

Relevant Language for Security Freeze from Various Sources

Standard:

--allows "thaw" if consumer misrepresents information

--allows application for credit to be considered incomplete if security freeze "on"

<p>Illinois Public Act 094-0074</p>	<p>Purpose: Addresses verification of accuracy of credit reporting info and details how a security freeze can be used by ID theft victims</p>
	<p>Relevant points:</p> <ol style="list-style-type: none"> 1) Applies to victims (c) 2) written request, certified mail (c) 3) No fee for placing (c) 4) 5 days to implement a freeze, 10 days to confirm in writing (d) 5) 3 days to implement a thaw or remove freeze (h) 6) Provides list for whom law is inapplicable (n) 7) Requirements for credit reporting agencies regarding updates (o)

Security Freeze-Sec. 2MM

(c) A consumer who has been the victim of identity theft on his or her credit report by making a request in writing by certified mail to a consumer credit reporting agency with a valid copy of a police report, investigative report, or complaint that the consumer has filed with a law enforcement agency about unlawful use of his or her personal information by another person. A credit reporting agency shall not charge a fee for placing, removing, or removing for a specific party of period of time a security freeze on a credit report. A security freeze shall prohibit, subject to the exceptions under subsection (i) of this Section, the credit reporting agency from releasing the consumer's credit report or any information from it without the express authorization of the consumer. When a security freeze is in place, information from a consumer's credit report shall not be released to a third party without prior express authorization from the consumer. This subsection does not prevent a credit reporting agency from advising a third party that a security freeze is in effect with respect to the consumer's credit report.

(d) A credit reporting agency shall place a security freeze on a consumer's credit report no later than 5 business days after receiving a written request from the consumer.

(e) The credit reporting agency shall send a written confirmation of the security freeze to the consumer within 10 business days and shall provide the consumer with a unique personal identification number or password, other than the consumer's Social Security number, to be used by the consumer when providing authorization for the release of his or her credit for a specific party or period of time.

(f) If the consumer wishes to allow his or her credit report to be accessed for a specific party or period of time while a freeze is in place, he or she shall contact the consumer credit reporting agency, request that the freeze be temporarily lifted, and provide the following:

- (1) proper identification;
- (2) The unique personal identification number or password provided by the credit reporting agency; and
- (3) The proper information regarding the third party or time period for which the report shall be available to users of the credit report.

(g) A credit reporting agency may develop procedures involving the use of telephone, fax, the Internet, or other electronic media to receive and process a request from a consumer to temporarily lift a freeze on a credit report pursuant to subsection (f) in an expedited manner.

(h) A credit reporting agency that receives a request from a consumer to temporarily lift a freeze on a credit report pursuant to subsection (f), shall comply with the request no later than 3 business days after receiving the request.

(i) A credit reporting agency shall remove or temporarily lift a freeze placed on a consumer's credit report only in the following cases:

- (1) upon consumer request, pursuant to subsection (f) or subsection (1) of this Section; or
- (2) if the consumer's credit report was frozen due to material misrepresentation of fact by the consumer. If a consumer credit reporting agency intends to remove a freeze upon a consumer's credit report pursuant to this

subsection, the consumer credit reporting agency shall notify the consumer in writing prior to removing the freeze on the consumer's credit report.

(j) If a third party requests access to a credit report on which a security freeze is in effect, and this request is in connection with the application for credit or any other use, and the consumer does not allow his or her credit report to be accessed for that specific party or period of time, the third party may treat the application as incomplete.

(k) If a consumer requests a security freeze, the credit reporting agency shall disclose to the consumer the process of placing and temporarily lifting a security freeze, and the process for allowing access to information from the consumer's credit report for a specific party or period of time while the freeze is in place.

(l) A security freeze shall remain in place until the consumer requests that the security freeze be removed. A credit reporting agency shall remove a security freeze within 3 business days of receiving a request for removal from the consumer, who provides both of the following:

(1) Proper identification; and

(2) The unique personal identification number or password provided by the credit reporting agency.

(m) A consumer credit reporting agency shall require proper identification of the person making a request to place or remove a security freeze.

(n) The provisions of subsections (c) through (m) of this Section do not apply to the use of a consumer credit report by any of the following:

(1) A person or entity, or a subsidiary, affiliate, or agent of that person or entity, or an assignee of a financial obligation owing by the consumer to that person or entity, or a prospective assignee of a financial obligation owing by the consumer to that person or entity in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract, including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or negotiable instrument. For purposes of this subsection, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

(2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under subsection (f) of this Section for purposes of facilitating the extension of credit or other permissible use.

(3) Any state or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, or subpoena.

(4) A child support agency acting pursuant to Title IV-D of the Social Security Act.

(5) The relevant state agency or its agents or assigns acting to investigate Medicaid fraud.

(6) The Department of Revenue or its agents or assigns acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities.

(7) The use of credit information for the purposes of prescreening as provided for by the Fair Credit Reporting Act.

(8) Any person or entity administering a credit file monitoring subscription service to which the consumer has subscribed.

(9) Any person or entity for the purpose of providing a consumer with a copy of his or her credit report upon the consumer's request.

(o) If a security freeze is in place, a credit reporting agency shall not change any of the following official information in a credit report without sending a written confirmation of the change to the consumer within 30 days of the change being posted to the consumer's file: (i) name, (ii) date of birth, (iii) Social Security number, and (iv) address. Written confirmation is not required for technical modifications of a consumer's official information, including name and street abbreviations, complete spellings, or transposition of numbers or letters. In the case of an address change, the written confirmation shall be sent to both the new address and to the former address.

(p) The following entities are not required to place a security freeze in a credit report, provided, however, that any person that is not required to place a security freeze on a credit report under paragraph (3) of this subsection, shall be subject to any security freeze placed on a credit report by another credit reporting agency from which it obtains information:

(1) A check services or fraud prevention services company, which issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payment.

(2) A deposit account information service company, which issues reports regarding account closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information regarding a consumer to inquiring banks or

other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.

(3) A credit reporting agency that:

(A) acts only to resell credit information by assembling and merging information contained in a database of one or more credit reporting agencies; and

(B) does not maintain a permanent database of credit information from which new credit reports are produced.

(q) For purposes of this Section:

"Extension of credit" does not include an increase in an existing open-end credit plan, as defined in Regulation Z of the Federal Reserve System (12 C.F.R. 226.2), or any change to or review of an existing credit account.

"Proper identification" means information generally deemed sufficient to identify a person. Only if the consumer is unable to reasonably identify himself or herself with the information described above, may a consumer credit reporting agency require additional information concerning the consumer's employment and personal or family history in order to verify his or her identity.

(r) Any person who violates this Section commits an unlawful practice within the meaning of this Act.

<p>California Civil Code 1785.11.2 to 1785.11.4 and 1785.11.6</p>	<p>Purpose: Details how a security freeze can be used, by whom, for how much, and requirements for credit reporting agencies, users of consumer reports.</p>
	<p>Relevant points:</p> <ol style="list-style-type: none"> 1) Applies to any consumer [1785.11.2(a)] 2) written request, certified mail [1785.11.2(a)] 3) Fee for placing [1785.11.2(m)] 4) 5 days to implement a freeze, 10 days to confirm in writing [1785.11.2(b and c)] 5) 3 days to implement a thaw or remove freeze [1785.11.2(e)] 6) Provides list for whom law is inapplicable [1785.11.2(l) 1 through 9], [1785.11.4], and [1785.11.6] 7) Requirements for credit reporting agencies for updates [1785.11.3] 8) Notification of rights section [1785.15(f)]

1785.11.2. (a) A consumer may elect to place a **security freeze** on his or her credit report by making a request in writing by certified mail to a consumer credit reporting agency. "Security freeze" means a notice placed in a consumer's credit report, at the request of the consumer and subject to certain exceptions, that prohibits the consumer credit reporting agency from releasing the consumer's credit report or any information from it without the express authorization of the consumer. If a security freeze is in place, information from a consumer's credit report may not be released to a third party without prior express authorization from the consumer. This subdivision does not prevent a consumer credit reporting agency from advising a third party that a security freeze is in effect with respect to the consumer's credit report.

