



House Bill No. 6403

Public Act No. 15-62

AN ACT CONCERNING SECURITY FREEZES ON CHILDREN'S CREDIT REPORTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 36a-701 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

As used in this section and section 36a-701a, as amended by this act:

(1) "Consumer" means any person who is utilizing or seeking credit for personal, family or household purposes;

(2) "Credit rating agency" means credit rating agency, as defined in section 36a-695;

(3) "Credit report" means credit report, as defined in section 36a-695;

(4) "Creditor" means creditor, as defined in section 36a-695; [and]

(5) "Minor child" means an individual under eighteen years of age at the time a request for placement of a security freeze is submitted;

[(5)] (6) "Security freeze" means a notice placed in a consumer's credit report, at the request of the consumer, that prohibits the credit rating agency from releasing the consumer's credit report or any

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information from it without the express authorization of the consumer. In the case of a minor child under subsections (j) and (k) of section 36a-701a, as amended by this act, "security freeze" means (A) a restriction that is placed on the minor child's credit report prohibiting the credit rating agency from releasing the minor child's credit report or any information derived from the minor child's credit report, provided a credit rating agency has information in its files pertaining to such minor child; or (B) a restriction that is placed on the minor child's record prohibiting the credit rating agency from releasing the minor child's record, provided a credit rating agency does not have any information in its files pertaining to such minor child; and

(7) "Sufficient proof of authority" means documentation showing that a parent or legal guardian has authority to act on behalf of a minor child, including, but not limited to, a court order, an original copy of the minor child's birth certificate or a written notarized statement expressly describing the authority of the parent or legal guardian to act on behalf of the minor child that is signed by the parent or legal guardian and acknowledged, in accordance with the provisions of chapter 6, by (A) a judge of a court of record or a family support magistrate, (B) a clerk or deputy clerk of a court having a seal, (C) a town clerk, (D) a notary public, (E) a justice of the peace, or (F) an attorney admitted to the bar of this state.

Sec. 2. Section 36a-701a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) Any consumer may submit a written request, by certified mail or such other secure method as authorized by a credit rating agency, to a credit rating agency to place a security freeze on such consumer's credit report. Such credit rating agency shall place a security freeze on a consumer's credit report not later than five business days after receipt of such request. Not later than ten business days after placing a security freeze on a consumer's credit report, such credit rating agency

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shall send a written confirmation of such security freeze to such consumer that provides the consumer with a unique personal identification number or password to be used by the consumer when providing authorization for the release of such consumer's report to a third party or for a period of time.

(b) In the event such consumer wishes to authorize the disclosure of such consumer's credit report to a third party, or for a period of time, while such security freeze is in effect, such consumer shall contact such credit rating agency and provide: (1) Proper identification, (2) the unique personal identification number or password described in subsection (a) of this section, and (3) proper information regarding the third party who is to receive the credit report or the time period for which the credit report shall be available. Any credit rating agency that receives a request from a consumer pursuant to this section shall lift such security freeze not later than three business days after receipt of such request.

(c) Except for the temporary lifting of a security freeze as provided in subsection (b) of this section, any security freeze authorized pursuant to the provisions of this section shall remain in effect until such time as such consumer requests such security freeze to be removed. A credit rating agency shall remove such security freeze not later than three business days after receipt of such request provided such consumer provides proper identification to such credit rating agency and the unique personal identification number or password described in subsection (a) of this section at the time of such request for removal of the security freeze.

(d) Any credit rating agency may develop procedures to receive and process such request from a consumer to temporarily lift or remove a security freeze on a credit report pursuant to subsection (b) of this section. Such procedures, at a minimum, shall include, but not be limited to, the ability of a consumer to send such temporary lift or

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removal request by electronic mail, letter or facsimile.

(e) In the event that a third party requests access to a consumer's credit report that has such a security freeze in place and such third party request is made in connection with an application for credit or any other use and such consumer has not authorized the disclosure of such consumer's credit report to such third party, such third party may deem such credit application as incomplete.

