



General Assembly

Amendment

January Session, 2015

LCO No. 6774



Offered by:

REP. LESSER, 100th Dist.

REP. ROJAS, 9th 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 Section 36a-701 of the general statutes is repealed and the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) if a credit
20 rating agency has information in its files pertaining to the minor child,
21 a restriction that is placed on such minor child's credit report
22 prohibiting the credit rating agency from releasing the minor child's
23 credit report or any information derived from the minor child's credit
24 report; or (B) if a credit rating agency does not have any information in
25 its files pertaining to the minor child, a restriction that is placed on
26 such minor child's record prohibiting the credit rating agency from
27 releasing the minor child's record; 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, a written notarized
31 statement signed by the parent or legal guardian that expressly
32 describes that authority of the parent or legal guardian to act on behalf
33 of the minor child or a certified or original copy of the minor child's
34 birth certificate.

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 Section 36a-701a of the general statutes is repealed and the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

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

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

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

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

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

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

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

94 (g) Nothing in this section shall be construed to prohibit disclosure
95 of a consumer's credit report to: (1) A person, or the person's
96 subsidiary, affiliate, agent or assignee with which the consumer has or,
97 prior to assignment, had an account, contract or debtor-creditor
98 relationship for the purpose of reviewing the account or collecting the
99 financial obligation owing for the account, contract or debt; (2) a
100 subsidiary, affiliate, agent, assignee or prospective assignee of a person
101 to whom access has been granted under subsection (b) of this section
102 for the purpose of facilitating the extension of credit or other
103 permissible use; (3) any person acting pursuant to a court order,
104 warrant or subpoena; (4) any person for the purpose of using such
105 credit information to prescreen as provided by the federal Fair Credit
106 Reporting Act; (5) any person for the sole purpose of providing a credit
107 file monitoring subscription service to which the consumer has
108 subscribed; (6) a credit rating agency for the sole purpose of providing

109 a consumer with a copy of his or her credit report upon the consumer's
110 request; or (7) a federal, state or local governmental entity, including a
111 law enforcement agency, or court, or their agents or assignees
112 pursuant to their statutory or regulatory duties. For purposes of this
113 subsection, "reviewing the account" includes activities related to
114 account maintenance, monitoring, credit line increases and account
115 upgrades and enhancements.

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

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

138 (j) The parent or legal guardian of a minor child may place a
139 security freeze on the credit report of a minor child by submitting a
140 written request to the credit rating agency in the manner described in
141 this section and subject to the same conditions and by providing the

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

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

167 [(j)] (l) An insurer, as defined in section 38a-1, may deny an
168 application for insurance if an applicant has placed a security freeze on
169 such applicant's credit report and fails to authorize the disclosure of
170 such applicant's credit report to such insurer pursuant to the
171 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