
HOUSE BILL 2384

State of Washington 65th Legislature 2018 Regular Session

By Representatives Hudgins, Valdez, Macri, Ormsby, Pollet, and
Appleton

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on Business & Financial Services.

1 AN ACT Relating to consumer reporting agency security freeze
2 fees; and amending RCW 19.182.170 and 19.182.230.

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~~
12 ~~fee required by the consumer reporting agency under subsection (13)~~
13 ~~of 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; and

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

35 ~~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; and

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~~
36 ~~consumer reporting agency may charge a fee of no more than ten~~
37 ~~dollars to a consumer for placement of each freeze, temporary lift of~~
38 ~~the freeze, or removal of the freeze.~~

39 ~~(b) A consumer reporting agency may not charge a fee to place a~~
40 ~~security freeze for a victim of identity theft or for a consumer, who~~

1 ~~is sixty five years old or older.))~~ A consumer reporting agency may
2 not impose a charge on a consumer for a request to place, temporarily
3 lift, or remove a freeze.

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

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

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

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

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

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

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

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

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

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

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

39 (15) Liability may not result to the consumer reporting agency if
40 through inadvertence or mistake the consumer reporting agency

1 releases credit report information to a person or entity purporting
2 to be a mortgage broker or loan originator under subsection (14) of
3 this section that is, in fact, not a mortgage broker or loan
4 originator.

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

8 (17) A violation of subsection (6) of this section does not
9 provide a private cause of action under RCW 19.86.090. A violation of
10 subsection (6) of this section shall be enforced exclusively by the
11 attorney general. A violation of subsection (6) of this section is
12 subject to all other remedies and penalties available under this
13 chapter.

14 **Sec. 2.** RCW 19.182.230 and 2016 c 135 s 2 are each amended to
15 read as follows:

16 (1) A consumer reporting agency shall place a security freeze for
17 a protected consumer if:

18 (a) The consumer reporting agency receives a request from the
19 protected consumer's representative for the placement of the security
20 freeze under this section; and

21 (b) The protected consumer's representative:

22 (i) Submits the request to the consumer reporting agency at the
23 address or other point of contact and in the manner specified by the
24 consumer reporting agency;

25 (ii) Provides to the consumer reporting agency sufficient proof
26 of identification of the protected consumer and the representative;
27 and

28 (iii) Provides to the consumer reporting agency sufficient proof
29 of authority to act on behalf of the protected consumer(~~and~~

30 ~~(iv) Pays to the consumer reporting agency a fee as provided in~~
31 ~~this section)).~~

32 (2) If a consumer reporting agency does not have a file
33 pertaining to a protected consumer when the consumer reporting agency
34 receives a request under subsection (1)(a) of this section, the
35 consumer reporting agency shall create a record for the protected
36 consumer.

37 (3) Within thirty days after receiving a request that meets the
38 requirements of subsection (1) of this section, a consumer reporting
39 agency shall place a security freeze for the protected consumer.

1 (4) Unless a security freeze for a protected consumer is removed
2 in accordance with subsection (6) or (9) of this section, a consumer
3 reporting agency may not release the protected consumer's consumer
4 report, any information derived from the protected consumer's
5 consumer report, or any record created for the protected consumer.

6 (5) A security freeze for a protected consumer placed in
7 accordance with this section shall remain in effect until:

8 (a) The protected consumer or the protected consumer's
9 representative requests the consumer reporting agency to remove the
10 security freeze in accordance with subsection (6) of this section; or

11 (b) The security freeze is removed in accordance with subsection
12 (9) of this section.

13 (6) If a protected consumer or a protected consumer's
14 representative wishes to remove a security freeze for the protected
15 consumer, the protected consumer or the protected consumer's
16 representative shall:

17 (a) Submit a request for the removal of the security freeze to
18 the consumer reporting agency at the address or other point of
19 contact and in the manner specified by the consumer reporting agency;

20 (b) Provide to the consumer reporting agency:

21 (i) In the case of a request by the protected consumer:

22 (A) Proof that the sufficient proof of authority for the
23 protected consumer's representative to act on behalf of the protected
24 consumer is no longer valid; and

25 (B) Sufficient proof of identification of the protected consumer;

26 and

27 (ii) In the case of a request by the representative of a
28 protected consumer:

29 (A) Sufficient proof of identification of the protected consumer
30 and the representative; and

31 (B) Sufficient proof of authority to act on behalf of the
32 protected consumer(~~(; and~~

33 ~~(iii) In any case, pay to the consumer reporting agency a fee as~~
34 ~~provided in this section)).~~

35 (7) Within thirty days after receiving a request that meets the
36 requirements of subsection (6) of this section, the consumer
37 reporting agency shall remove the security freeze for the protected
38 consumer.

1 ~~(8)((a) Except as provided in (b) of this subsection,))~~ A
2 consumer reporting agency may not charge a fee for any service
3 performed under this section.

4 ~~((b) A consumer reporting agency may charge a reasonable fee,~~
5 ~~not exceeding ten dollars, for each placement or removal of a~~
6 ~~security freeze for a protected consumer.~~

7 ~~(c) A consumer reporting agency may not charge any fee under this~~
8 ~~section if:~~

9 ~~(i) The protected consumer's representative:~~

10 ~~(A) Has obtained a report from a federal, state, county, or local~~
11 ~~law enforcement alleging identity theft in violation of RCW 9.35.020~~
12 ~~against the protected consumer; and~~

13 ~~(B) Provides a copy of the report to the consumer reporting~~
14 ~~agency; or~~

15 ~~(ii)(A) A request for the placement or removal of a security~~
16 ~~freeze is for a protected consumer who is under the age of sixteen~~
17 ~~years at the time of the request; and~~

18 ~~(B) The consumer reporting agency has a consumer report~~
19 ~~pertaining to the protected consumer.)~~

20 (9) A consumer reporting agency may remove a security freeze for
21 a protected consumer or delete a record of a protected consumer if
22 the security freeze was placed or the record was created based on a
23 material misrepresentation of fact by the protected consumer or the
24 protected consumer's representative.

25 (10) A violation of this section is enforced in accordance with
26 RCW 19.182.170(17).

27 (11) This section does not apply to:

28 (a) Persons or transactions described in RCW 19.182.170(14)(b),
29 (c), (d), (e), (f), (h), or (i);

30 (b) Persons or transactions described in RCW 19.182.190;

31 (c) Persons or transactions described in RCW 19.182.200; or

32 (d) A person or entity that maintains, or a database used solely
33 for, the following:

34 (i) Criminal record information;

35 (ii) Personal loss history information;

36 (iii) Fraud prevention or detection;

37 (iv) Employment screening; or

38 (v) Tenant screening.

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