

FIRST REGULAR SESSION

# HOUSE BILL NO. 75

## 100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE TATE.

0406H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To repeal sections 407.1380 and 407.1382, RSMo, and to enact in lieu thereof two new sections relating to consumer credit reports.

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

Section A. Sections 407.1380 and 407.1382, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 407.1380 and 407.1382, to read as follows:

407.1380. As used in sections 407.1380 to ~~407.1384~~ **407.1385**, the following terms shall mean:

(1) "Account review", activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements;

(2) "Consumer", any individual;

(3) "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. The term "consumer credit reporting agency" shall not include an entity that acts only as a reseller of credit information by assembling and merging information contained in the database of another consumer credit reporting agency and who does not maintain a permanent database of credit information from which consumer reports are produced and who does not furnish consumer reports to third parties;

(4) "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;

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.

17 (5) **"Guardian", the parent or guardian of a consumer who is sixteen years of age**  
18 **or under;**

19 (6) "Security freeze", a notice placed in a consumer's credit report, at the request of the  
20 consumer **or the consumer's guardian** and subject to certain exceptions, that prohibits the  
21 consumer credit reporting agency from releasing the consumer's credit report or score relating  
22 to the extension of credit without the express authorization of the consumer **or consumer's**  
23 **guardian.**

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

3 (1) In writing, where delivery by standard U.S. Postal Service mail service shall be  
4 sufficient; or

5 (2) By other reliable means, including, but not limited to, internet, telephone, facsimile,  
6 or other electronic means if any such other means are provided by the consumer credit reporting  
7 agency~~;~~ ~~and~~

8 ~~——(3)] .~~

9

10 **The consumer credit reporting agency shall require** proper identification ~~[is presented]~~ to  
11 adequately identify the requestor as the consumer subject to the credit report **or such**  
12 **consumer's guardian.**

13 2. (1) A consumer credit reporting agency shall honor a ~~[consumer's]~~ **consumer or**  
14 **guardian's** request for a security freeze within five business days of receipt of such request.

15 (2) A consumer credit reporting agency may assess a fee of up to five dollars for the first  
16 request by a consumer **or guardian** to place a security freeze~~;~~ and up to ten dollars for any  
17 subsequent request to place a security freeze made by the same consumer, except that at no time  
18 shall a fee be assessed for a request to place a security freeze if the request is accompanied by  
19 an incident report as defined under section 595.232.

20 (3) **If a consumer credit reporting agency does not have a file pertaining to a**  
21 **consumer when the consumer credit reporting agency receives a request under subsection**  
22 **1 of this section, the consumer credit reporting agency shall create a record for the**  
23 **consumer and place a security freeze on such record.**

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

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

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

30 (3) A unique personal identification number or password to be used by the consumer to  
31 temporarily lift or permanently remove the security freeze or designate a specific requestor for  
32 receipt of the credit report despite the security freeze.

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

36 (1) Is requested by the consumer who is subject to the report **or the consumer's**  
37 **guardian**;

38 (2) Is furnished under a court order;

39 (3) Is furnished during a period in which the consumer **or consumer's guardian** has  
40 temporarily lifted the freeze;

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

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

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

46 (7) Is requested by a specific person, or the subsidiary, affiliate, agent, or assignee of  
47 such person, whom the consumer has identified as eligible for receipt of the credit report under  
48 subsection 6 of this section, despite the consumer's request for a security freeze;

49 (8) Is furnished to a person, or the subsidiary, affiliate, agent, or assignee of such person,  
50 with whom the consumer has a debtor-creditor relationship for the purpose of account review  
51 or collecting the financial obligation owing for the account contract or debt;

52 (9) Is requested by the state or its agents or assigns for the purpose of investigating fraud  
53 or investigating or collecting delinquent taxes to the extent consistent with a permissible purpose  
54 under 15 U.S.C. 1681; or

55 (10) Is requested by a person or entity administering a credit file monitoring service or  
56 similar service to which the consumer has subscribed.

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

65           6. A consumer **or consumer's guardian** may request that the consumer credit reporting  
66 agency temporarily lift a security freeze for a specific requestor or period of time despite the  
67 consumer **or guardian** request for a security freeze under subsection 1 of this section, if that  
68 request is made:

69           (1) In writing, where delivery by standard U.S. Postal Service mail service shall be  
70 sufficient; or

71           (2) By other reliable means, including, but not limited to, internet, telephone, facsimile,  
72 or other electronic means if any such other means are provided by the consumer credit reporting  
73 agency~~;~~~~and~~

74 ~~——(3)] .~~

75

76 **The consumer credit reporting agency shall require** proper identification ~~[is presented]~~ to  
77 adequately identify the requestor as the consumer subject to the credit report **or the consumer's**  
78 **guardian, [which] and the identification** shall include the unique personal identification  
79 number or password issued to the consumer under subsection 3 of this section~~;~~~~and~~

80 ~~——4)] .~~ **The consumer or guardian may specify the** time period ~~[is specified]~~ for which  
81 the freeze shall be temporarily lifted.

82           7. (1) A consumer credit reporting agency shall temporarily lift a security freeze within  
83 fifteen minutes of receiving such a request from a consumer **or guardian**, if that request is  
84 received during normal business hours and is made in accordance with subdivisions (2), (3), and  
85 (4) of subsection 6 of this section. If such a lift request is received outside of normal business  
86 hours, the consumer credit reporting agency shall lift the security freeze within fifteen minutes  
87 of the start of the next normal business day.

88           (2) A consumer credit reporting agency shall temporarily lift a security freeze within  
89 three days of receiving such a request from a consumer **or guardian**, if that request is made in  
90 accordance with subdivisions (1), (3), and (4) of subsection 6 of this section.

91           (3) The time frame in which a consumer credit reporting agency shall comply with a  
92 request to lift a security freeze under this subsection may be extended in the event of an act of  
93 God, an unauthorized or illegal act by a third party, operational interruption due to electrical  
94 failure or hardware or software failure, government action, or reasonable unexpected  
95 maintenance of the agency's systems, provided that the lifting of a security freeze shall occur  
96 within a reasonable time after resumption of normal business operations.

97           8. A consumer credit reporting agency shall permanently remove a security freeze within  
98 three days of receiving such a request from a consumer **or guardian**, if that request is made:

99           (1) In writing, where delivery by standard U.S. Postal Service mail service shall be  
100 sufficient; or

101 (2) By reliable means, including, but not limited to, internet, telephone, facsimile, or  
102 other electronic means if any such other means are provided by the consumer credit reporting  
103 agency~~[-and~~  
104 ~~——(3)]~~ .

105

106 **The consumer credit reporting agency shall require** proper identification ~~[is presented]~~ to  
107 adequately identify the requestor as the consumer subject to the credit report **or the consumer's**  
108 **guardian, [which] and the identification** shall include the unique personal identification  
109 number or password issued to the consumer under subsection 3 of this section.

110 9. A consumer credit reporting agency may assess a fee of up to five dollars to  
111 temporarily lift a security freeze, except that at no time shall a fee be assessed for a request to  
112 temporarily lift a security freeze that was placed in conjunction with an incident report under  
113 subsection 2 of this section. No fee shall be assessed for a request to permanently remove a  
114 security freeze.

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

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

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

133 (1) The personal identification number or password;

134 (2) Proper identification to verify your identity;

135 (3) The proper information regarding the period of time for which the report shall be  
136 available.

137           A consumer credit reporting agency must authorize the release of your credit report no  
138 later than fifteen minutes after receiving the above information, under certain circumstances.

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

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

✓