(b) A consumer credit reporting agency shall place a security freeze on a consumer's credit report no later than five business days after receiving a written request from the consumer.

(c) The consumer credit reporting agency shall send a written confirmation of the security freeze to the consumer within 10 business days and shall provide the consumer with a unique personal identification number or password to be used by the consumer when providing authorization for the release of his or her credit for a specific party or period of time.

(d) If the consumer wishes to allow his or her credit report to be accessed for a specific party or period of time while a freeze is in place, he or she shall contact the consumer credit reporting agency, request that the freeze be temporarily lifted, and provide the following:

(1) Proper identification, as defined in subdivision (c) of Section 1785.15.

(2) The unique personal identification number or password provided by the credit reporting agency pursuant to subdivision (c).

(3) The proper information regarding the third party who is to receive the credit report or the time period for which the report shall be available to users of the credit report.

(e) A consumer credit reporting agency that receives a request from a consumer to temporarily lift a freeze on a credit report pursuant to subdivision (d), shall comply with the request no later than three business days after receiving the request.

(f) A consumer credit reporting agency may develop procedures involving the use of telephone, fax, the Internet, or other electronic media to receive and process a request from a consumer to temporarily lift a freeze on a credit report pursuant to subdivision (d) in an expedited manner.

(g) A consumer credit reporting agency shall remove or temporarily lift a freeze placed on a consumer's credit report only in the following cases:

(1) Upon consumer request, pursuant to subdivision (d) or (j).

(2) If the consumer's credit report was frozen due to a material misrepresentation of fact by the consumer. If a consumer credit reporting agency intends to remove a freeze upon a consumer's credit report pursuant to this paragraph, the consumer credit reporting agency shall notify the consumer in writing prior to removing the freeze on the consumer's credit report.

(h) If a third party requests access to a consumer credit report on which a security freeze is in effect, and this request is in connection with an application for credit or any other use, and the consumer does not allow his or her credit report to be accessed for that specific party or period of time, the third party may treat the application as incomplete.

(i) If a consumer requests a security freeze, the consumer credit reporting agency shall disclose the process of placing and temporarily lifting a freeze, and the process for allowing access to information from the consumer's credit report for a specific party or period of time while the freeze is in place.

(j) A security freeze shall remain in place until the consumer requests that the security freeze be removed. A consumer credit reporting agency shall remove a security freeze within three business days of receiving a request for removal from the consumer, who provides both of the following:

(1) Proper identification, as defined in subdivision (c) of Section 1785.15.

(2) The unique personal identification number or password provided by the credit reporting agency pursuant to subdivision (c).

(k) A consumer credit reporting agency shall require proper identification, as defined in subdivision (c) of Section 1785.15, of the person making a request to place or remove a security freeze.

(l) The provisions of this section do not apply to the use of a consumer credit report by any of the following:

(1) A person or entity, or a subsidiary, affiliate, or agent of that person or entity, or an assignee of a financial obligation owing by the consumer to that person or entity, or a prospective assignee of a financial obligation owing by the consumer to that person or entity in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract, including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or negotiable instrument. For purposes of this paragraph, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

(2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under subdivision (d) of Section 1785.11.2 for purposes of facilitating the extension of credit or other permissible use.

(3) Any state or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, or subpoena.

(4) A child support agency acting pursuant to Chapter 2 of Division 17 of the Family Code or Title IV-D of the Social Security Act (42 U.S.C. et seq.).

(5) The State Department of Health Services or its agents or assigns acting to investigate Medi-Cal fraud.

(6) The Franchise Tax Board or its agents or assigns acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities.

(7) The use of credit information for the purposes of prescreening as provided for by the federal Fair Credit Reporting Act.

(8) Any person or entity administering a credit file monitoring subscription service to which the consumer has subscribed.

(9) Any person or entity for the purpose of providing a consumer with a copy of his or her credit report upon the consumer's request.

(m) This act does not prevent a consumer credit reporting agency from charging a fee of no more than ten dollars (\$10) to a consumer for each freeze, removal of the freeze, or temporary lift of the freeze for a period of time, or a fee of no more than twelve dollars (\$12) for a temporary lift of a freeze for a specific party, regarding access to a consumer credit report, except that a consumer credit reporting agency may not charge a fee to a victim of identity theft who has submitted a valid police report or valid Department of Motor Vehicles investigative report that alleges a violation of Section 530.5 of the Penal Code.

1785.11.3. (a) If a security freeze is in place, a consumer credit reporting agency shall not change any of the following official information in a consumer credit report without sending a written confirmation of the change to the consumer within 30 days of the change being posted to the consumer's file: name, date of birth, social security number, and address. Written confirmation is not required for technical modifications of a consumer's official information, including name and street abbreviations, complete spellings, or transposition of numbers or letters. In the case of an address change, the written confirmation shall be sent to both the new address and to the former address.

(b) If a consumer has placed a security alert, a consumer credit reporting agency shall provide the consumer, upon request, with a free copy of his or her credit report at the time the 90-day security alert period expires.

1785.11.4. The provisions of Sections 1785.11.1, 1785.11.2, and 1785.11.3 do not apply to a consumer credit reporting agency that acts only as a reseller of credit information pursuant to Section 1785.22 by assembling and merging information contained in the data base of another consumer credit reporting agency or multiple consumer credit reporting agencies, and does not maintain a permanent data base of credit information from which new consumer credit reports are produced. However, a consumer credit reporting agency acting pursuant to Section 1785.22 shall honor any security freeze placed on a consumer credit report by another consumer credit reporting agency.

1785.11.6. The following entities are not required to place in a credit report either a security alert, pursuant to Section 1785.11.1, or a security freeze, pursuant to Section 1785.11.2:

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

(b) A deposit account information service company, which issues reports regarding account closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information regarding a consumer, to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.

1785.15. (a) A consumer credit reporting agency shall supply files and information required under Section 1785.10 during normal business hours and on reasonable notice. In addition to the disclosure provided by this chapter and any disclosures received by the consumer, the consumer has the right to request and receive all of the following:

(1) Either a decoded written version of the file or a written copy of the file, including all information in the file at the time of the request, with an explanation of any code used.

(2) A credit score for the consumer, the key factors, and the related information, as defined in and required by Section 1785.15.1.

(3) A record of all inquiries, by recipient, which result in the provision of information concerning the consumer in connection with a credit transaction that is not initiated by the consumer and which were received by the consumer credit reporting agency in the 12-month period immediately preceding the request for disclosure under this section.

(4) The recipients, including end users specified in Section 1785.22, of any consumer credit report on the consumer which the consumer credit reporting agency has furnished:

(A) For employment purposes within the two-year period preceding the request.

(B) For any other purpose within the 12-month period preceding the request.

Identification for purposes of this paragraph shall include the name of the recipient or, if applicable, the fictitious business name under which the recipient does business disclosed in full. If requested by the consumer, the identification shall also include the address of the recipient.

(b) Files maintained on a consumer shall be disclosed promptly as follows:

(1) In person, at the location where the consumer credit reporting agency maintains the trained personnel required by subdivision (d), if he or she appears in person and furnishes proper identification.

