
Business & Financial Services Committee

HB 2354

Brief Description: Restricting fees for security freezes by consumer reporting agencies.

Sponsors: Representatives Pellicciotti, Pettigrew, Santos, Valdez, Reeves, Macri, Ormsby and Pollet.

Brief Summary of Bill

- Adds security freeze fee exemptions for consumers that certify they have received notice their personal or financial data has been breached and they believe they are at risk of fraudulent activity.
- Adds security freeze lift and removal to the list of activities that are fee exempt for certain consumers.

Hearing Date: 1/17/18

Staff: Robbi Kesler (786-7153).

Background:

A consumer reporting agency (agency) collects consumer information including payment history, information regarding open accounts, and outstanding balances in order to monitor a person's financial history to compile a credit report. Third parties may access consumer credit reports for a valid business need, such as extending credit, or in some circumstances for employment related reasons.

Any consumer in Washington may request that an agency place a security freeze on his or her credit report. The request for a security freeze must be submitted in writing via certified mail to the agency. Once the agency has received a security freeze request the agency must place the security freeze within five business days. Within ten business days the agency must send the consumer written confirmation of the security freeze and provide the consumer with a personal identification number to be used when later authorizing a lift or removal of the freeze.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Subject to certain exceptions, the agency is then prohibited from releasing the report or information from the report without the consumer's express permission. A consumer's request for a security freeze does not prohibit the release of the consumer's credit report for purposes that are not credit-related.

Currently, the agency may charge up to \$10 for placing, temporarily lifting, or removing a security freeze. An agency may not charge a fee to place a security freeze for victims of identity theft that have provided a copy of a police report evidencing the claim, or to persons age 65 years or older.

Summary of Bill:

A consumer reporting agency cannot charge fees to place, lift, or remove a security freeze if the consumer has received notice of their personal or financial data being breached and certify they believe they are at risk of fraudulent activity. The freeze must be requested within nine months of receiving notice of the breach.

A consumer reporting agency may not charge a fee to lift or remove a security freeze to victims of identity theft or persons age 65 years or older.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.