

SECOND REGULAR SESSION

HOUSE BILL NO. 2173

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FAITH (Sponsor), JONES (117),
RUZICKA AND COX (Co-sponsors).

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D. ADAM CRUMBLISS, Chief Clerk

4072L.04I

AN ACT

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

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
2 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:

2 (1) "Consumer", any individual;

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

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

10 (4) "Security freeze", a notice placed in a consumer's credit report, at the request
11 of the consumer, that prohibits the consumer credit reporting agency from releasing the
12 consumer's credit report, credit score, or any information contained in the report without
13 the express authorization of the consumer.

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

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.

3 (1) In writing by certified mail or personal delivery; or
4 (2) By other reliable means, including Internet, telephone, or facsimile; and
5 (3) Proper identification is presented to adequately identify the requestor as the
6 consumer subject to the credit report.

7 2. A consumer credit reporting agency shall honor a consumer's request for a
8 security freeze within five days of receipt of such request. No consumer credit reporting
9 agency shall assess a fee to a consumer for the consumer's first request for a security
10 freeze, but a consumer credit reporting agency may assess a fee up to ten dollars for any
11 subsequent request for a security freeze made by the same consumer.

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

14 (1) Written confirmation of compliance with the consumer's request;
15 (2) Instructions explaining the process of placing, removing, and temporarily lifting
16 a security freeze and the process for allowing access to information from the consumer's
17 credit report for a specific requestor;
18 (3) A unique personal identification number or password to be used by the
19 consumer to remove temporarily or permanently the security freeze or designate a specific
20 requestor for receipt of the credit report despite the security freeze.

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

24 (1) Is requested by the consumer who is subject to the report;
25 (2) Is furnished under a court order;
26 (3) Is furnished during a period in which the consumer has temporarily removed
27 the freeze;
28 (4) Is requested for the purposes of prescreening as provided by the Fair Credit
29 Reporting Act under 15 U.S.C. 1681 et seq.;
30 (5) Is requested by a child support enforcement agency;
31 (6) Is requested for use in setting or adjusting a rate, issuing or underwriting a
32 policy, adjusting a claim or servicing a policy for underwriting for property and casualty
33 insurance purposes;
34 (7) Is requested by a specific person, or the subsidiary, affiliate, agent, or assignee
35 of such person, whom the consumer has identified as eligible for receipt of the credit report
36 under subsection 6 of this section, despite the consumer's request for a security freeze;
37 (8) Is furnished to a person, or the subsidiary, affiliate, agent, or assignee of such
38 person, with whom the consumer has a debtor-creditor relationship for the purpose of

39 account review or collecting the financial obligation owing for the account contract or
40 debt;

41 (9) Is requested by the state or its agents or assigns for the purpose of investigating
42 fraud or investigating or collecting delinquent taxes;

43 (10) Is requested by a person or entity administering a credit file monitoring service
44 or similar service to which the consumer has subscribed; or

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

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

55 6. A consumer may request that the consumer credit reporting agency furnish a
56 credit report to a designated person despite the consumer request for a security freeze
57 under subsection 1 of this section, if that request is made:

58 (1) In writing by certified mail or personal delivery; or

59 (2) By other reliable means, including Internet, telephone, or facsimile; and

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

64 7. A consumer credit reporting agency shall temporarily or permanently remove
65 a security freeze within one business day of receiving a request for removal from a
66 consumer, if that request is made:

67 (1) In writing by certified mail or personal delivery; or

68 (2) By other reliable means, including Internet, telephone, or facsimile; and

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

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

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

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

78 **You have a right to place a "security freeze" on your credit report, which will**
79 **prohibit a consumer credit reporting agency from releasing information in your credit**
80 **report without your express authorization. A security freeze must be requested in writing**
81 **by certified mail or via other approved methods. The security freeze is designed to prevent**
82 **credit, loans, and services from being approved in your name without your consent.**
83 **However, you should be aware that using a security freeze to take control over who gets**
84 **access to the personal and financial information in your credit report may delay, interfere**
85 **with, or prohibit the timely approval of any subsequent request or application you make**
86 **regarding a new loan, credit, mortgage, government services or payments, rental housing,**
87 **employment, investment, license, cellular phone, utilities, digital signature, Internet credit**
88 **card transaction, or other services, including an extension of credit at point of sale. When**
89 **you place a security freeze on your credit report, you will be provided a personal**
90 **identification number or password to use if you choose to remove the freeze on your credit**
91 **report or authorize the release of your credit report for a period of time after the freeze is**
92 **in place. To provide that authorization you must contact the consumer credit reporting**
93 **agency and provide all of the following:**

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

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

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

98 **A consumer credit reporting agency must authorize the release of your credit report**
99 **no later than three business days after receiving the above information.**

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

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

407.1384. 1. Any consumer credit reporting agency that knowingly fails to comply
2 **with the provisions of sections 407.1380 to 407.1384 shall be liable to the consumer who is**
3 **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.

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