



General Assembly

**Amendment**

January Session, 2015

LCO No. 6828



Offered by:

REP. LESSER, 100<sup>th</sup> Dist.

REP. ROJAS, 9<sup>th</sup> Dist.

To: House Bill No. 6403

File No. 113

Cal. No. 89

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

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

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 Section 36a-701 of the general statutes is repealed and the  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

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

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

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

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

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

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

14 ~~[(5)]~~ (6) "Security freeze" means a notice placed in a consumer's  
15 credit report, at the request of the consumer, that prohibits the credit  
16 rating agency from releasing the consumer's credit report or any  
17 information from it without the express authorization of the consumer.  
18 In the case of a minor child under subsections (j) and (k) of section 36a-  
19 701a, as amended by this act, "security freeze" means (A) a restriction  
20 that is placed on the minor child's credit report prohibiting the credit  
21 rating agency from releasing the minor child's credit report or any  
22 information derived from the minor child's credit report, provided a  
23 credit rating agency has information in its files pertaining to such  
24 minor child; or (B) a restriction that is placed on the minor child's  
25 record prohibiting the credit rating agency from releasing the minor  
26 child's record, provided a credit rating agency does not have any  
27 information in its files pertaining to such minor child; and

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

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

41 (a) Any consumer may submit a written request, by certified mail or  
42 such other secure method as authorized by a credit rating agency, to a  
43 credit rating agency to place a security freeze on such consumer's

44 credit report. Such credit rating agency shall place a security freeze on  
45 a consumer's credit report not later than five business days after  
46 receipt of such request. Not later than ten business days after placing a  
47 security freeze on a consumer's credit report, such credit rating agency  
48 shall send a written confirmation of such security freeze to such  
49 consumer that provides the consumer with a unique personal  
50 identification number or password to be used by the consumer when  
51 providing authorization for the release of such consumer's report to a  
52 third party or for a period of time.

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

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

74 (d) Any credit rating agency may develop procedures to receive and  
75 process such request from a consumer to temporarily lift or remove a  
76 security freeze on a credit report pursuant to subsection (b) of this

77 section. Such procedures, at a minimum, shall include, but not be  
78 limited to, the ability of a consumer to send such temporary lift or  
79 removal request by electronic mail, letter or facsimile.

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

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

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

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

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

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

142 (j) The parent or legal guardian of a minor child may place a

143 security freeze on the credit report of a minor child by submitting a  
144 written request to the credit rating agency in the manner described in  
145 this section and subject to the same conditions and by providing the  
146 credit rating agency with proper identification and sufficient proof of  
147 authority to act on behalf of the minor child. The credit rating agency  
148 shall place the security freeze on the credit report of a minor child not  
149 later than five business days after receipt of such request. If the credit  
150 rating agency does not have any information in its files pertaining to  
151 the minor child at the time the credit rating agency receives a request  
152 pursuant to this subsection, the credit rating agency shall create a  
153 record for the minor child and place a security freeze on such record.  
154 Such record shall consist of a compilation of information created by a  
155 credit rating agency that identifies a minor child. A credit rating  
156 agency shall not create or use such record to consider the minor child's  
157 credit worthiness, credit standing, credit capacity, character, general  
158 reputation, personal characteristics or mode of living. A credit rating  
159 agency shall not release a minor child's credit report, any information  
160 derived from a minor child's credit report or any record created for a  
161 minor child.

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

171 [(j)] (l) An insurer, as defined in section 38a-1, may deny an  
172 application for insurance if an applicant has placed a security freeze on  
173 such applicant's credit report and fails to authorize the disclosure of  
174 such applicant's credit report to such insurer pursuant to the  
175 provisions of subsection (b) of this section."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	36a-701
Sec. 2	<i>October 1, 2015</i>	36a-701a