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HOUSE BILL 2648

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State of Washington                      59th Legislature                      2006 Regular Session

By Representatives Sells, Wallace, Appleton, Ormsby, Springer,  
Lovick, Green, Hasegawa, Kessler and Roberts

Read first time 01/11/2006.      Referred to Committee on Financial  
Institutions & Insurance.

1            AN ACT Relating to security freezes for victims of identity theft;  
2 and amending RCW 19.182.170.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 19.182.170 and 2005 c 342 s 1 are each amended to read  
5 as follows:

6            (1) A victim of identity theft who has submitted a valid police  
7 report to a consumer reporting agency may elect to place a security  
8 freeze on his or her report by making a request in writing by certified  
9 mail to a consumer reporting agency. "Security freeze" means a notice  
10 placed in a consumer's credit report, at the request of the consumer  
11 and subject to certain exceptions, that prohibits the consumer  
12 reporting agency from releasing the consumer's credit report or any  
13 information from it without the express authorization of the consumer.  
14 If a security freeze is in place, information from a consumer's credit  
15 report may not be released to a third party without prior express  
16 authorization from the consumer. This subsection does not prevent a  
17 consumer reporting agency from advising a third party that a security  
18 freeze is in effect with respect to the consumer's credit report.

1 (2) For purposes of this section and RCW 19.182.180 through  
2 19.182.210, a "victim of identity theft" means:

3 (a) A victim of identity theft as defined in RCW 9.35.020; or

4 (b) A person who has been notified by an agency, person, or  
5 business that owns or licenses computerized data of a breach in a  
6 computerized data system which has resulted in the acquisition of that  
7 person's unencrypted personal information by an unauthorized person or  
8 entity.

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

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

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

22 (a) Proper identification, which means that information generally  
23 deemed sufficient to identify a person. Only if the consumer is unable  
24 to sufficiently identify himself or herself, may a consumer reporting  
25 agency require additional information concerning the consumer's  
26 employment and personal or family history in order to verify his or her  
27 identity;

28 (b) The unique personal identification number or password provided  
29 by the credit reporting agency under subsection (4) of this section;  
30 and

31 (c) The proper information regarding the third party who is to  
32 receive the credit report or the time period for which the report is  
33 available to users of the credit report.

34 (6) A consumer reporting agency that receives a request from a  
35 consumer to temporarily lift a freeze on a credit report under  
36 subsection (5) of this section, shall comply with the request no later  
37 than three business days after receiving the request.

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

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

9 (a) Upon consumer request, under subsection (5) or (11) of this  
10 section; or

11 (b) When the consumer's credit report was frozen due to a material  
12 misrepresentation of fact by the consumer. When a consumer reporting  
13 agency intends to remove a freeze upon a consumer's credit report under  
14 this subsection, the consumer reporting agency shall notify the  
15 consumer in writing prior to removing the freeze on the consumer's  
16 credit report.

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

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

28 (11) A security freeze remains in place until the consumer requests  
29 that the security freeze be removed. A consumer reporting agency shall  
30 remove a security freeze within three business days of receiving a  
31 request for removal from the consumer, who provides both of the  
32 following:

33 (a) Proper identification, as defined in subsection (5)(a) of this  
34 section; and

35 (b) The unique personal identification number or password provided  
36 by the consumer reporting agency under subsection (4) of this section.

37 (12) This section does not apply to the use of a consumer credit  
38 report by any of the following:

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

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

18 (c) Any federal, state, or local entity, including a law  
19 enforcement agency, court, or their agents or assigns;

20 (d) A private collection agency acting under a court order,  
21 warrant, or subpoena;

22 (e) A child support agency acting under Title IV-D of the social  
23 security act (42 U.S.C. et seq.);

24 (f) The department of social and health services acting to fulfill  
25 any of its statutory responsibilities;

26 (g) The internal revenue service acting to investigate or collect  
27 delinquent taxes or unpaid court orders or to fulfill any of its other  
28 statutory responsibilities;

29 (h) The use of credit information for the purposes of prescreening  
30 as provided for by the federal fair credit reporting act;

31 (i) Any person or entity administering a credit file monitoring  
32 subscription service to which the consumer has subscribed; (~~and~~)

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

35 (k) An insurance company authorized to do business in Washington  
36 state; and

1        (1) A mortgage broker licensed and regulated by the department of  
2 financial institutions.

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