

SSB 5826 - H COMM AMD

By Committee on Insurance, Financial Services & Consumer Protection

ADOPTED 04/04/2007

1 Strike everything after the enacting clause and insert the
2 following:

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

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

23 (2) For purposes of this section and RCW 19.182.180 through
24 19.182.210(~~(, a)~~):

25 (a) "Victim of identity theft" means((÷

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

27 ~~(b) A person who has been notified by an agency, person, or~~
28 ~~business that owns or licenses computerized data of a breach in a~~
29 ~~computerized data system which has resulted in the acquisition of that~~
30 ~~person's unencrypted personal information by an unauthorized person or~~

1 entity)) a person who has a police report evidencing their claim to be
2 a victim of a violation of RCW 9.35.020 and which report will be
3 produced to a consumer reporting agency, upon such consumer reporting
4 agency's request.

5 (b) "Credit report" means a consumer report, as defined in 15
6 U.S.C. Sec. 1681a, that is used or collected to serve as a factor in
7 establishing a consumer's eligibility for credit for personal, family,
8 or household purposes.

9 (c) "Normal business hours" means Sunday through Saturday, between
10 the hours of 6:00 a.m. and 9:30 p.m. Pacific Time.

11 (3) A consumer reporting agency shall place a security freeze on a
12 consumer's credit report no later than five business days after
13 receiving a written request from the consumer and payment of the fee
14 required by the consumer reporting agency under subsection (13) of this
15 section.

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

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

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

33 (b) The unique personal identification number or password provided
34 by the (~~credit~~) consumer reporting agency under subsection (4) of
35 this section; (~~and~~)

36 (c) The proper information regarding (~~the third party who is to~~
37 ~~receive the credit report or~~) the time period for which the report is
38 available to users of the credit report; and

1 (d) Payment of the fee required by the consumer reporting agency
2 under subsection (13) of this section.

3 (6) A consumer reporting agency that receives a request from a
4 consumer to temporarily lift a freeze on a credit report under
5 subsection (5) of this section(~~(7)~~) shall comply with the request (~~no~~
6 ~~later than~~) within:

7 (a) Three business days (~~after~~) of receiving the request by mail;
8 or

9 (b) Fifteen minutes of receiving the request from the consumer
10 through the electronic contact method chosen by the consumer reporting
11 agency in accordance with subsection (8) of this section, if the
12 request:

13 (i) Is received during normal business hours; and
14 (ii) Includes the consumer's proper identification and correct
15 personal identification number or password.

16 (7) A consumer reporting agency is not required to remove a
17 security freeze within the time provided in subsection (6)(b) of this
18 section if:

19 (a) The consumer fails to meet the requirements of subsection (5)
20 of this section; or

21 (b) The consumer reporting agency's ability to remove the security
22 freeze within fifteen minutes is prevented by:

23 (i) An act of God, including fire, earthquakes, hurricanes, storms,
24 or similar natural disasters or phenomena;

25 (ii) Unauthorized or illegal acts by a third party, including
26 terrorism, sabotage, riot, vandalism, labor strikes, or disputes
27 disrupting operations, or similar occurrences;

28 (iii) An interruption in operations, including electrical failure,
29 unanticipated delay in equipment or replacement part delivery, computer
30 hardware or software failures inhibiting response time, or similar
31 disruptions;

32 (iv) Governmental action, including emergency orders or
33 regulations, judicial or law enforcement action, or similar directives;

34 (v) Regularly scheduled maintenance of, or updates to, the consumer
35 reporting agency's systems outside of normal business hours;

36 (vi) Commercially reasonable maintenance of, or repair to, the
37 consumer reporting agency's systems that is unexpected or unscheduled;

38 or

1 (vii) Receipt of a removal request outside of normal business
2 hours.

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

8 ~~((+8+))~~ (9) A consumer reporting agency shall remove or temporarily
9 lift a freeze placed on a consumer's credit report only in the
10 following cases:

11 (a) Upon consumer request, under subsection (5) or ~~((+11+))~~ (12) of
12 this section; or

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

19 ~~((+9+))~~ (10) When a third party requests access to a consumer
20 credit report on which a security freeze is in effect, and this request
21 is in connection with an application for credit or any other use, and
22 the consumer does not allow his or her credit report to be accessed for
23 that ~~((specific party or))~~ period of time, the third party may treat
24 the application as incomplete.

