

**SHB 2384** - H AMD 703

By Representative Eslick

NOT CONSIDERED 01/31/2018

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 19.182.170 and 2007 c 499 s 1 are each amended to  
4 read as follows:

5 (1) A consumer, who is a resident of this state, may elect to  
6 place a security freeze on his or her credit report by making a  
7 request in writing by certified mail to a consumer reporting agency.  
8 "Security freeze" means a prohibition, consistent with this section,  
9 on a consumer reporting agency's furnishing of a consumer's credit  
10 report to a third party intending to use the credit report to  
11 determine the consumer's eligibility for credit. If a security  
12 freeze is in place, information from a consumer's credit report may  
13 not be released to a third party without prior express authorization  
14 from the consumer. This subsection does not prevent a consumer  
15 reporting agency from advising a third party that a security freeze  
16 is in effect with respect to the consumer's credit report.

17 (2) For purposes of this section and RCW 19.182.180 through  
18 19.182.210:

19 (a) "Victim of identity theft" means a person who has a police  
20 report evidencing their claim to be a victim of a violation of RCW  
21 9.35.020 and which report will be produced to a consumer reporting  
22 agency, upon such consumer reporting agency's request.

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

27

1 (c) "Normal business hours" means Sunday through Saturday,  
2 between the hours of 6:00 a.m. and 9:30 p.m. Pacific time.

3 (3) A consumer reporting agency shall place a security freeze on  
4 a consumer's credit report no later than five business days after  
5 receiving a written request from the consumer and payment of the fee  
6 required by the consumer reporting agency under subsection (13) of  
7 this section.

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

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

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

25 (b) The unique personal identification number or password  
26 provided by the consumer reporting agency under subsection (4) of  
27 this section;

28 (c) The proper information regarding the time period for which  
29 the report is available to users of the credit report; and

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

32 (6) A consumer reporting agency that receives a request from a  
33 consumer to temporarily lift a freeze on a credit report under  
34 subsection (5) of this section shall comply with the request within:

1 (a) Three business days of receiving the request by mail; or  
2 (b) Fifteen minutes of receiving the request from the consumer  
3 through the electronic contact method chosen by the consumer  
4 reporting agency in accordance with subsection (8) of this section,  
5 if the request:

6 (i) Is received during normal business hours; and

7 (ii) Includes the consumer's proper identification and correct  
8 personal identification number or password.

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

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

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

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

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

21 (iii) An interruption in operations, including electrical  
22 failure, unanticipated delay in equipment or replacement part  
23 delivery, computer hardware or software failures inhibiting response  
24 time, or similar disruptions;

25 (iv) Governmental action, including emergency orders or  
26 regulations, judicial or law enforcement action, or similar  
27 directives;

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

31 (vi) Commercially reasonable maintenance of, or repair to, the  
32 consumer reporting agency's systems that is unexpected or  
33 unscheduled; or

34

1 (vii) Receipt of a removal request outside of normal business  
2 hours.

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

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

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

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

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

25 (11) When a consumer requests a security freeze, the consumer  
26 reporting agency shall disclose the process of placing and  
27 temporarily lifting a freeze, and the process for allowing access to  
28 information from the consumer's credit report for a specific period  
29 of time while the freeze is in place.

30 (12) A security freeze remains in place until the consumer  
31 requests that the security freeze be removed. A consumer reporting  
32 agency shall remove a security freeze within three business days of  
33 receiving a request for removal from the consumer, who provides all  
34 of the following:

1 (a) Proper identification, as defined in subsection (5)(a) of  
2 this section;

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

6 (c) Payment of the fee required by the consumer reporting agency  
7 under subsection (13) of this section.

8 (13)(a) Except as provided in (b) of this subsection, a consumer  
9 reporting agency may charge a fee of no more than ten dollars to a  
10 consumer for placement of each freeze, temporary lift of the freeze,  
11 ~~((or))~~ removal of the freeze, or requests to reissue a personal  
12 identification number.

13 (b) A consumer reporting agency may not charge a fee to place a  
14 security freeze for ~~((a victim of identity theft or for a consumer,~~  
15 ~~who is))~~ :

16 (i) One security freeze placement, temporary lift of the freeze,  
17 and removal of the freeze per consumer per calendar year at each  
18 consumer reporting agency;

19 (ii) Up to three security freeze placements, temporary lifts,  
20 and removals of the freeze per consumer per calendar year at each  
21 credit reporting agency for victims of identity theft or consumers  
22 that provide documentation which shows their personal or financial  
23 information has been compromised as part of a security breach; and

24 (iii) Persons age sixty-five years old or older.