(2) By mail, if the consumer makes a written request with proper identification for a copy of the file or a decoded written version of that file to be sent to the consumer at a specified address. A disclosure pursuant to this paragraph

shall be deposited in the United States mail, postage prepaid, within five business days after the consumer's written request for the disclosure is received by the consumer credit reporting agency. Consumer credit reporting agencies complying with requests for mailings under this section shall not be liable for disclosures to third parties caused by mishandling of mail after the mailings leave the consumer credit reporting agencies.

(3) A summary of all information contained in files on a consumer and required to be provided by Section 1785.10 shall be provided by telephone, if the consumer has made a written request, with proper identification for telephone disclosure.

(4) Information in a consumer's file required to be provided in writing under this section may also be disclosed in another form if authorized by the consumer and if available from the consumer credit reporting agency. For this purpose a consumer may request disclosure in person pursuant to Section 1785.10, by telephone upon disclosure of proper identification by the consumer, by electronic means if available from the consumer credit reporting agency, or by any other reasonable means that is available from the consumer credit reporting agency.

(c) "Proper identification," as used in subdivision (b) means that information generally deemed sufficient to identify a person. Only if the consumer is unable to reasonably identify himself or herself with the information described above, may a consumer credit reporting agency require additional information concerning the consumer's employment and personal or family history in order to verify his other identity.

(d) The consumer credit reporting agency shall provide trained personnel to explain to the consumer any information furnished him or her pursuant to Section 1785.10.

(e) The consumer shall be permitted to be accompanied by one other person of his or her choosing, who shall furnish reasonable identification. A consumer credit reporting agency may require the consumer to furnish a written statement granting permission to the consumer credit reporting agency to discuss the consumer's file in that person's presence.

(f) Any written disclosure by a consumer credit reporting agency to any consumer pursuant to this section shall include a written summary of all rights the consumer has under this title and in the case of a consumer credit reporting agency which compiles and maintains consumer credit reports on a nationwide basis, a toll-free telephone number which the consumer can use to communicate with the consumer credit reporting agency. The written summary of rights required under this subdivision is sufficient if in substantially the following form:

"You have a right to obtain a copy of your credit file from a consumer credit reporting agency. You may be charged a reasonable fee not exceeding eight dollars (\$8). There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 60 days. The consumer credit reporting agency must provide someone to help you interpret the information in your credit file.

You have a right to dispute inaccurate information by contacting the consumer credit reporting agency directly. However, neither you nor any credit repair company or credit service organization has the right to have accurate, current, and verifiable information removed from your credit report. Under the Federal Fair Credit Reporting Act, the consumer credit reporting agency must remove accurate, negative information from your report only if it is over seven years old. Bankruptcy information can be reported for 10 years.

If you have notified a consumer credit reporting agency in writing that you dispute the accuracy of information in your file, the consumer credit reporting agency must then, within 30 business days, reinvestigate and modify or remove inaccurate information. The consumer credit reporting agency may not charge a fee for this service. Any pertinent information and copies of all documents you have concerning an error should be given to the consumer credit reporting agency.

If reinvestigation does not resolve the dispute to your satisfaction, you may send a brief statement to the consumer credit reporting agency to keep in your file, explaining why you think the record is inaccurate. The consumer credit reporting agency must include your statement about disputed information in a report it issues about you.

You have a right to receive a record of all inquiries relating to a credit transaction initiated in 12 months preceding your request. This record shall include the recipients of any consumer credit report.

You may request in writing that the information contained in your file not be provided to a third party for marketing purposes.

You have a right to place a "security alert" in your credit report, which will warn anyone who receives information in your credit report that your identity may have been used without your consent. Recipients of your credit report are required to take reasonable steps, including contacting you at the telephone number you may provide with your security alert, to verify your identity prior to lending money, extending credit, or completing the purchase, lease, or rental of goods or services. The security alert may prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that taking advantage of this right may delay or interfere with the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, insurance, rental housing, employment, investment, license, cellular phone, utilities, digital signature, Internet credit

card transaction, or other services, including an extension of credit at point of sale. If you place a security alert on your credit report, you have a right to obtain a free copy of your credit report at the time the 90-day security alert period expires. A security alert may be requested by calling the following toll-free telephone number: (Insert applicable toll-free telephone number).

You have a right to place a "security freeze" on your credit report, which will prohibit a consumer credit reporting agency from releasing any information in your credit report without your express authorization. A security freeze must be requested in writing by certified mail. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, insurance, government services or payments, rental housing, employment, investment, license, cellular phone, utilities, digital signature, Internet credit card transaction, or other services, including an extension of credit at point of sale. When you place a security freeze on your credit report, you will be provided a personal identification number or password to use if you choose to remove the freeze on your credit report or authorize the release of your credit report for a specific party or period of time after the freeze is in place. To provide that authorization you must contact the consumer credit reporting agency and provide all of the following:

- (1) The personal identification number or password.
- (2) Proper identification to verify your identity.
- (3) The proper information regarding the third party who is to receive the credit report or the period of time for which the report shall be available.

A consumer credit reporting agency must authorize the release of your credit report no later than three business days after receiving the above information.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account, that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

You have a right to bring civil action against anyone, including a consumer credit reporting agency, who improperly obtains access to a file, knowingly or willfully misuses file data, or fails to correct inaccurate file data.

If you are a victim of identity theft and provide to a consumer credit reporting agency a copy of a valid police report or a valid investigative report made by a Department of Motor Vehicles investigator with peace officer status describing your circumstances, the following shall apply:

(1) You have a right to have any information you list on the report as allegedly fraudulent promptly blocked so that the information cannot be reported. The information will be unblocked only if (A) the information you provide is a material misrepresentation of the facts, (B) you agree that the information is blocked in error, or (C) you knowingly obtained possession of goods, services, or moneys as result of the blocked transactions. If blocked information is unblocked you will be promptly notified.

(2) Beginning July 1, 2003, you have a right to receive, free of charge and upon request, one copy of your credit report each month for up to 12 consecutive months."

Colorado 12-14.3-106.6 to 106.9	Purpose: Details how a security freeze can be used, by whom, for how much, and requirements for credit reporting agencies, users of consumer reports.
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	<p>Relevant points:</p> <ol style="list-style-type: none"> 1) Applies to any consumer [106.6(1)(a)] 2) written request, certified mail [106.6(1)(a)] 3) No initial fee for placing; fee for thaw [106.6(12)a through d] 4) 5 days to implement a freeze, 10 days to confirm in writing [106.6(2)(a)(b)] 5) 3 days to implement a thaw or remove freeze [106.6(4)] 6) Provides list for whom law is inapplicable [106.6(11)a through q] and [106.9] 7) Notice of right to security freeze to accompany FCRA notices [106.7(1)] 8) Requirements for credit reporting agencies for updates [106.8]
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12-14.3-106.6. Security freeze - timing - covered entities - cost.

(1) (a) A consumer may elect to place a security freeze on his or her consumer report by making a request in writing by certified mail to a consumer reporting agency.

(b) Except as provided in subsection (11) and paragraph (b) of subsection (6) of this section, if a security freeze is in place, information from a consumer report may not be released to a third party without prior, express authorization from the consumer.

(c) This section does not prevent a consumer reporting agency from advising a third party that a security freeze is in effect with respect to the consumer report.

(2) (a) A consumer reporting agency shall place a security freeze on a consumer report no later than five business days after receiving the request from the consumer.

