
HOUSE BILL 3247

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By Representatives Wallace, Hudgins, Takko, P. Sullivan, Springer, Kessler, Sells, Kilmer and Hasegawa

Read first time 01/27/2006. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to allowing all consumers to place a security
2 freeze on a credit report; and amending RCW 19.182.170.

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 may elect to place a
8 security freeze on his or her report by making a request in writing by
9 certified mail to a consumer reporting agency. "Security freeze" means
10 a notice placed in a consumer's credit report, at the request of the
11 consumer and subject to certain exceptions, that prohibits the consumer
12 reporting agency from releasing the consumer's credit report or any
13 information from it without the express authorization of the consumer.
14 If a security freeze is in place, information from a consumer's credit
15 report may not be released to a third party without prior express
16 authorization from the consumer. This subsection does not prevent a
17 consumer reporting agency from advising a third party that a security
18 freeze is in effect with respect to the consumer's credit report.

1 ~~((For purposes of this section and RCW 19.182.180 through~~
2 ~~19.182.210, a "victim of identity theft" means:~~

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

4 ~~(b) A person who has been notified by an agency, person, or~~
5 ~~business that owns or licenses computerized data of a breach in a~~
6 ~~computerized data system which has resulted in the acquisition of that~~
7 ~~person's unencrypted personal information by an unauthorized person or~~
8 ~~entity.~~

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

12 ~~((4))~~ (3) The consumer reporting agency shall send a written
13 confirmation of the security freeze to the consumer within ten business
14 days and shall provide the consumer with a unique personal
15 identification number or password to be used by the consumer when
16 providing authorization for the release of his or her credit report for
17 a specific party or period of time.

18 ~~((5))~~ (4) If the consumer wishes to allow his or her credit
19 report to be accessed for a specific party or period of time while a
20 freeze is in place, he or she shall contact the consumer reporting
21 agency, request that the freeze be temporarily lifted, and provide the
22 following:

23 (a) Proper identification, which means that information generally
24 deemed sufficient to identify a person. Only if the consumer is unable
25 to sufficiently identify himself or herself, may a consumer reporting
26 agency require additional information concerning the consumer's
27 employment and personal or family history in order to verify his or her
28 identity;

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

32 (c) The proper information regarding the third party who is to
33 receive the credit report or the time period for which the report is
34 available to users of the credit report.

35 ~~((6))~~ (5) A consumer reporting agency that receives a request
36 from a consumer to temporarily lift a freeze on a credit report under
37 subsection ~~((5))~~ (4) of this section~~((7))~~ shall comply with the
38 request no later than three business days after receiving the request.

1 ~~((+7))~~ (6) A consumer reporting agency may develop procedures
2 involving the use of telephone, fax, the internet, or other electronic
3 media to receive and process a request from a consumer to temporarily
4 lift a freeze on a credit report under subsection ~~((+5))~~ (4) of this
5 section in an expedited manner.

6 ~~((+8))~~ (7) A consumer reporting agency shall remove or temporarily
7 lift a freeze placed on a consumer's credit report only in the
8 following cases:

9 (a) Upon consumer request, under subsection ~~((+5))~~ (4) or ~~((+11))~~
10 (10) of this section; or

11 (b) When the consumer's credit report was frozen due to a material
12 misrepresentation of fact by the consumer. When a consumer reporting
13 agency intends to remove a freeze upon a consumer's credit report under
14 this subsection, the consumer reporting agency shall notify the
15 consumer in writing prior to removing the freeze on the consumer's
16 credit report.

17 ~~((+9))~~ (8) When a third party requests access to a consumer credit
18 report on which a security freeze is in effect, and this request is in
19 connection with an application for credit or any other use, and the
20 consumer does not allow his or her credit report to be accessed for
21 that specific party or period of time, the third party may treat the
22 application as incomplete.

23 ~~((+10))~~ (9) When a consumer requests a security freeze, the
24 consumer reporting agency shall disclose the process of placing and
25 temporarily lifting a freeze, and the process for allowing access to
26 information from the consumer's credit report for a specific party or
27 period of time while the freeze is in place.

28 ~~((+11))~~ (10) A security freeze remains in place until the consumer
29 requests that the security freeze be removed. A consumer reporting
30 agency shall remove a security freeze within three business days of
31 receiving a request for removal from the consumer, who provides both of
32 the following:

33 (a) Proper identification, as defined in subsection ~~((+5))~~ (4)(a)
34 of this section; and

35 (b) The unique personal identification number or password provided
36 by the consumer reporting agency under subsection ~~((+4))~~ (3) of this
37 section.

1 (~~(12)~~) (11) This section does not apply to the use of a consumer
2 credit report by any of the following:

3 (a) A person or entity, or a subsidiary, affiliate, or agent of
4 that person or entity, or an assignee of a financial obligation owing
5 by the consumer to that person or entity, or a prospective assignee of
6 a financial obligation owing by the consumer to that person or entity
7 in conjunction with the proposed purchase of the financial obligation,
8 with which the consumer has or had prior to assignment an account or
9 contract, including a demand deposit account, or to whom the consumer
10 issued a negotiable instrument, for the purposes of reviewing the
11 account or collecting the financial obligation owing for the account,
12 contract, or negotiable instrument. For purposes of this subsection,
13 "reviewing the account" includes activities related to account
14 maintenance, monitoring, credit line increases, and account upgrades
15 and enhancements;

16 (b) A subsidiary, affiliate, agent, assignee, or prospective
17 assignee of a person to whom access has been granted under subsection
18 (~~(5)~~) (4) of this section for purposes of facilitating the extension
19 of credit or other permissible use;

20 (c) Any federal, state, or local entity, including a law
21 enforcement agency, court, or their agents or assigns;

22 (d) A private collection agency acting under a court order,
23 warrant, or subpoena;

24 (e) A child support agency acting under Title IV-D of the social
25 security act (42 U.S.C. et seq.);

26 (f) The department of social and health services acting to fulfill
27 any of its statutory responsibilities;

28 (g) The internal revenue service acting to investigate or collect
29 delinquent taxes or unpaid court orders or to fulfill any of its other
30 statutory responsibilities;

31 (h) The use of credit information for the purposes of prescreening
32 as provided for by the federal fair credit reporting act;

33 (i) Any person or entity administering a credit file monitoring
34 subscription service to which the consumer has subscribed; and

35 (j) Any person or entity for the purpose of providing a consumer
36 with a copy of his or her credit report upon the consumer's request.

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