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

27 (a) A person or entity, or a subsidiary, affiliate, or agent of  
28 that person or entity, or an assignee of a financial obligation  
29 owing by the consumer to that person or entity, or a prospective  
30 assignee of a financial obligation owing by the consumer to that  
31 person or entity in conjunction with the proposed purchase of the  
32 financial obligation, with which the consumer has or had prior to  
33 assignment an account or contract, including a demand deposit  
34 account, or to whom the consumer issued a negotiable instrument, for

1 the purposes of reviewing the account or collecting the financial  
2 obligation owing for the account, contract, or negotiable  
3 instrument. For purposes of this subsection, "reviewing the account"  
4 includes activities related to account maintenance, monitoring,  
5 credit line increases, and account upgrades and enhancements;

6 (b) Any federal, state, or local entity, including a law  
7 enforcement agency, court, or their agents or assigns;

8 (c) Any person acting under a court order, warrant, or subpoena;

9 (d) A child support agency acting under Title IV-D of the social  
10 security act (42 U.S.C. Sec. 651 et seq.);

11 (e) The department of social and health services acting to  
12 fulfill any of its statutory responsibilities;

13 (f) The internal revenue service acting to investigate or  
14 collect delinquent taxes or unpaid court orders or to fulfill any of  
15 its other statutory responsibilities;

16 (g) The use of credit information for the purposes of  
17 prescreening as provided for by the federal fair credit reporting  
18 act;

19 (h) Any person or entity administering a credit file monitoring  
20 subscription service to which the consumer has subscribed;

21 (i) Any person or entity for the purpose of providing a consumer  
22 with a copy of his or her credit report upon the consumer's request;  
23 and

24 (j) A mortgage broker or loan originator required to be licensed  
25 under chapter 19.146 RCW.

26 (15) Liability may not result to the consumer reporting agency  
27 if through inadvertence or mistake the consumer reporting agency  
28 releases credit report information to a person or entity purporting  
29 to be a mortgage broker or loan originator under subsection (14) of  
30 this section that is, in fact, not a mortgage broker or loan  
31 originator.

32 (16) The consumer's request for a security freeze does not  
33 prohibit the consumer reporting agency from disclosing the  
34 consumer's credit report for other than credit-related purposes.

1 (17) A violation of subsection (6) of this section does not  
2 provide a private cause of action under RCW 19.86.090. A violation  
3 of subsection (6) of this section shall be enforced exclusively by  
4 the attorney general. A violation of subsection (6) of this section  
5 is subject to all other remedies and penalties available under this  
6 chapter.

7

8 **Sec. 2.** RCW 19.182.230 and 2016 c 135 s 2 are each amended to  
9 read as follows:

10 (1) A consumer reporting agency shall place a security freeze  
11 for a protected consumer if:

12 (a) The consumer reporting agency receives a request from the  
13 protected consumer's representative for the placement of the  
14 security freeze under this section; and

15 (b) The protected consumer's representative:

16 (i) Submits the request to the consumer reporting agency at the  
17 address or other point of contact and in the manner specified by the  
18 consumer reporting agency;

19 (ii) Provides to the consumer reporting agency sufficient proof  
20 of identification of the protected consumer and the representative;

21 (iii) Provides to the consumer reporting agency sufficient proof  
22 of authority to act on behalf of the protected consumer; and

23 (iv) Pays to the consumer reporting agency a fee as provided in  
24 this section.

25 (2) If a consumer reporting agency does not have a file  
26 pertaining to a protected consumer when the consumer reporting  
27 agency receives a request under subsection (1)(a) of this section,  
28 the consumer reporting agency shall create a record for the  
29 protected consumer.

30 (3) Within thirty days after receiving a request that meets the  
31 requirements of subsection (1) of this section, a consumer reporting  
32 agency shall place a security freeze for the protected consumer.

33 (4) Unless a security freeze for a protected consumer is removed  
34 in accordance with subsection (6) or (9) of this section, a consumer

1 reporting agency may not release the protected consumer's consumer  
2 report, any information derived from the protected consumer's  
3 consumer report, or any record created for the protected consumer.