(b) The consumer reporting agency shall send a written confirmation of the security freeze to the consumer within ten business days and, with the confirmation, shall provide the consumer with a unique personal identification number or password to be used by the consumer when providing authorization for the release of his or her consumer report to a specific party or for a specific period of time.

(3) If a consumer wishes to allow his or her consumer report to be accessed by a specific party or for a specific period of time while a freeze is in place, he or she shall contact the consumer reporting agency, request that the freeze be temporarily lifted, and provide the following:

(a) Proper identification;

(b) The unique personal identification number or password provided by the consumer reporting agency pursuant to paragraph (b) of subsection (2) of this section; and

(c) The proper information regarding the third party who is to receive the consumer report or the time period that the report shall be available to users of the consumer report.

(4) A consumer reporting agency that receives a request from a consumer to temporarily lift a freeze on a consumer report pursuant to subsection (3) of this section, shall comply with the request no later than three business days after receiving the request.

(5) A consumer reporting agency may develop procedures involving the use of telephone, fax, internet, or other electronic media to receive and process a request from a consumer to place a freeze or to temporarily lift a freeze on a consumer report pursuant to subsection (3) of this section in an expedited manner.

(6) A consumer reporting agency shall remove or temporarily lift a freeze placed on a consumer report only in the following cases:

(a) Upon consumer request, pursuant to subsection (3) or (9) of this section; or

(b) If the consumer report was frozen due to a material misrepresentation of fact by the consumer or somebody purporting to be the consumer. If a consumer reporting agency intends to remove a freeze on a consumer report pursuant to this paragraph (b), the consumer reporting agency shall notify the consumer in writing prior to removing the freeze placed on the consumer report.

(7) If a third party requests access to a consumer report on which a security freeze is in effect, and the request is in connection with an application for credit or other use, and the consumer does not allow his or her consumer report to be accessed by that specific party or during that period of time, the third party may treat the application as incomplete.

(8) If a consumer requests a security freeze, the consumer reporting agency shall disclose the process of placing and temporarily lifting a freeze and the process for allowing access to information from the consumer report to a specific party or for a specific period of time while the freeze is in place.

(9) Except as otherwise provided pursuant to paragraph (b) of subsection (6) of this section, a security freeze shall remain in place until the consumer requests that the security freeze be removed. A consumer reporting agency shall remove a security freeze within three business days of receiving a request for removal from the consumer, who provides both of the following:

(a) Proper identification; and

(b) The unique personal identification number or password provided by the consumer reporting agency pursuant to paragraph (b) of subsection (2) of this section.

(10) A consumer reporting agency shall require proper identification of the person making a request to place a security freeze in a manner consistent with the requirements of this section.

(11) The provisions of this section shall not apply to the use of a consumer report by or for any of the following:

(a) A person or entity, or a subsidiary, affiliate, or agent of that person or entity that owns a financial obligation owing by the consumer to that person or entity, including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, debt, or negotiable instrument, and lawful associated costs;

(b) An assignee or a prospective assignee of a financial obligation owing by the consumer to a person or entity in paragraph (a) of this subsection (11);

(c) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under subsection (3) of this section for purposes of facilitating the extension of credit or other permissible use;

(d) A state or local agency, law enforcement agency, trial court, private collection agency, or person acting pursuant to a court order, warrant, or subpoena authorizing the use of the consumer report;

(e) A child support enforcement agency acting to enforce child support obligations;

(f) The department of health care policy and financing or its agents or assigns acting to investigate fraud;

(g) The department of human services or its agents or assignees acting to investigate fraud;

(h) The department of revenue or its agents or assigns acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities or exercise any of its statutory authority;

(i) The use of credit information for the purposes of prescreening as provided for by the "Fair Credit Reporting Act", 15 U.S.C. 1681, et seq.;

(j) Any person or entity administering a credit file monitoring subscription service to which the consumer has subscribed;

(k) Any person or entity for the purpose of providing a consumer with a copy of his or her consumer report upon the consumer's request;

(l) Any person or entity for use in setting or adjusting a rate, adjusting a claim, or underwriting for insurance purposes;

(m) A pension plan acting to determine the consumer's eligibility for plan benefits or payments authorized by law or to investigate fraud;

(n) A person conducting a pre-sentence investigation in a criminal matter or a probation officer using this information for supervision of an offender;

(o) A collections investigator or other person engaged in the collecting of fees, fines, or restitution assessed in a court proceeding;

(p) A licensed hospital with which the consumer has or had a contract, or a debtor-creditor relationship for the purposes of reviewing the account or collecting the financial obligation owing for the contract, account, or debt;

(q) A law enforcement agency or its agents acting to investigate a crime or conducting a criminal background check.

(12) (a) Fees for requesting a security freeze, temporarily lifting a security freeze, and permanently removing a security freeze from consumer reports may be charged only in accordance with this subsection (12).

(b) A consumer reporting agency may not charge a fee for a consumer's first request to place a security freeze on his or her consumer report.

(c) Except as provided for in paragraphs (a) and (b) of this subsection (12), a consumer reporting agency may charge a consumer a reasonable fee of no more than ten dollars for:

(I) A temporary lift for a period of time or permanent removal of a security freeze from the consumer report; or

(II) A subsequent request for a security freeze of the consumer report after the consumer's first request for a security freeze has been permanently removed from his or her consumer report.

(d) Except as provided for in paragraphs (a) and (b) of this subsection (12), a consumer reporting agency may charge a fee not to exceed twelve dollars for temporarily lifting a security freeze on the consumer report for a specific party.

Editor's note: This section is effective July 1, 2006.

History Source: L. 2005: Entire section added, p. 840, § 2, effective July 1, 2006.

Editor's note: This section was passed without a safety clause. For the effective date - applicability section contained in the 2005 act enacting this section, see section 7 of chapter 226, Session Laws of Colorado 2005. For further explanation concerning the effective date, see page vii of this volume.

12-14.3-106.7. Notice of rights.

(1) At any time that a consumer is required to receive a summary of rights required under section 609 of the "Fair Credit Reporting Act" or under state law, the following notice shall be included:

State Consumers Have the Right to Obtain a Security Freeze.

You may obtain a security freeze on your consumer report to protect your privacy and ensure that credit is not granted in your name without your knowledge, except as provided by law. You have a right to place a security freeze on your consumer report to prohibit a consumer reporting agency from releasing any information in your consumer report without your express authorization or approval, except as the law allows.

You will not be initially charged to place a security freeze on your consumer report. However, you will be charged a fee of no more than ten dollars to temporarily lift the freeze for a period of time, to permanently remove the freeze from your consumer report, or when you make a subsequent request for a freeze to be placed on your consumer report. As well, you may be charged a fee of no more than twelve dollars to temporarily lift the freeze for a specific party.

The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. When you place a security freeze on your consumer report, within five business days you will be provided procedures for the temporary release of your consumer report to a specific party or parties or for a period of time after the security freeze is in place. To provide that authorization, you must contact the consumer reporting agency and provide the proper information regarding the third party or parties who are to receive the consumer report or the period of time for which the report shall be available to users of the consumer report.

A consumer reporting agency that receives a request from a consumer to temporarily lift a security freeze on a consumer report shall comply with the request no later than three business days after receiving the request.

A security freeze does not apply to circumstances where you have an existing account relationship, and a copy of your report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control, or similar activities.

You should be aware that using a security freeze to take control over who gains

access to the personal and financial information in your consumer report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding new loans, credit, mortgage, insurance, government services or payments, rental housing, employment, investment, license, cellular phone, utilities, digital signature, internet credit card transaction, or other services, including an extension of credit at the point of sale. You should plan ahead and lift a security freeze either completely if you are shopping around, or specifically for a certain creditor a few days before actually applying for new credit.

