Because a child's credit status is not usually checked until the child is old enough to begin applying for jobs or college, fraud can go undetected for years.

Provisions of SB 60

The amended Montana security freeze legislation will:

- clarify the term "consumer" for the purpose of obtaining a security freeze to mean an individual "*or a parent or guardian in the case of a minor or of an incapacitated person.*"

Other than this simple change, SB 60 will not alter Montana's existing security freeze laws.

2011 Legislature
January 2011

¹ Federal Trade Commission, "Consumer Sentinel Network Data Book for January-December 2009". February, 2010.