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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO COMMERCIAL LAW - GENERAL REGULATORY PROVISIONS -
CONSUMER EMPOWERMENT AND IDENTITY THEFT PREVENTION ACT OF 2006

Introduced By: Representatives Shekarchi, Casimiro, Regunberg, Edwards, and Abney

Date Introduced: January 03, 2018

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 6-48-5 of the General Laws in Chapter 6-48 entitled "Consumer
2 Empowerment and Identity Theft Prevention Act of 2006" is hereby amended to read as follows:

3 ~~6-48-5. Security freeze -- Timing, covered entities, cost. Security freeze -- Timing,~~
4 and covered entities.

5 (a) (1) A consumer may elect to place a "security freeze" on his or her credit report by
6 making a request by certified mail to a consumer reporting agency at an address designated by the
7 consumer reporting agency to receive such requests.

8 (2) A consumer reporting agency shall place a security freeze on a consumer's credit
9 report no later than five (5) business days after receiving from the consumer:

10 (i) A written request as described in subsection (a); and

11 (ii) Proper identification; ~~and.~~

12 ~~(iii) Payment of a fee, if applicable.~~

13 (3) The consumer reporting agency shall send a written confirmation of the security
14 freeze to the consumer within ten (10) business days of placing the freeze and at the same time
15 shall provide the consumer with a unique personal identification number, password, or similar
16 device to be used by the consumer when providing authorization for the release of his or her
17 credit for a specific period of time, or when permanently removing the freeze.

18 (4) If the consumer wishes to allow his or her credit report to be accessed for a specific

1 period of time while a freeze is in place, he or she shall contact the consumer reporting agency,
2 using a point of contact designated by the consumer reporting agency, to request that the freeze
3 be temporarily lifted and provide the following:

4 (i) Proper identification;

5 (ii) The unique personal identification number or password provided by the consumer
6 reporting agency pursuant to subsection (a)(3) of this section; and

7 (iii) The proper information regarding the time period for which the report shall be
8 available to users of the credit report; ~~and.~~

9 ~~(iv) A fee if applicable.~~

10 (5) A consumer reporting agency that receives a request from a consumer to temporarily
11 lift a freeze on a credit report pursuant to subsection (a)(4) of this section shall comply with the
12 request no later than three (3) business days after receiving the request.

13 (6) A consumer reporting agency may develop procedures involving the use of telephone,
14 fax, or, upon the consent of the consumer in the manner required by the Electronic Signatures in
15 Global and National Commerce Act hereinafter referred to as ("E-Sign") for legally required
16 notices, by the Internet, e-mail, or other electronic media to receive and process a request from a
17 consumer to temporarily lift a freeze on a credit report pursuant to subsection (a)(4) of this
18 section in an expedited manner.

19 (7) A consumer reporting agency shall remove or temporarily lift a freeze placed on a
20 consumer's credit report only in the following cases:

21 (i) Upon consumer request, pursuant to subsection (a)(4) or (a)(10) of this section; and

22 (ii) If the consumer's credit report was frozen due to a material misrepresentation of fact
23 by the consumer. If a consumer reporting agency intends to remove a freeze upon a consumer's
24 credit report pursuant to this paragraph, the consumer reporting agency shall notify the consumer
25 in writing prior to removing the freeze on the consumer's credit report.

26 (8) If a third-party requests access to a consumer credit report on which a security freeze
27 is in effect; and this request is in connection with an application for credit or any other use; and
28 the consumer does not allow his or her credit report to be accessed; then the third-party may treat
29 the application as incomplete.

30 (9) A security freeze shall remain in place until the consumer requests, using a point of
31 contact designated by the consumer reporting agency, that the security freeze be removed. A
32 consumer reporting agency shall remove a security freeze within three (3) business days of
33 receiving a request for removal from the consumer who provides all of the following:

34 (i) Proper identification; and

1 (ii) The unique personal identification number or password provided by the consumer
2 reporting agency pursuant to subsection (a)(3) of this section; ~~and.~~

3 ~~(iii) A fee, if applicable.~~

4 (10) A consumer reporting agency shall require proper identification of the person
5 making a request to place or remove a security freeze.