4 (5) A security freeze for a protected consumer placed in  
5 accordance with this section shall remain in effect until:

6 (a) The protected consumer or the protected consumer's  
7 representative requests the consumer reporting agency to remove the  
8 security freeze in accordance with subsection (6) of this section;  
9 or

10 (b) The security freeze is removed in accordance with subsection  
11 (9) of this section.

12 (6) If a protected consumer or a protected consumer's  
13 representative wishes to remove a security freeze for the protected  
14 consumer, the protected consumer or the protected consumer's  
15 representative shall:

16 (a) Submit a request for the removal of the security freeze to  
17 the consumer reporting agency at the address or other point of  
18 contact and in the manner specified by the consumer reporting  
19 agency;

20 (b) Provide to the consumer reporting agency:

21 (i) In the case of a request by the protected consumer:

22 (A) Proof that the sufficient proof of authority for the  
23 protected consumer's representative to act on behalf of the  
24 protected consumer is no longer valid; and

25 (B) Sufficient proof of identification of the protected  
26 consumer;

27 (ii) In the case of a request by the representative of a  
28 protected consumer:

29 (A) Sufficient proof of identification of the protected consumer  
30 and the representative; and

31 (B) Sufficient proof of authority to act on behalf of the  
32 protected consumer; and

33 (iii) In any case, pay to the consumer reporting agency a fee as  
34 provided in this section.



1 (7) Within thirty days after receiving a request that meets the  
2 requirements of subsection (6) of this section, the consumer  
3 reporting agency shall remove the security freeze for the protected  
4 consumer.

5 (8)(a) Except as provided in (b) of this subsection, a consumer  
6 reporting agency may not charge a fee for any service performed  
7 under this section, including:

8 (i) One security freeze placement, temporary lift of the freeze,  
9 and removal of the freeze per consumer per calendar year at each  
10 consumer reporting agency;

11 (ii) Up to three security freeze placements, temporary lifts,  
12 and removals of the freeze per consumer per calendar year at each  
13 credit reporting agency for victims of identity theft or consumers  
14 that provide documentation which shows their personal or financial  
15 information has been compromised as part of a security breach; and

16 (iii) Persons age sixty-five years old or older.

17 (b) A consumer reporting agency may charge a reasonable fee, not  
18 exceeding ten dollars, for each placement or removal of a security  
19 freeze for a protected consumer.

20 (c) A consumer reporting agency may not charge any fee under  
21 this section if:

22 (i) The protected consumer's representative:

23 (A) Has obtained a report from a federal, state, county, or  
24 local law enforcement alleging identity theft in violation of RCW  
25 9.35.020 against the protected consumer; and

26 (B) Provides a copy of the report to the consumer reporting  
27 agency; or

28 (ii)(A) A request for the placement or removal of a security  
29 freeze is for a protected consumer who is under the age of sixteen  
30 years at the time of the request; and

31 (B) The consumer reporting agency has a consumer report  
32 pertaining to the protected consumer.

33 (9) A consumer reporting agency may remove a security freeze for  
34 a protected consumer or delete a record of a protected consumer if

1 the security freeze was placed or the record was created based on a  
2 material misrepresentation of fact by the protected consumer or the  
3 protected consumer's representative.

4 (10) A violation of this section is enforced in accordance with  
5 RCW 19.182.170(17).

6 (11) This section does not apply to:

7 (a) Persons or transactions described in RCW 19.182.170(14)(b),  
8 (c), (d), (e), (f), (h), or (i);

9 (b) Persons or transactions described in RCW 19.182.190;

10 (c) Persons or transactions described in RCW 19.182.200; or

11 (d) A person or entity that maintains, or a database used solely  
12 for, the following:

13 (i) Criminal record information;

14 (ii) Personal loss history information;

15 (iii) Fraud prevention or detection;

16 (iv) Employment screening; or

17 (v) Tenant screening."

EFFECT: Removes the restriction on all security freeze fees  
and makes the following changes to security freeze fees:

- Prohibits consumer reporting agencies from charging a fee for one placement, lift, and, removal of a security freeze per consumer, per calendar year.
- Prohibits consumer reporting agencies from charging a fee for up to three placements, lifts, and removals of a security freeze per calendar year for victims of identity theft and consumers that believe their personal or financial data has been breached.
- Adds the reissuance of a personal identification number to a consumer to the list of activities a credit reporting agency may charge a fee for.

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