
SENATE BILL 6014

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By Senators Frockt, Palumbo, Carlyle, Rolfes, Hunt, Saldaña, and Kuderer

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1 AN ACT Relating to automatic security freezes on consumer credit
2 reports; amending RCW 19.182.170; and adding a new section to chapter
3 19.182 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 19.182
6 RCW to read as follows:

7 (1) A consumer reporting agency that experiences a data breach
8 must:

9 (a) Automatically place a security freeze, not to exceed ninety
10 days, on the credit report of each affected consumer within seven
11 days of discovery of the data breach;

12 (b) Notify each affected consumer within seven days of the
13 placement of an automatic security freeze on his or her credit
14 report, disclose the process of temporarily lifting or removing an
15 automatic security freeze under this section, and provide each
16 affected consumer with a unique personal identification number or
17 password to be used by the affected consumer when providing
18 authorization to temporarily lift or remove an automatic security
19 freeze from his or her credit report; and

20 (c) Notify the attorney general of the data breach within seven
21 days of discovery of the data breach.

1 (2) If an affected consumer wishes to temporarily lift an
2 automatic security freeze from his or her credit report, he or she
3 must contact the consumer reporting agency, request that the freeze
4 be temporarily lifted, and provide the following information:

5 (a) Proper identification, or information generally deemed
6 sufficient to identify a person. A consumer reporting agency may
7 require additional information concerning the affected consumer's
8 employment and personal or family history in order to verify his or
9 her identity only if the affected consumer is unable to sufficiently
10 identify himself or herself;

11 (b) The unique personal identification number or password
12 provided to the affected consumer by the consumer reporting agency
13 under subsection (1) of this section; and

14 (c) Proper information regarding the specific party or parties
15 allowed to access the affected consumer's credit report or the period
16 of time during which release of the affected consumer's credit report
17 is allowed.

18 (3) If an affected consumer wishes to remove an automatic
19 security freeze from his or her credit report, he or she must contact
20 the consumer reporting agency, request that the freeze be removed,
21 and provide the information required in subsection (2)(a) and (b) of
22 this section.

23 (4) If an affected consumer's request to temporarily lift or
24 remove an automatic security freeze from his or her credit report
25 meets the requirements in subsection (2) or (3) of this section, a
26 consumer reporting agency must respond to the affected consumer's
27 request in accordance within the time frame established by RCW
28 19.182.170 (6), (7), and (8).

29 (5) An automatic security freeze must remain in place until the
30 affected consumer requests that the freeze be removed, or until the
31 automatic security freeze has lasted ninety days, whichever occurs
32 first.

33 (6) A consumer reporting agency may not charge a fee for any
34 service performed under this section.

35 (7) A violation of this section is enforced in accordance with
36 RCW 19.182.170(17).

37 (8) For the purposes of this section:

38 (a) "Affected consumer" means a consumer affected by a data
39 breach at a consumer reporting agency.

1 (b) "Automatic security freeze" means a "security freeze," as
2 defined in RCW 19.182.170(1), that a consumer reporting agency is
3 required to place on an affected consumer's credit report under
4 subsection (1) of this section.

5 (c) "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,
8 family, or household purposes.

9 (d) "Data breach" means an unauthorized acquisition of data that
10 compromises the security, confidentiality, or integrity of consumer
11 information maintained by a consumer reporting agency.

12 **Sec. 2.** RCW 19.182.170 and 2007 c 499 s 1 are each amended to
13 read as follows:

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

26 (2) For purposes of this section and RCW 19.182.180 through
27 19.182.210:

28 (a) "Victim of identity theft" means a person who has a police
29 report evidencing their claim to be a victim of a violation of RCW
30 9.35.020 and which report will be produced to a consumer reporting
31 agency, upon such consumer reporting agency's request.

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

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

38 (3) A consumer reporting agency shall place a security freeze on
39 a consumer's credit report no later than five business days after

1 receiving a written request from the consumer and payment of the fee
2 required by the consumer reporting agency under subsection (13) of
3 this section.

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

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

14 (a) Proper identification, which means that information generally
15 deemed sufficient to identify a person. Only if the consumer is
16 unable to sufficiently identify himself or herself, may a consumer
17 reporting agency require additional information concerning the
18 consumer's employment and personal or family history in order to
19 verify his or her identity;

20 (b) The unique personal identification number or password
21 provided by the consumer reporting agency under subsection (4) of
22 this section;

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

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

27 (6) A consumer reporting agency that receives a request from a
28 consumer to temporarily lift a freeze on a credit report under
29 subsection (5) of this section or a request from an affected consumer
30 to temporarily lift or remove an automatic security freeze from a
31 credit report under section 1 of this act shall comply with the
32 request within:

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

34 (b) Fifteen minutes of receiving the request from the consumer
35 through the electronic contact method chosen by the consumer
36 reporting agency in accordance with subsection (8) of this section,
37 if the request:

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

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

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

4 (a) The consumer fails to meet the requirements of subsection (5)
5 of this section or, in the case of a request to temporarily lift or
6 remove an automatic security freeze, the requirements of section 1
7 (2) or (3) of this act; or

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

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

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

15 (iii) An interruption in operations, including electrical
16 failure, unanticipated delay in equipment or replacement part
17 delivery, computer hardware or software failures inhibiting response
18 time, or similar disruptions;

19 (iv) Governmental action, including emergency orders or
20 regulations, judicial or law enforcement action, or similar
21 directives;

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

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

27 (vii) Receipt of a removal request outside of normal business
28 hours.

29 (8) A consumer reporting agency may develop procedures involving
30 the use of telephone, fax, the internet, or other electronic media to
31 receive and process a request from a consumer to temporarily lift a
32 freeze on a credit report under subsection (5) of this section or a
33 request from an affected consumer to temporarily lift or remove an
34 automatic security freeze from a credit report under section 1 of
35 this act in an expedited manner.

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

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

1 (b) When the consumer's credit report was frozen due to a
2 material misrepresentation of fact by the consumer. When a consumer
3 reporting agency intends to remove a freeze upon a consumer's credit
4 report under this subsection, the consumer reporting agency shall
5 notify the consumer in writing prior to removing the freeze on the
6 consumer's credit report.

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

13 (11) When a consumer requests a security freeze, the consumer
14 reporting agency shall disclose the process of placing and
15 temporarily lifting a freeze, and the process for allowing access to
16 information from the consumer's credit report for a specific period
17 of time while the freeze is in place.

18 (12) A security freeze remains in place until the consumer
19 requests that the security freeze be removed. A consumer reporting
20 agency shall remove a security freeze within three business days of
21 receiving a request for removal from the consumer, who provides all
22 of the following:

23 (a) Proper identification, as defined in subsection (5)(a) of
24 this section;

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

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

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

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

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

39 (a) A person or entity, or a subsidiary, affiliate, or agent of
40 that person or entity, or an assignee of a financial obligation owing

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

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

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

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

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

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

22 (g) The use of credit information for the purposes of
23 prescreening as provided for by the federal fair credit reporting
24 act;

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

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

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

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

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

1 (17) A violation of subsection (6) of this section or section 1
2 of this act does not provide a private cause of action under RCW
3 19.86.090. A violation of subsection (6) of this section or section 1
4 of this act shall be enforced exclusively by the attorney general. A
5 violation of subsection (6) of this section or section 1 of this act
6 is subject to all other remedies and penalties available under this
7 chapter.

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