

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1809 & 2173**  
**94TH GENERAL ASSEMBLY**

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Reported from the Committee on Special Committee on Financial Institutions March 6, 2008 with recommendation that House Committee Substitute for House Bill No. 1809 & 2173 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

3552L.04C

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**AN ACT**

To amend chapter 407, RSMo, by adding thereto three new sections relating to security freezes, with an effective date.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 407, RSMo, is amended by adding thereto three new sections, to be known as sections 407.1380, 407.1382, and 407.1384, to read as follows:

**407.1380. As used in sections 407.1380 to 407.1384, the following terms shall mean:**

(1) "Consumer", any individual;

(2) "Consumer credit reporting agency", any entity that, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages, in whole or in part, in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer credit reports to third parties;

(3) "Credit report", any written or electronic communication of any information by a consumer credit reporting agency that in any way bears upon a person's credit worthiness, credit capacity, or credit standing;

(4) "Security freeze", a notice placed in a consumer's credit report, at the request of the consumer and subject to certain exceptions, that prohibits the consumer credit reporting agency from releasing the consumer's credit report or score relating to the extension of credit.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

**407.1382. 1. A consumer may request that a consumer credit reporting agency place a security freeze on that consumer's credit report, if that request is made:**

**(1) In writing by certified mail; or**

**(2) By other reliable means, including Internet, telephone, or other secure electronic means if provided by the consumer credit reporting agency; and**

**(3) Proper identification is presented to adequately identify the requestor as the consumer subject to the credit report.**

**2. A consumer credit reporting agency shall honor a consumer's request for a security freeze within five business days of receipt of such request. A consumer credit reporting agency may assess a fee up to ten dollars for any placement or temporary lift of a security freeze. No fee shall be charged for a removal of a security freeze.**

**3. A consumer credit reporting agency shall, within ten business days of placing a security freeze on the consumer's credit report, send the consumer:**

**(1) Written confirmation of compliance with the consumer's request;**

**(2) Instructions explaining the process of placing, removing, and temporarily lifting a security freeze for allowing access to information from the consumer's credit report for a specific period of time;**

**(3) A unique temporary personal identification number or password to be used by the consumer to temporarily lift or permanently remove the security freeze.**

**4. A consumer credit reporting agency shall not furnish a credit report to any person if the consumer who is subject to the credit report has requested a security freeze be placed on that report unless the credit report:**

**(1) Is requested by the consumer who is subject to the report;**

**(2) Is furnished under a court order;**

**(3) Is furnished during a period in which the consumer has temporarily removed the freeze;**

**(4) Is requested for the purposes of prescreening as provided by the Fair Credit Reporting Act under 15 U.S.C. 1681 et seq.;**

**(5) Is requested by a child support enforcement agency;**

**(6) Is requested for use in setting or adjusting a rate, underwriting, adjusting a claim, or servicing a policy for insurance purposes;**

**(7) Is furnished to a person, or the subsidiary, affiliate, agent, assignee, or prospective assignee of such person, with whom the consumer has or prior to the assignment had an account, contract, or a debtor-creditor relationship, including a demand deposit account, or to whom the consumer issued a negotiable instrument for the purpose of account review or collecting the financial obligation owing for the account contract or**

37 debt. For purposes of this section, account review includes activities related to account  
38 maintenance, monitoring, credit line increases, and account upgrades and enhancements;

39 (8) Is requested by the state or its agents or assigns for the purpose of investigating  
40 fraud or investigating or collecting delinquent taxes;

41 (9) Is requested by a person or entity administering a credit file monitoring service  
42 or similar service to which the consumer has subscribed; or

43 (10) Is requested for any other purpose that is otherwise allowable under the Fair  
44 Credit Reporting Act under 15 U.S.C. 1681 et seq.

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46 A consumer credit reporting agency that acts only as a reseller of credit information by  
47 assembling and merging contained in the database of another consumer reporting agency  
48 or multiple consumer reporting agencies and does not maintain a permanent database of  
49 credit information from which new consumer reports are produced is not required to place  
50 a security freeze on a consumer report.

51 5. If a security freeze is in place, a consumer credit reporting agency shall not  
52 change any of the following official information in a consumer credit report without  
53 sending a written confirmation of the change to the consumer within thirty days of the  
54 change being posted to the consumer's file: name, date of birth, social security number, and  
55 address. Written confirmation is not required for technical modifications of a consumer's  
56 official information, including name and street abbreviations, complete spellings, or  
57 transposition of numbers or letters. In the case of an address change, the written  
58 confirmation shall be sent to both the new address and to the former address.

59 6. A consumer may request that the consumer credit reporting agency temporarily  
60 lift a security freeze for a period of time despite the consumer request for a security freeze  
61 under subsection 1 of this section, if that request is made:

62 (1) In writing by certified mail; or

63 (2) By other reliable means, including Internet, telephone, or other secure  
64 electronic means if provided by the consumer credit reporting agency; and

65 (3) Proper identification is presented to adequately identify the requestor as the  
66 consumer subject to the credit report, which shall include the unique personal  
67 identification number or password issued to the consumer under subsection 3 of this  
68 section.

