
HOUSE BILL 1755

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By Representatives Hurst, O'Brien, Eddy, Kessler, Lovick, Rolfes, Williams, Dunshee, Kenney, Green, Hunter, Quall, VanDeWege, Simpson, Hasegawa and Ormsby

Read first time 01/26/2007. Referred to Committee on Insurance, Financial Service & Consumer Protection.

1 AN ACT Relating to consumer credit reports; amending RCW
2 19.182.170; and providing an effective date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 19.182.170 and 2005 c 342 s 1 are each amended to read
5 as follows:

6 (1) A (~~victim of identity theft who has submitted a valid police~~
7 ~~report to a consumer reporting agency~~) consumer, who is a resident of
8 this state, may elect to place a security freeze on his or her credit
9 report by making a request in writing by certified mail to a consumer
10 reporting agency. "Security freeze" means a (~~notice placed in a~~
11 ~~consumer's credit report, at the request of the consumer and subject to~~
12 ~~certain exceptions, that prohibits the consumer reporting agency from~~
13 ~~releasing the consumer's credit report or any information from it~~
14 ~~without the express authorization of the consumer~~) prohibition,
15 consistent with this section, on a consumer reporting agency's
16 furnishing of a consumer's credit report to a third party intending to
17 use the credit report to determine the consumer's eligibility for
18 credit. If a security freeze is in place, information from a
19 consumer's credit report may not be released to a third party without

1 prior express authorization from the consumer. This subsection does
2 not prevent a consumer reporting agency from advising a third party
3 that a security freeze is in effect with respect to the consumer's
4 credit report.

5 (2) For purposes of this section and RCW 19.182.180 through
6 19.182.210(~~(a)~~):

7 (a) "Victim of identity theft" means:

8 (~~(a)~~) (i) A victim of identity theft as defined in RCW 9.35.020;
9 or

10 (~~(b)~~) (ii) A person who has been notified by an agency, person,
11 or business that owns or licenses computerized data of a breach in a
12 computerized data system which has resulted in the acquisition of that
13 person's unencrypted personal information by an unauthorized person or
14 entity.

15 (b) "Credit report" means a consumer report, as defined in 15
16 U.S.C. Sec. 1681a, that is used or collected to serve as a factor in
17 establishing a consumer's eligibility for credit for personal, family,
18 or household purposes.

19 (c) "Normal business hours" means Sunday through Saturday, between
20 the hours of 6:00 a.m. and 9:30 p.m. Pacific Standard Time.

21 (3) A consumer reporting agency shall place a security freeze on a
22 consumer's credit report no later than five business days after
23 receiving a written request from the consumer.

24 (4) The consumer reporting agency shall send a written confirmation
25 of the security freeze to the consumer within ten business days and
26 shall provide the consumer with a unique personal identification number
27 or password to be used by the consumer when providing authorization for
28 the release of his or her credit report for a specific party or period
29 of time.

30 (5) If the consumer wishes to allow his or her credit report to be
31 accessed for a specific party or period of time while a freeze is in
32 place, he or she shall contact the consumer reporting agency, request
33 that the freeze be temporarily lifted, and provide the following:

34 (a) Proper identification, which means that information generally
35 deemed sufficient to identify a person. Only if the consumer is unable
36 to sufficiently identify himself or herself, may a consumer reporting
37 agency require additional information concerning the consumer's

1 employment and personal or family history in order to verify his or her
2 identity;

3 (b) The unique personal identification number or password provided
4 by the credit reporting agency under subsection (4) of this section;
5 (~~and~~))

6 (c) The proper information regarding the third party who is to
7 receive the credit report or the time period for which the report is
8 available to users of the credit report; and

9 (d) Payment of the fee required by the consumer reporting agency
10 under subsection (13) of this section.

11 (6) A consumer reporting agency that receives a request from a
12 consumer to temporarily lift a freeze on a credit report under
13 subsection (5) of this section(~~(7)~~) shall comply with the request (~~(no~~
14 ~~later than~~)) within:

15 (a) Three business days (~~(after)~~) of receiving the request by mail;
16 or

17 (b) Fifteen minutes of receiving the request from the consumer
18 through the electronic contact method chosen by the consumer reporting
19 agency in accordance with subsection (8) of this section, if the
20 request:

- 21 (i) Is received during normal business hours; and
- 22 (ii) Includes the consumer's proper identification and correct
23 personal identification number or password.

24 (7) A consumer reporting agency is not required to remove a
25 security freeze within the time provided in subsection (6)(b) of this
26 section if:

27 (a) The consumer fails to meet the requirements of subsection (5)
28 of this section; or

29 (b) The consumer reporting agency's ability to remove the security
30 freeze within fifteen minutes is prevented by:

31 (i) An act of God, including fire, earthquakes, hurricanes, storms,
32 or similar natural disasters or phenomena;

33 (ii) Unauthorized or illegal acts by a third party, including
34 terrorism, sabotage, riot, vandalism, labor strikes, or disputes
35 disrupting operations, or similar occurrences;

36 (iii) An interruption in operations, including electrical failure,
37 unanticipated delay in equipment or replacement part delivery, computer

1 hardware or software failures inhibiting response time, or similar
2 disruptions;

3 (iv) Governmental action, including emergency orders or
4 regulations, judicial or law enforcement action, or similar directives;

5 (v) Regularly scheduled maintenance of, or updates to, the consumer
6 reporting agency's systems outside of normal business hours;

7 (vi) Commercially reasonable maintenance of, or repair to, the
8 consumer reporting agency's systems that is unexpected or unscheduled;
9 or

10 (vii) Receipt of a removal request outside of normal business
11 hours.