You have the right to bring a civil action or submit to binding arbitration against a consumer reporting agency to enforce an obligation under the security freeze law after following specified dispute procedures and having received the necessary notice.

Editor's note: This section is effective July 1, 2006.

Editor's note: This section was passed without a safety clause. For the effective date - applicability section contained in the 2005 act enacting this section, see section 7 of chapter 226, Session Laws of Colorado 2005. For further explanation concerning the effective date, see page vii of this volume.

12-14.3-106.8. Security freeze - prohibition of changing official information in credit report. If a security freeze is in place, a consumer reporting agency shall not change any of the following official information in a consumer report without sending a written notice of the change to the consumer within thirty days of the change being posted to the consumer's file: Name, date of birth, social security number, and address. Written notice is not required for technical modifications of a consumer's official information, including name and street abbreviations, complete spellings, or transposition of numbers or letters. In the case of an address change, the written notice shall be sent to both the new address and the former address.

Editor's note: This section is effective July 1, 2006. This section was passed without a safety clause. For the effective date - applicability section contained in the 2005 act enacting this section, see section 7 of chapter 226, Session Laws of Colorado 2005. For further explanation concerning the effective date, see page vii of this volume.

12-14.3-106.9. Security freeze - exemptions.

(1) Sections 12-14.3-106.6 to 12-14.3-106.8 shall not apply to a consumer reporting agency that acts only as a reseller of credit information by assembling and merging information contained in the database of another consumer reporting agency or multiple consumer reporting agencies, and that does not maintain a permanent database of credit information from which new consumer reports are produced. However, a consumer reporting agency shall honor any security freeze placed on a consumer report by another consumer reporting agency.

(2) The following entities are not required to place in a consumer report a security freeze:

(a) A check service or company or fraud prevention service or company that issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payments;

(b) A deposit account information service or company that issues reports regarding account closures due to fraud, substantial overdrafts, or automatic teller machine abuse or similar negative information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution;

(c) A fraud prevention service or company issuing reports to prevent or investigate fraud.

Editor's note: This section is effective July 1, 2006. This section was passed without a safety clause. For the effective date - applicability section contained in the 2005 act enacting this section, see section 7 of chapter 226, Session Laws of Colorado 2005. For further explanation concerning the effective date, see page vii of this volume.

<p>New Jersey Title 56: 11-46 through 11-50. Definition in 56:11-30</p>	<p>Purpose: Details how a security freeze can be used, by whom, for how much, and requirements for credit reporting agencies, users of consumer reports.</p>
	<p>Relevant points:</p> <ol style="list-style-type: none"> 1) Applies to any consumer [56:11-46(5.a)] 2) written request, certified mail or electronic mail [56:11-46(5a)] 3) No fee for placing; \$5 fee for thaw, lost PIN [56:11-46(5m)] 4) 5 days to implement a freeze, 5 days to confirm in writing [56:11-46(5b)] 5) 3 days to implement a thaw or remove freeze [56:11-46(5e)] and goal of 15 minutes electronically [56:11-46(5f)] 6) Provides list for whom law is inapplicable [56:11-46(5l - 1 through 8)] and [56:11-49] 7) Requirements for credit reporting agencies for updates [56:11-47] 8) Notification of rights section [56:11-46(5i)]

56:11-30 Definitions relative to consumer credit reports.

3. As used in this act:

"Adverse action" has the same meaning as in subsection (k) of section 603 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681a.

"Consumer" means an individual.

"Consumer report" (1) means any written, oral or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for:

- (a) credit or insurance to be used primarily for personal, family or household purposes;
- (b) employment purposes; or
- (c) any other purpose authorized under section 4 of this act.

(2) The term "consumer report" does not include:

- (a) any:
 - (i) report containing information solely on transactions or experiences between the consumer and the person making the report;
 - (ii) communication of that information among persons related by common ownership or affiliated by corporate control; or
 - (iii) communication of other information among persons related by common ownership or affiliated by corporate control, if it is clearly and conspicuously disclosed to the consumer that the information may be communicated among those persons and the consumer is given the opportunity, before the time that the information is initially communicated, to direct that the information not be communicated among those persons;
- (b) any authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;
- (c) any report in which a person, who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer, conveys his decision with respect to that request, if the third party advises the consumer of the name and address of the person to whom the request was made, and the person makes the disclosures to the consumer required under 15 U.S.C. s.1681m; or
- (d) communication excluded from the definition of consumer report pursuant to subsection (o) of section 603 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681a.

"Consumer reporting agency" means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages, in whole or in part, in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility for the purpose of preparing or furnishing consumer reports.

"Director" means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

"Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

"Employment purposes" means, when used in connection with a consumer report, a report used for the purpose of evaluating a consumer for employment, promotion, reassignment or retention as an employee.

"File" means, when used in connection with information on any consumer, all of the information on that consumer recorded and retained by a consumer reporting agency regardless of how the information is stored.

"Investigative consumer report" means a consumer report or a portion thereof in which information on a consumer's character, general reputation, personal characteristics or mode of living is obtained through personal interviews with neighbors, friends or associates of the consumer who is the subject of the report or with others with whom the consumer is acquainted or who may have knowledge concerning any of those items of information. However, this information shall not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when the information was obtained directly from a creditor of the consumer or from the consumer.

"Medical information" means information or records obtained, with the consent of the individual to whom it relates, from licensed physicians or medical practitioners, hospitals, clinics, or other medical or medically related facilities.

"Security freeze" means a notice placed in a consumer's consumer report, at the request of the consumer and subject to certain exceptions, that prohibits the consumer reporting agency from releasing the report or any information from it without the express authorization of the consumer, but does not prevent a consumer reporting agency from advising a third party that a security freeze is in effect with respect to the consumer report.

L.1997,c.172,s.3; amended 2005, c.226, s.4.

56:11-31 Furnishing of consumer report; permissible circumstances.

4. a. A consumer reporting agency may furnish a consumer report under the following circumstances and no other:

- (1) In response to the order of a court having jurisdiction to issue such an order, or a subpoena issued in connection with proceedings before a State or federal grand jury.
- (2) In accordance with the written instructions of the consumer to whom it relates.
- (3) To a person which it has reason to believe:
 - (a) intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer;
 - (b) intends to use the information for employment purposes;
 - (c) intends to use the information in connection with the underwriting of insurance involving the consumer;
 - (d) intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status;
 - (e) intends to use the information, as a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; or
 - (f) otherwise has a legitimate business need for the information:
 - (i) in connection with a business transaction that is initiated by the consumer; or
 - (ii) to review an account to determine whether the consumer continues to meet the terms of the account.
- (4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that:
 - (a) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of those payments;
 - (b) the paternity of the consumer for the child to which the obligation relates has been established or

acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

(c) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

(d) the consumer report will be kept confidential, will be used solely for a purpose described in paragraph (1) of this subsection, and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

(5) To an agency administering a state plan under 42 U.S.C. s.654 for use to set an initial or modified child support award.

b. A consumer reporting agency may furnish a consumer report for employment purposes only if:

(1) the person who obtains the report from the agency certifies to the agency that:

(a) the person has complied with subsection c. of this section with respect to the consumer report, and the person will comply with subsection d. of this section with respect to the consumer report if that subsection becomes applicable; and

(b) information from the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation; and

(2) the consumer reporting agency provides with the report a summary of the consumer's rights under the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681 et seq.

c. A person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any consumer, unless:

(1) a clear and conspicuous disclosure has been made in writing to the consumer at any time before the report is procured or caused to be procured, in a document that consists solely of the disclosure, that a consumer report may be obtained for employment purposes; and