6 (11) A consumer reporting agency may not suggest or otherwise state or imply to a third
7 party that the consumer's security freeze reflects a negative credit score, history, report, or rating.

8 (12) The provisions of this section do not apply to the use of a consumer credit report by
9 any of the following:

10 (i) A person, or the person's subsidiary, affiliate, agent, or assignee with which the
11 consumer has, or prior to assignment, had an account, contract, or debtor-creditor relationship for
12 the purposes of reviewing the account or collecting the financial obligation owing for the account,
13 contract, or debt;

14 (ii) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom
15 access has been granted under subsection (a)(4) of this section for purposes of facilitating the
16 extension of credit or other permissible use;

17 (iii) Any person acting pursuant to a court order, warrant, or subpoena;

18 (iv) A state or local agency that administers a program for establishing and enforcing
19 child support obligations;

20 (v) The department of health or its agents or assigns acting to investigate fraud;

21 (vi) The attorney general or its agents or assigns acting to investigate fraud;

22 (vii) The division of taxation or its agents or assigns acting to investigate or collect
23 delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities;

24 (viii) The use of a credit report by a person for purposes of prescreening as defined by the
25 federal Fair Credit Reporting Act 15 U.S.C. § 1681 et. seq.;

26 (ix) Any person or entity administering a credit file monitoring subscription service to
27 which the consumer has subscribed;

28 (x) Any person or entity for the purpose of providing a consumer with a copy of his or
29 her credit report upon the consumer's request; and

30 (xi) Any person or entity for use in setting or adjusting a rate, adjusting a claim, or
31 underwriting for insurance purposes.

32 ~~(13) A consumer may be charged a fee of no more than ten dollars (\$10.00) for any~~
33 ~~security freeze services, including, but not limited to, the placement, temporary lifting, and~~
34 ~~permanent removal of a security freeze. The consumer may not be charged for a one-time reissue~~

1 ~~of a new personal identification number; provided, however, the consumer may be charged not~~
2 ~~more than five dollars (\$5.00) for subsequent instances of loss of the personal identification~~
3 ~~number. However, a consumer reporting agency may not charge any fee to a victim of identity~~
4 ~~theft who has submitted a copy of an incident report from, or a complaint to, a law enforcement~~
5 ~~agency or to a consumer who is of sixty five (65) years of age or older.~~

6 (b) Entities not required to place a security freeze.

7 The following entities are not required to place a security freeze on a credit report:

8 (1) A consumer reporting agency that acts only as a reseller of credit information by
9 assembling and merging information contained in the database of another consumer reporting
10 agency or multiple consumer credit reporting agencies and does not maintain a permanent data
11 base of credit information from which new consumer credit report are produced. However, a
12 consumer reporting agency acting as a reseller shall honor any security freeze placed on a
13 consumer credit report by another consumer reporting agency.

14 (2) A check services or fraud prevention services company that issues reports on
15 incidents of fraud or authorizations for the purpose of approving or processing negotiable
16 instruments, electronic funds transfers, or similar methods of payments.

17 (3) A deposit account information service company, that issues reports regarding account
18 closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information
19 regarding a consumer, to inquiring banks or other financial institutions for use only in reviewing a
20 consumer request for a deposit account at the inquiring bank or financial institution.

21 (4) Any database or file that consists of any information adverse to the interests of the
22 consumer, including, but not limited to, criminal record information; personal loss history
23 information; information used for fraud prevention or detection; tenant screening; and
24 employment screening.

25 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COMMERCIAL LAW - GENERAL REGULATORY PROVISIONS -
CONSUMER EMPOWERMENT AND IDENTITY THEFT PREVENTION ACT OF 2006

1 This act would provide that a credit reporting agency may not charge a consumer any fee
2 in connection with the placement, temporary lifting or permanent removal of a credit security
3 freeze.

4 This act would take effect upon passage.

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