12 (8) A consumer reporting agency may develop procedures involving
13 the use of telephone, fax, the internet, or other electronic media to
14 receive and process a request from a consumer to temporarily lift a
15 freeze on a credit report under subsection (5) of this section in an
16 expedited manner.

17 ~~((+8))~~ (9) A consumer reporting agency shall remove or temporarily
18 lift a freeze placed on a consumer's credit report only in the
19 following cases:

20 (a) Upon consumer request, under subsection (5) or ~~((+11))~~ (12) of
21 this section; or

22 (b) When the consumer's credit report was frozen due to a material
23 misrepresentation of fact by the consumer. When a consumer reporting
24 agency intends to remove a freeze upon a consumer's credit report under
25 this subsection, the consumer reporting agency shall notify the
26 consumer in writing prior to removing the freeze on the consumer's
27 credit report.

28 ~~((+9))~~ (10) When a third party requests access to a consumer
29 credit report on which a security freeze is in effect, and this request
30 is in connection with an application for credit or any other use, and
31 the consumer does not allow his or her credit report to be accessed for
32 that specific party or period of time, the third party may treat the
33 application as incomplete.

34 ~~((+10))~~ (11) When a consumer requests a security freeze, the
35 consumer reporting agency shall disclose the process of placing and
36 temporarily lifting a freeze, and the process for allowing access to
37 information from the consumer's credit report for a specific party or
38 period of time while the freeze is in place.

1 ~~((11))~~ (12) A security freeze remains in place until the consumer
2 requests that the security freeze be removed. A consumer reporting
3 agency shall remove a security freeze within three business days of
4 receiving a request for removal from the consumer, who provides both of
5 the following:

6 (a) Proper identification, as defined in subsection (5)(a) of this
7 section; and

8 (b) The unique personal identification number or password provided
9 by the consumer reporting agency under subsection (4) of this section.

10 ~~((12))~~ (13)(a) Except as provided in (b) of this subsection, a
11 consumer credit reporting agency may charge the following fees for
12 access to a consumer credit report:

13 (i) A fee of no more than ten dollars to a consumer for each
14 freeze, removal of the freeze, or temporary lift of the freeze for a
15 period of time; or

16 (ii) A fee of no more than twelve dollars for a temporary lift of
17 a freeze for a specific party.

18 (b) A consumer credit reporting agency must not charge a fee to a
19 victim of identity theft.

20 (14) This section does not apply to the use of a consumer credit
21 report by any of the following:

22 (a) A person or entity, or a subsidiary, affiliate, or agent of
23 that person or entity, or an assignee of a financial obligation owing
24 by the consumer to that person or entity, or a prospective assignee of
25 a financial obligation owing by the consumer to that person or entity
26 in conjunction with the proposed purchase of the financial obligation,
27 with which the consumer has or had prior to assignment an account or
28 contract, including a demand deposit account, or to whom the consumer
29 issued a negotiable instrument, for the purposes of reviewing the
30 account or collecting the financial obligation owing for the account,
31 contract, or negotiable instrument. For purposes of this subsection,
32 "reviewing the account" includes activities related to account
33 maintenance, monitoring, credit line increases, and account upgrades
34 and enhancements;

35 (b) A subsidiary, affiliate, agent, assignee, or prospective
36 assignee of a person to whom access has been granted under subsection
37 (5) of this section for purposes of facilitating the extension of
38 credit or other permissible use;

- 1 (c) Any federal, state, or local entity, including a law
2 enforcement agency, court, or their agents or assigns;
- 3 (d) A private collection agency acting under a court order,
4 warrant, or subpoena;
- 5 (e) A child support agency acting under Title IV-D of the social
6 security act (42 U.S.C. et seq.);
- 7 (f) The department of social and health services acting to fulfill
8 any of its statutory responsibilities;
- 9 (g) The internal revenue service acting to investigate or collect
10 delinquent taxes or unpaid court orders or to fulfill any of its other
11 statutory responsibilities;
- 12 (h) The use of credit information for the purposes of prescreening
13 as provided for by the federal fair credit reporting act;
- 14 (i) Any person or entity administering a credit file monitoring
15 subscription service to which the consumer has subscribed; and
- 16 (j) Any person or entity for the purpose of providing a consumer
17 with a copy of his or her credit report upon the consumer's request.
- 18 (15) The consumer's request for a security freeze does not prohibit
19 the consumer reporting agency from disclosing the consumer's credit
20 report for other than credit-related purposes consistent with the
21 definition of credit report, as found in this section.

22 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2009.

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