
Business & Financial Services Committee

HB 2277

Brief Description: Concerning consumer reporting agency security freeze fees.

Sponsors: Representatives Eslick, Macri and Young.

Brief Summary of Bill

- Prohibits consumer reporting agencies from charging a fee for one placement, lift, and, removal of a security freeze per consumer, per calendar year.
- Prohibits consumer reporting agencies from charging a fee for up to three placements, lifts, and removals of a security freeze per calendar year for victims of identity theft and consumers that believe their personal or financial data has been breached.
- Adds the reissuance of a personal identification number to a consumer to the list of activities a credit reporting agency may charge a fee for.

Hearing Date: 1/17/18

Staff: Robbi Kesler (786-7153).

Background:

A consumer reporting agency (agency) collects consumer information including payment history, information regarding open accounts, and outstanding balances in order to monitor a person's financial history to compile a credit report. Third parties may access consumer credit reports for a valid business need, such as extending credit, or in some circumstances for employment related reasons.

Any consumer in Washington may request that an agency place a security freeze on his or her credit report. The request for a security freeze must be submitted in writing via certified mail to the agency. Once the agency has received a security freeze request the agency must place the security freeze within five business days. Within ten business days, an agency must send the

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consumer written confirmation of the security freeze and provide the consumer with a personal identification number to be used when later authorizing a lift or removal of the freeze

Subject to certain exceptions, the agency is then prohibited from releasing the report, or information from the report, without the consumer's express permission. A consumer's request for a security freeze does not prohibit the release of the consumer's credit report for purposes that are not credit-related.

Currently, the agency may charge up to \$10 for placing, temporarily lifting, or removing a security freeze. An agency may not charge a fee to place a security freeze for victims of identity theft that have provided a copy of a police report evidencing the claim, or to persons age 65 years or older.

In addition, there are similar processes in place for a personal representative to request a security freeze on the behalf of a protected person. An agency may charge a fee for security freeze placement or removal for a protected person that is a victim of identity theft or a protected person under the age of 16 that already have a consumer report on file.

Summary of Bill:

A credit reporting agency may charge a fee of no more than ten dollars to reissue a personal identification number to a consumer.

A credit reporting agency may not charge a fee for:

- one security freeze placement, temporary lift, or removal per consumer, per calendar year; nor
- the first three security freeze placements, temporary lifts, or removals per consumer per calendar year for victims of identity theft or consumers that believe their personal or financial data has been compromised.

The same provisions are included in the section related to security freeze fees for protected persons.

There is no change to the fee prohibition on security freeze placements, temporary lifts, and removals for persons age sixty five or older, and minors under the age of sixteen.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.