

---

HOUSE BILL 2354

---

State of Washington

65th Legislature

2018 Regular Session

By Representatives Pellicciotti, Pettigrew, Santos, Valdez, Reeves, Macri, Ormsby, and Pollet

Prefiled 01/03/18. Read first time 01/08/18. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to fees for security freezes by consumer  
2 reporting agencies; 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 2007 c 499 s 1 are each amended to  
5 read as follows:

6 (1) A consumer, who is a resident of this state, may elect to  
7 place a security freeze on his or her credit report by making a  
8 request in writing by certified mail to a consumer reporting agency.  
9 "Security freeze" means a prohibition, consistent with this section,  
10 on a consumer reporting agency's furnishing of a consumer's credit  
11 report to a third party intending to use the credit report to  
12 determine the consumer's eligibility for credit. If a security freeze  
13 is in place, information from a consumer's credit report may not be  
14 released to a third party without prior express authorization from  
15 the consumer. This subsection does not prevent a consumer reporting  
16 agency from advising a third party that a security freeze is in  
17 effect with respect to the consumer's credit report.

18 (2) For purposes of this section and RCW 19.182.180 through  
19 19.182.210:

20 (a) "Victim of identity theft" means a person who has a police  
21 report evidencing their claim to be a victim of a violation of RCW

1 9.35.020 and which report will be produced to a consumer reporting  
2 agency, upon such consumer reporting agency's request.

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

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

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

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

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

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

30 (b) The unique personal identification number or password  
31 provided by the consumer reporting agency under subsection (4) of  
32 this section;

33 (c) The proper information regarding the time period for which  
34 the report is available to users of the credit report; and

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

37 (6) A consumer reporting agency that receives a request from a  
38 consumer to temporarily lift a freeze on a credit report under  
39 subsection (5) of this section shall comply with the request within:

40 (a) Three business days of receiving the request by mail; or

1 (b) Fifteen minutes of receiving the request from the consumer  
2 through the electronic contact method chosen by the consumer  
3 reporting agency in accordance with subsection (8) of this section,  
4 if the request:

5 (i) Is received during normal business hours; and

6 (ii) Includes the consumer's proper identification and correct  
7 personal identification number or password.

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

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

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

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

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

20 (iii) An interruption in operations, including electrical  
21 failure, unanticipated delay in equipment or replacement part  
22 delivery, computer hardware or software failures inhibiting response  
23 time, or similar disruptions;

24 (iv) Governmental action, including emergency orders or  
25 regulations, judicial or law enforcement action, or similar  
26 directives;

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

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

32 (vii) Receipt of a removal request outside of normal business  
33 hours.

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

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

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

6 (b) When the consumer's credit report was frozen due to a  
7 material misrepresentation of fact by the consumer. When a consumer  
8 reporting agency intends to remove a freeze upon a consumer's credit  
9 report under this subsection, the consumer reporting agency shall  
10 notify the consumer in writing prior to removing the freeze on the  
11 consumer's credit report.

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

18 (11) When a consumer requests a security freeze, the consumer  
19 reporting agency shall disclose the process of placing and  
20 temporarily lifting a freeze, and the process for allowing access to  
21 information from the consumer's credit report for a specific period  
22 of time while the freeze is in place.

23 (12) A security freeze remains in place until the consumer  
24 requests that the security freeze be removed. A consumer reporting  
25 agency shall remove a security freeze within three business days of  
26 receiving a request for removal from the consumer, who provides all  
27 of the following:

28 (a) Proper identification, as defined in subsection (5)(a) of  
29 this section;

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

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

35 (13)(a) Except as provided in (b) of this subsection, a consumer  
36 reporting agency may charge a fee of no more than ten dollars to a  
37 consumer for placement of each freeze, temporary lift of the freeze,  
38 or removal of the freeze.

1 (b) A consumer reporting agency may not charge a fee to place a  
2 security freeze, temporarily lift a security freeze, or remove the  
3 security freeze for:

4 (i) A victim of identity theft ((or for));

5 (ii) A person that certifies he or she has received notice of a  
6 security breach involving his or her personal or financial data and  
7 reasonably believes he or she may be at risk of fraudulent financial  
8 activity and originally requests a security freeze within nine months  
9 of receiving notice of the security breach; or

10 (iii) A consumer, who is sixty-five years old or older.

11 (c) Consumer reporting agencies must provide all consumers with  
12 clear and concise notice of the security freeze certification  
13 provided for in (b) of this subsection and make the process for  
14 certification clear and accessible to consumers.

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

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

30 (b) Any federal, state, or local entity, including a law  
31 enforcement agency, court, or their agents or assigns;

32 (c) Any person acting under a court order, warrant, or subpoena;

33 (d) A child support agency acting under Title IV-D of the social  
34 security act (42 U.S.C. 651 et seq.);

35 (e) The department of social and health services acting to  
36 fulfill any of its statutory responsibilities;

37 (f) The internal revenue service acting to investigate or collect  
38 delinquent taxes or unpaid court orders or to fulfill any of its  
39 other statutory responsibilities;

1 (g) The use of credit information for the purposes of  
2 prescreening as provided for by the federal fair credit reporting  
3 act;

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

6 (i) Any person or entity for the purpose of providing a consumer  
7 with a copy of his or her credit report upon the consumer's request;  
8 and

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

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

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

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

--- END ---