(f) Any credit rating agency may refuse to implement or may remove such security freeze if such agency believes, in good faith, that: (1) The request for a security freeze was made as part of a fraud that the consumer participated in, had knowledge of, or that can be demonstrated by circumstantial evidence, or (2) the consumer credit report was frozen due to a material misrepresentation of fact by the consumer. In the event any such credit rating agency refuses to implement or removes a security freeze pursuant to this subsection, such credit rating agency shall promptly notify such consumer in writing of such refusal not later than five business days after such refusal or, in the case of a removal of a security freeze, prior to removing the freeze on the consumer's credit report.

(g) Nothing in this section shall be construed to prohibit disclosure of a consumer's credit report to: (1) A person, or the person's subsidiary, affiliate, agent or assignee with which the consumer has or, prior to assignment, had an account, contract or debtor-creditor relationship for the purpose of reviewing the account or collecting the financial obligation owing for the account, contract or debt; (2) a subsidiary, affiliate, agent, assignee or prospective assignee of a person to whom access has been granted under subsection (b) of this section for the purpose of facilitating the extension of credit or other permissible use; (3) any person acting pursuant to a court order, warrant or subpoena; (4) any person for the purpose of using such credit information to prescreen as provided by the federal Fair Credit

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Reporting Act; (5) any person for the sole purpose of providing a credit file monitoring subscription service to which the consumer has subscribed; (6) a credit rating agency for the sole purpose of providing a consumer with a copy of his or her credit report upon the consumer's request; or (7) a federal, state or local governmental entity, including a law enforcement agency, or court, or their agents or assignees pursuant to their statutory or regulatory duties. For purposes of this subsection, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases and account upgrades and enhancements.

(h) The following persons shall not be required to place a security freeze on a consumer's credit report, provided such persons shall be subject to any security freeze placed on a credit report by another credit rating agency: (1) A check services or fraud prevention services company that reports on incidents of fraud or issues authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers or similar methods of payment; (2) a deposit account information service company that issues reports regarding account closures due to fraud, substantial overdrafts, automated teller machine abuse, or similar information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution; or (3) a credit rating agency that: (A) Acts only to resell credit information by assembling and merging information contained in a database of one or more credit reporting agencies; and (B) does not maintain a permanent database of credit information from which new credit reports are produced.

(i) A credit rating agency may charge a fee of not more than ten dollars to a consumer for each security freeze, removal of such freeze or temporary lift of such freeze for a period of time, and a fee of not more than twelve dollars for a temporary lift of such freeze for a

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specific party.

(j) The parent or legal guardian of a minor child may place a security freeze on the credit report of a minor child by submitting a written request to the credit rating agency in the manner described in this section and subject to the same conditions and by providing the credit rating agency with proper identification and sufficient proof of authority to act on behalf of the minor child. The credit rating agency shall place the security freeze on the credit report of a minor child not later than five business days after receipt of such request. If the credit rating agency does not have any information in its files pertaining to the minor child at the time the credit rating agency receives a request pursuant to this subsection, the credit rating agency shall create a record for the minor child and place a security freeze on such record. Such record shall consist of a compilation of information created by a credit rating agency that identifies a minor child. A credit rating agency shall not create or use such record to consider the minor child's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living. A credit rating agency shall not release a minor child's credit report, any information derived from a minor child's credit report or any record created for a minor child.

(k) The parent or legal guardian of a minor child may request the removal of a security freeze placed on the credit report or record of a minor child by submitting a written request to the credit rating agency in the manner described in this section and subject to the same conditions and by providing the credit rating agency with proper identification and sufficient proof of authority to act on behalf of the minor child. The credit rating agency shall remove the security freeze on the credit report or record of a minor child not later than fifteen business days after receipt of such request.

~~[(j)]~~ (l) An insurer, as defined in section 38a-1, may deny an

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application for insurance if an applicant has placed a security freeze on such applicant's credit report and fails to authorize the disclosure of such applicant's credit report to such insurer pursuant to the provisions of subsection (b) of this section.

Approved June 19, 2015