69 7. (1) A consumer credit reporting agency shall temporarily lift a security freeze  
70 within fifteen minutes of receiving a request for removal from a consumer, if that request  
71 is made:

72 (a) In writing by certified mail; or

(b) By other reliable means, including Internet, telephone, or other secure electronic means if provided by the consumer credit reporting agency; and

(c) Proper identification is presented to adequately identify the requestor as the consumer subject to the credit report, which shall include the unique personal identification number or password issued to the consumer under subsection 3 of this section; and

(d) In the case of a request for temporary removal, the time period is specified for which the freeze shall be temporarily removed.

(2) A consumer credit reporting agency shall not be required to remove a security freeze within the time provided in this subsection if the consumer credit reporting agency's ability to remove such freeze is prevented by:

(a) An act of God, including fire, earthquakes, hurricanes, storms, or similar natural disaster or phenomena;

(b) Unauthorized or illegal acts by a third party, including terrorism, sabotage, riot, vandalism, labor strikes or disputes disrupting operations, or similar occurrence;

(c) Operational interruption, including electrical failure, unanticipated delay in equipment or replacement part delivery, computer hardware or software failures inhibiting response time, or similar disruption;

(d) Governmental action, including emergency orders or regulations, judicial or law enforcement actions, or similar directives;

(e) Regularly scheduled maintenance during other than normal business hours or updates to the consumer credit reporting agency's systems;

(f) Commercially reasonable maintenance of or repair to the consumer credit reporting agency's systems that is unexpected or unscheduled; or

(g) Receipt of a removal request outside of normal business hours.

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

9. A consumer credit reporting agency shall remove a security freeze within three business days of receiving a request for removal from a consumer, if that request is made:

(1) In writing by certified mail; or

(2) By other reliable means, including Internet, telephone, or other secure electronic means if provided by the consumer credit reporting agency; and

(3) Proper identification is presented to adequately identify the requestor as the consumer subject to the credit report, which shall include the unique personal

109 identification number or password issued to the consumer under subsection 3 of this  
110 section.

111       **10. At any time a consumer is required to receive a summary of rights under 15**  
112 **U.S.C. Section 1681g(d), the following notice shall be included:**

113

114 **"Missouri Consumers Have the Right to Obtain a Security Freeze.**

115       **You have a right to place a "security freeze" on your credit report, which will**  
116 **prohibit a consumer credit reporting agency from releasing information in your credit**  
117 **report without your express authorization. A security freeze must be requested in writing**  
118 **by certified mail or via other approved methods. The security freeze is designed to prevent**  
119 **credit, loans, and services from being approved in your name without your consent.**  
120 **However, you should be aware that using a security freeze to take control over who gets**  
121 **access to the personal and financial information in your credit report may delay, interfere**  
122 **with, or prohibit the timely approval of any subsequent request or application you make**  
123 **regarding a new loan, credit, mortgage, government services or payments, rental housing,**  
124 **employment, investment, license, cellular phone, utilities, digital signature, Internet credit**  
125 **card transaction, or other services, including an extension of credit at point of sale. When**  
126 **you place a security freeze on your credit report, you will be provided a temporary**  
127 **personal identification number or password together with instructions to use if you choose**  
128 **to remove the freeze on your credit report or authorize the release of your credit report for**  
129 **a period of time after the freeze is in place. To provide that authorization you must contact**  
130 **the consumer credit reporting agency and provide all of the following:**

131       **(1) The personal identification number or password;**

132       **(2) Proper identification to verify your identity;**

133       **(3) The proper information regarding the period of time for which the report shall**  
134 **be available.**

135       **A consumer credit reporting agency must authorize the release of your credit report**  
136 **no later than fifteen minutes for a temporary lift or three business days for a removal after**  
137 **receiving the above information unless by law such information must be released sooner.**

138       **A security freeze does not apply to a person or entity, or its affiliates, or collection**  
139 **agencies acting on behalf of the person or entity, with which you have an existing account,**  
140 **that requests information in your credit report for the purposes of reviewing or collecting**  
141 **the account. Reviewing the account includes activities related to account maintenance,**  
142 **monitoring, credit line increases, and account upgrades and enhancements.**

143           **You have a right to bring civil action against anyone, including a consumer credit**  
144 **reporting agency, who improperly obtains access to a file, knowingly misuses file data, or**  
145 **fails to correct inaccurate file data."**

**407.1384. 1. Any consumer credit reporting agency that knowingly or willfully fails**  
2 **to comply with the provisions of sections 407.1380 to 407.1384 shall be liable to the**  
3 **consumer who is subject to the credit report in an amount equal to:**

4           **(1) Any actual damages sustained by the consumer due to such failure; and**

5           **(2) Any court costs and fees assessed in maintaining the action, as well as**  
6 **reasonable attorney's fees.**

7           **2. In addition to the foregoing monetary sums, a court, upon request of the**  
8 **damaged consumer, shall award such equitable relief as may be necessary to restore the**  
9 **damaged consumer's credit and to discourage future violations of sections 407.1380 to**  
10 **407.1384 by the consumer credit reporting agency.**

          Section B. Section A of this act shall become effective January 1, 2009.

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