25 ~~((+10+))~~ (11) When a consumer requests a security freeze, the
26 consumer reporting agency shall disclose the process of placing and
27 temporarily lifting a freeze, and the process for allowing access to
28 information from the consumer's credit report for a specific ~~((party~~
29 ~~or))~~ period of time while the freeze is in place.

30 ~~((+11+))~~ (12) A security freeze remains in place until the consumer
31 requests that the security freeze be removed. A consumer reporting
32 agency shall remove a security freeze within three business days of
33 receiving a request for removal from the consumer, who provides
34 ~~((both))~~ all of the following:

35 (a) Proper identification, as defined in subsection (5)(a) of this
36 section; ~~((and))~~

37 (b) The unique personal identification number or password provided

1 by the consumer reporting agency under subsection (4) of this section;
2 and

3 (c) Payment of the fee required by the consumer reporting agency
4 under subsection (13) of this section.

5 ~~((+12+))~~ (13)(a) Except as provided in (b) of this subsection, a
6 consumer reporting agency may charge a fee of no more than ten dollars
7 to a consumer for placement of each freeze, temporary lift of the
8 freeze, or removal of the freeze.

9 (b) A consumer reporting agency may not charge a fee to place a
10 security freeze for a victim of identity theft or for a consumer, who
11 is sixty-five years old or older.

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

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

27 ~~(b) ((A subsidiary, affiliate, agent, assignee, or prospective~~
28 ~~assignee of a person to whom access has been granted under subsection~~
29 ~~(5) of this section for purposes of facilitating the extension of~~
30 ~~credit or other permissible use;~~

31 ~~(e+))~~ Any federal, state, or local entity, including a law
32 enforcement agency, court, or their agents or assigns;

33 ~~((d) A private collection agency))~~ (c) Any person acting under a
34 court order, warrant, or subpoena;

35 ~~((e+))~~ (d) A child support agency acting under Title IV-D of the
36 social security act (42 U.S.C. et seq.);

37 ~~((f+))~~ (e) The department of social and health services acting to
38 fulfill any of its statutory responsibilities;

1 ~~((g))~~ (f) The internal revenue service acting to investigate or
2 collect delinquent taxes or unpaid court orders or to fulfill any of
3 its other statutory responsibilities;

4 ~~((h))~~ (g) The use of credit information for the purposes of
5 prescreening as provided for by the federal fair credit reporting act;

6 ~~((i))~~ (h) Any person or entity administering a credit file
7 monitoring subscription service to which the consumer has subscribed;
8 (~~and~~

9 ~~((j))~~ (i) Any person or entity for the purpose of providing a
10 consumer with a copy of his or her credit report upon the consumer's
11 request; and

12 (j) A mortgage broker or loan originator required to be licensed
13 under chapter 19.146 RCW.

14 (15) Liability may not result to the consumer reporting agency if
15 through inadvertence or mistake the consumer reporting agency releases
16 credit report information to a person or entity purporting to be a
17 mortgage broker or loan originator under subsection (14) of this
18 section that is, in fact, not a mortgage broker or loan originator.

19 (16) The consumer's request for a security freeze does not prohibit
20 the consumer reporting agency from disclosing the consumer's credit
21 report for other than credit-related purposes.

22 (17) A violation of subsection (6) of this section does not provide
23 a private cause of action under RCW 19.86.090. A violation of
24 subsection (6) of this section shall be enforced exclusively by the
25 attorney general. A violation of subsection (6) of this section is
26 subject to all other remedies and penalties available under this
27 chapter.

28 NEW SECTION. Sec. 2. This act takes effect September 1, 2008."

EFFECT: Changes the effective date of the act from July 1, 2009,
to September 1, 2008. The reference to Pacific Standard Time is
changed to Pacific Time. A number of technical changes are made to
correct references to a consumer reporting agency. A technical
correction is made to change the term credit reporting agency to
consumer reporting agency. The exclusive ability for the Attorney

General to enforce violations of the time frames concerning a lift of a consumer freeze is clarified.

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