(2) the consumer has authorized in writing the procurement of the report by that person.

d. A consumer reporting agency shall not furnish for employment purposes, or in connection with a credit or insurance transaction or a direct marketing transaction, a consumer report that contains medical information about a consumer unless the consumer consents to the furnishing of the report in writing.

e. In using a consumer report for employment purposes, before taking any adverse action based in whole or in part on the report, the person intending to take an adverse action shall provide to the consumer to whom the report relates:

(1) a copy of the report; and

(2) a description in writing of the rights of the consumer under this act and the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681 et seq.

f. Consumer reporting agencies may furnish a consumer report relating to any consumer pursuant to subparagraph (a) or (c) of paragraph (3) of subsection a. of this section in connection with any credit or insurance transaction that is not authorized by the consumer only if the consumer reporting agency complies with the requirements of subsections (c) and (e) of section 604 of the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681b.

g. A person shall not use or obtain a consumer report for any purpose unless:

(1) the consumer report is obtained for a purpose for which the consumer report is authorized to be furnished under this section; and

(2) the purpose for its use is certified in accordance with section 5 of this act by a prospective user of the report.
L.1997,c.172,s.4.

56:11-32 Procedures designed to limit furnishing of consumer reports.

5. a. Every consumer reporting agency shall maintain reasonable procedures designed to limit the furnishing of consumer reports to the purposes listed under section 4 of this act. These procedures shall require that prospective users of the information identify themselves, certify each purpose for which the information is sought, and certify that the information will be used for no other purpose. Every consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and each use certified by the prospective user prior to furnishing the user a consumer report. No consumer reporting agency may furnish a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 4 of this act.

b. Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

c. A consumer reporting agency may not prohibit the user of a consumer report furnished by the agency from disclosing the contents of the report to the consumer, if adverse action against the consumer has been taken by the user based in whole or in part on the report.

d. A person may not procure a consumer report for the purpose of reselling the report unless the person

discloses to the consumer reporting agency that originally furnishes the report:

- (1) the identity of the end-user of the report; and
- (2) each permissible purpose under section 4 of this act for which the report is furnished to the end-user of the report.

e. A person who procures a consumer report for the purposes of reselling the report shall:

(1) establish and comply with reasonable procedures designed to ensure that the report is resold by the person only for a purpose for which the report may be furnished under section 4 of this act, including procedures designed to ensure that each person to which the report is resold and that resells or provides the report to any other person:

- (a) identifies to the person from whom the report was purchased each end-user of the resold report;
- (b) certifies to the person from whom the report was purchased each purpose for which the report will be used;

and

(c) certifies to the person from whom the report was purchased that the report will be used for no other purpose; and

(2) before reselling the report, make reasonable efforts to verify the identifications and certifications made under paragraph (1) of this subsection.

f. For the purposes of subsections d. and e. of this section, "report" means the consumer report as furnished by a consumer reporting agency or any information contained in that consumer report.

L.1997,c.172,s.5.

56:11-46 Election of placement of security freeze on consumer report, procedure.

5. a. A consumer may elect to place a security freeze on his consumer report by:

- (1) making a request in writing by certified mail or overnight mail to a consumer reporting agency; or
- (2) making a request directly to the consumer reporting agency through a secure electronic mail

connection, if an electronic mail connection is provided by the consumer reporting agency.

b. A consumer reporting agency shall place a security freeze on a consumer report no later than five business days after receiving a written request from the consumer.

c. The consumer reporting agency shall send a written confirmation of the security freeze to the consumer within five business days of placing the freeze and at the same time shall provide the consumer with a unique personal identification number or password to be used by the consumer when providing authorization for the release of his credit for a specific party or period of time.

d. If the consumer wishes to allow his consumer report to be accessed for a specific party or period of time while a freeze is in place, he shall contact the consumer reporting agency via certified or overnight mail or secure electronic mail and request that the freeze be temporarily lifted, and provide all of the following:

- (1) Information generally deemed sufficient to identify a person;
- (2) The unique personal identification number or password provided by the consumer reporting agency pursuant to subsection c. of this section; and

(3) The proper information regarding the third party who is to receive the consumer report or the time period for which the consumer report shall be available to users of the consumer report.

e. A consumer reporting agency that receives a request from a consumer to temporarily lift a freeze on a consumer report pursuant to subsection d. of this section shall comply with the request no later than three business days after receiving the request.

f. A consumer reporting agency shall develop procedures involving the use of telephone, fax, the Internet, or other electronic media to receive and process a request from a consumer to temporarily lift a freeze on a consumer report pursuant to subsection d. of this section in an expedited manner. The director shall promulgate regulations necessary to allow the use of electronic media to receive and process a request from a consumer to temporarily lift a security freeze pursuant to subsection d. of this section as quickly as possible, with the goal of processing a request within 15 minutes of that request.

g. A consumer reporting agency shall remove or temporarily lift a freeze placed on a consumer report only in the following cases:

- (1) Upon consumer request, pursuant to subsection d. or j. of this section; or
- (2) If the consumer report was frozen due to a material misrepresentation of fact by the consumer. If a consumer reporting agency intends to remove a freeze upon a consumer report pursuant to this paragraph, the consumer reporting agency shall notify the consumer in writing at least five business days prior to removing the freeze on the consumer report.

h. If a third party requests access to a consumer report on which a security freeze is in effect, and this request is in connection with an application for credit or any other use, and the consumer does not allow his consumer report to be accessed for that specific party or period of time, the third party may treat the application as incomplete.

- i. (1) At any time that a consumer is required to receive a summary of rights required under section 609 of the

federal "Fair Credit Reporting Act," 15 U.S.C. s.1681g, the following notice shall be included:

New Jersey Consumers Have the Right to Obtain a Security Freeze

You may obtain a security freeze on your credit report to protect your privacy and ensure that credit is not granted in your name without your knowledge. You have a right to place a "security freeze" on your credit report pursuant to New Jersey law.

The security freeze will prohibit a consumer reporting agency from releasing any information in your credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. When you place a security freeze on your credit report, within five business days you will be provided a personal identification number or password to use if you choose to remove the freeze on your credit report or to temporarily authorize the release of your credit report for a specific party, parties or period of time after the freeze is in place. To provide that authorization, you must contact the consumer reporting agency and provide all of the following:

- (i) The unique personal identification number or password provided by the consumer reporting agency;
- (ii) Proper identification to verify your identity; and
- (iii) The proper information regarding the third party or parties who are to receive the credit report or the period of time for which the report shall be available to users of the credit report.

A consumer reporting agency that receives a request from a consumer to lift temporarily a freeze on a credit report shall comply with the request no later than three business days or less, as provided by regulation, after receiving the request.

A security freeze does not apply to circumstances in which you have an existing account relationship and a copy of your report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control or similar activities.

If you are actively seeking credit, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around, or specifically for a certain creditor, a few days before actually applying for new credit.

You have a right to bring a civil action against someone who violates your rights under the credit reporting laws. The action can be brought against a consumer reporting agency or a user of your credit report.

(2) If a consumer requests information about a security freeze, he shall be provided with the notice provided in paragraph (1) of this subsection and with any other information, as prescribed by the director by regulation, about how to place, temporarily lift and permanently lift a security freeze.

j. A security freeze shall remain in place until the consumer requests that the security freeze be removed. A consumer reporting agency shall remove a security freeze within three business days of receiving a request for removal from the consumer, who provides the following:

- (1) Proper identification; and
- (2) The unique personal identification number or password provided by the consumer reporting agency pursuant to subsection c. of this section.

k. A consumer reporting agency shall require proper identification of the person making a request to place or remove a security freeze.

l. The provisions of this section do not apply to the use of a consumer report by the following:

- (1) A person, or subsidiary, affiliate, or agent of that person, or an assignee of a financial obligation owing by the consumer to that person, or a prospective assignee of a financial obligation owing by the consumer to that person in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract, including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or negotiable instrument. For purposes of this paragraph, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements;
- (2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under subsection d. of this section, for purposes of facilitating the extension of credit or other permissible use;
- (3) Any State or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, or subpoena;
- (4) The Division of Taxation in the Department of the Treasury for the purpose of enforcing the tax laws of this State;
- (5) A State or local child support enforcement agency;
- (6) The use of credit information for the purposes of prescreening as provided for by the federal "Fair Credit Reporting Act," 15 U.S.C. s.1681 et seq.;

(7) Any person or entity administering a credit file monitoring subscription service to which the consumer has subscribed; or

(8) Any person or entity for the purpose of providing a consumer with a copy of the consumer's credit report upon the consumer's request.

m. (1) A consumer reporting agency shall not charge a consumer any fee to place a security freeze on that consumer's consumer report.

(2) A consumer reporting agency may charge a reasonable fee, not to exceed \$5, to a consumer who elects to remove or temporarily lift a security freeze on that consumer's consumer report.

(3) A consumer may be charged a reasonable fee, not to exceed \$5, if the consumer fails to retain the original personal identification number provided by the consumer reporting agency and must be reissued the same or a new personal identification number.

L.2005,c.226,s.5.

56:11-47 Actions of consumer reporting agency relative to security freeze.

6. If a security freeze is in place, a consumer reporting agency shall not change any of the following official information in a consumer report without sending a written confirmation of the change to the consumer within 30 days of the change being posted to the consumer's file: name; date of birth; Social Security number; or address. Written confirmation is not required for technical modifications of a consumer's official information, including name and street abbreviations, complete spellings, or transposition of numbers or letters. In the case of an address change, the written confirmation shall be sent to both the new address and to the former address.

L.2005,c.226,s.6.

56:11-48 Inapplicability of sections 4 through 9 of act of resellers.

7. The provisions of sections 4 through 9 of this amendatory and supplementary act shall not apply to a consumer reporting agency that acts only as a reseller of credit information by assembling and merging information contained in the data base of another consumer reporting agency or multiple consumer reporting agencies, and does not maintain a permanent data base of credit information from which new consumer reports are produced, except that such a reseller of credit information shall honor any security freeze placed on a consumer report by another consumer reporting agency.

L.2005,c.226,s.7.

56:11-49 Entities not required to place security freeze in consumer report.

8. The following entities are not required to place a security freeze in a consumer report, pursuant to section 5 of this amendatory and supplementary act:

a. A check services company or fraud prevention services company, which issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payments; and

b. A demand deposit account information service company, which issues reports regarding account closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information regarding a consumer, to inquiring banks or other financial institutions for use only in reviewing a consumer request for a demand deposit account at the inquiring bank or financial institution.

L.2005,c.226,s.8.

56:11-50 Noncompliance, liability.

9. a. Any person who willfully fails to comply with the requirements of sections 4 through 9 of this amendatory and supplementary act shall be liable to a consumer as provided in section 11 of P.L.1997, c.172 (C.56:11-38).

b. Any person who is negligent in failing to comply with the requirements of sections 4 through 9 of this amendatory and supplementary act shall be liable to a consumer as provided in section 12 of P.L.1997, c.172 (C.56:11-39).

L.2005,c.226,s.9.

<p>Nevada (not yet codified) Chapter 598C of NRS (Senate Bill 80)</p>	<p>Purpose: Details how a security freeze can be used, by whom, for how much, and requirements for credit reporting agencies, users of consumer reports.</p>
	<p>Relevant points:</p> <ol style="list-style-type: none"> 1) Applies to any consumer [Section 3] 2) written request, certified mail [Section 3(1)] 3) Up to \$15 fee for placing; up to \$20 for various thaws with built-in increases allowed. [Section 5(1b)] No fee for ID theft victim with verified report. [Section 5(2)] 4) 5 days to implement a freeze, 10 days to confirm in writing [Section 3(2 and 3)] 5) 3 days to implement a thaw or remove freeze [Section 8(2)] 6) Provides list for whom law is inapplicable [Sections 11 and 12] 7) Requirements for credit reporting agencies for updates [Section 6] 8) Notification of rights section [Section 4] 9) Notice that freeze cannot be constructed negatively [Section 3(6)]

Section 1. Chapter 598C of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this act.

Section 2. "Security freeze" means a notice that is placed in the file of a consumer at the request of the consumer pursuant to section 3 of this act.

Section 3. 1. A consumer may place a security freeze in his file by making a request in writing by certified mail to the reporting agency. At the time of the request, the consumer must provide to the reporting agency sufficient identification to establish the identity of the consumer.

2. A reporting agency shall place a security freeze in the file of a consumer not later than 5 business days after the reporting agency receives a request from the consumer to place the security freeze in his file.

3. Not later than 10 business days after the placement of the security freeze in the file of the consumer, the reporting agency shall send written confirmation to the consumer of the placement of the security freeze in his file and provide the consumer with:

(a) A unique personal identification number or password, which is not the social security number of the consumer, to be used by the consumer to authorize the temporary release of the consumer report pursuant to section 8 of this act or the removal of a security freeze from the file pursuant to section 9 of this act;

(b) Information explaining the procedures by which a consumer may contact the reporting agency to authorize the temporary release of his consumer report pursuant to section 8 of this act or the removal of a security freeze from his file pursuant to section 9 of this act; and

(c) The written disclosure required pursuant to section 4 of this act.

4. A consumer may request in writing a replacement personal identification number or password. At the time of the request, the consumer must provide to the reporting agency sufficient identification to establish the identity of the consumer with a new, unique personal identification number or password, which is not the social security number of the consumer, to be used by the consumer instead of the number or password that was provided pursuant to paragraph (a) of subsection 3.

5. Except as otherwise provided in sections 8, 9 and 10 of this act, a reporting agency shall not remove a security freeze placed in the file of a consumer.

6. The presence of a security freeze in the file of a consumer must not be considered to be an adverse factor in the consumer's credit worthiness, credit standing or credit capacity.

Section 4. If a consumer requests that a security freeze be placed in his file, a reporting agency shall provide a written disclosure of the rights of the consumer. The written disclosure is sufficient if it is in substantially the following form:

You have a right to place a security freeze in your file which will prohibit a reporting agency from releasing any information in your file without your express authorization. A security freeze must be requested in writing by certified mail. The security freeze is designed to prevent a reporting

agency from releasing your consumer report without your consent. However, you should be aware that using a security freeze to take control over who is allowed access to the personal and financial information in your file may delay, interfere with or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, insurance, government services or payments, rental housing, employment, investment, license, cellular telephone, utilities, digital signature, Internet credit card transaction or other services, including an extension of credit at point of sale. When you place a security freeze in your file, you will be provided a personal identification number or password to use if you choose to remove the security freeze from your file or to authorize the temporary release of your consumer report for a specific person or period after the security freeze is in place. To provide that authorization, you must contact the reporting agency and provide all the following:

1. Sufficient identification to verify your identity.
2. Your personal identification number or password provided by the reporting agency.
3. A statement that you choose to remove the security freeze from your file or that you authorize the reporting agency to temporarily release your consumer report. If you authorize the temporary release of your consumer report, you must name the person who is to receive your consumer report or the period for which your consumer report must be available.

A reporting agency must remove the security freeze from your file or authorize the temporary release of your consumer report not later than 3 business days after receiving the above information.

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

Section 5. 1. Except as otherwise provided in this section:

(a) A reporting agency may charge a consumer a reasonable fee, not to exceed \$15, to place a security freeze in his file.

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

- (1) Not to exceed \$18, to remove the security freeze from his file pursuant to section 9 of this act.
- (2) Not to exceed \$18, to temporarily release his consumer report for a specified period pursuant to section 8 of this act.
- (3) Not to exceed \$20, to temporarily release his consumer report to a specific person pursuant to section 8 of this act.

2. A reporting agency may not charge a consumer the fees set forth in subsection 1 to place a security freeze in his file, to temporarily release his consumer report for a specific period or to a specific person, or to remove a security freeze from his file if the consumer is a victim of identity theft and the consumer submits, at the time the security freeze is requested, a valid copy of a police report, investigative report or complaint which the consumer has filed with a law enforcement agency regarding the unlawful use of the personal information of the consumer by another person.

3. On January 1 of each year, a reporting agency may increase the fees set forth in subsection 1 based proportionally on changes to the Consumer Price Index of All Urban Consumers, as determined by the United States Department of Labor, with fractional changes rounded to the nearest 25 cents.

Section 6. 1. After a security freeze has been placed in the file of a consumer, a reporting agency shall not make any changes to the file of the consumer relating to:

- (a) The name of the consumer;
- (b) The date of birth of the consumer;
- (c) The social security number of the consumer; or
- (d) The address of the consumer,

unless the reporting agency sends written confirmation of the change to the consumer not later than 30 calendar days after the change is posted to the file of the consumer.

2. If the reporting agency changes the address of the consumer, the reporting agency must send written confirmation of the change of address to both the new address and the former address of the consumer.

3. The provisions of this section do not require a reporting agency to send written confirmation to a consumer concerning technical corrections made by the reporting agency to information in the file of the consumer, including, without limitation, technical corrections involving the abbreviation of a name or street, the transposition of numbers or letters, or the misspelling of a word.

Section 7. 1. Except as otherwise provided in sections 8 to 11, inclusive, of this act, if a security freeze has been placed in the file of a consumer, a reporting agency shall not provide a consumer report of that consumer to any person.

2. If, in connection with an application for credit or any other use, a third party requests access to a consumer report on which a security freeze is in effect and the consumer does not allow his consumer report to be accessed for that specific third party or period of time, the third party may treat the application as incomplete.

Section 8. 1. To authorize the temporary release of a consumer report after a security freeze has been placed in the file of the consumer, the consumer must contact the reporting agency and request that his consumer report be temporarily release to a specific person or for a specific period. At the time of the request, the consumer must provide to the reporting agency:

(a) Sufficient identification to establish the identity of the consumer;
(b) The personal identification number or password provided by the reporting agency pursuant to paragraph (a) of subsection 3 of section 3 of this act; and

(c) Information regarding the specific person or the specific period for which the consumer report must be temporarily release.

2. A reporting agency that receives a request from a consumer pursuant to subsection 1 shall, not later than 3 business days after receiving the request, temporarily release the consumer report to the specific person or for the specific period requested by the consumer.

3. A reporting agency shall develop procedures for a consumer to contact the reporting agency to authorize the temporary release of his consumer report pursuant to subsection 1. These procedures may include, without limitation, the use of the telephone, facsimile machine, the Internet or other electronic media by a consumer to authorize the temporary release of his consumer report in an expedited manner.

Section 9. 1. To authorize the removal of a security freeze that has been placed in the file of a consumer, the consumer must contact the reporting agency and request that the security freeze be removed. At the time of the request, the consumer must provide to the reporting agency:

(a) Sufficient identification to establish the identity of the consumer; and
(b) The personal identification number or password provided by the reporting agency pursuant to paragraph (a) of subsection 3 of section 3 of this act.

2. A reporting agency that receives a request from a consumer pursuant to subsection 1 shall, not later than 3 business days after receiving the request;

(a) Remove the security freeze from the file of the consumer; and
(b) Send written notice to the consumer that the security freeze has been removed from the file of the consumer.

3. A reporting agency shall develop procedures for a consumer to contact the reporting agency to authorize the removal of a security freeze pursuant to subsection 1. These procedures may include, without limitation, the use of a telephone, a facsimile machine, the Internet or other electronic media by a consumer to authorize the removal of a security freeze in an expedited manner.

Section 10. 1. A reporting agency may remove a security freeze from the file of a consumer if the reporting agency has a reasonable belief that:

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

(b) The consumer placed the security freeze in his file for the purposes of:

- (1) Committing fraud;
- (2) Committing any other act prohibited by law; or
- (3) Aiding and abetting any act prohibited by law.

2. If a reporting agency intends to remove a security freeze from the file of a consumer pursuant to subsection 1, the reporting agency shall send written notice to the consumer before removing the security freeze.

Section 11. Notwithstanding that a security freeze has been placed in the file of a consumer, a reporting agency may release the consumer report of the consumer to:

1. A person with whom the consumer has an existing business relationship, or the subsidiary, affiliate or agent of that person, for any purpose relating to that business relationship.

2. A licensed collection agency to which an account of the consumer has been assigned for the purposes of collection.

3. A person with whom the consumer has an account or contract or to whom the consumer has issued a negotiable instrument, or the subsidiary, affiliate, agent, assignee or prospective assignee of that person, for purposes relating to that account, contract or negotiable instrument.

4. A person seeking to use information in the file of the consumer for the purposes of prescreening pursuant to the Fair Credit Reporting Act, 15 U.S.C. §§1681 et seq.
5. A subsidiary, affiliate, agent, assignee or prospective assignee of a person to whom access has been granted pursuant to section 8 of this act for the purposes of facilitating the extension of credit.
6. A person seeking to provide the consumer with a copy of the consumer report or the credit score of the consumer upon the request of the consumer.
7. A person administering a credit file monitoring subscription service to which the consumer has subscribed.
8. A person requesting the consumer report pursuant to a court order, warrant or subpoena.
9. A federal, state or local government entity, agency or instrumentality that is acting within the scope of its authority, including, without limitation, an agency which is seeking to collect child support payments pursuant to Part D of Title IV of the Social Security Act, 42 U.S. C. §§ 651 et seq.
10. A person holding a license issued by the Nevada Gaming Commission pursuant to title 41 of NRS, or the subsidiary, affiliate, agent, assignee or prospective assignee of that person, for purposes relating to any activities conducted pursuant to the license.
11. An employer, or the subsidiary, affiliate, agent, assignee or prospective assignee of that employer, for purposes of:
 - (a) Preemployment screenings relating to the consumer; or
 - (b) Decisions or investigations relating to the consumer's current or former employment with the employer.

Section 12. The following companies are not required to place a security freeze in the file of a consumer:

1. A check services or fraud prevention services company which issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers or similar methods of payments.
2. A deposit account information service company which issues reports regarding account closures because of fraud, substantial overdrafts, abuse of automatic teller machines or similar negative information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.
3. A reporting agency which acts only as a reseller of credit information by assembling and merging information contained in the database of another reporting agency or in the databases of multiple reporting agencies and which does not maintain a permanent database of consumer credit information from which new consumer reports are produced. Such a reporting agency shall honor any security freeze placed on a consumer report by another reporting agency.

Section 13. NRS 598C.010 is hereby amended to read as follows:

598C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 598C.020 to 598C100, inclusive and section 2 of this act have the meanings ascribed to them in those sections.