
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 180 Session of
2005

INTRODUCED BY CORMAN, WONDERLING, GREENLEAF, M. WHITE, KASUNIC,
RHOADES, TARTAGLIONE, KITCHEN, MUSTO, O'PAKE, COSTA,
D. WHITE, STACK, ORIE, RAFFERTY, ARMSTRONG AND VANCE,
FEBRUARY 11, 2005

AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, SEPTEMBER 26, 2006

AN ACT

1 Providing for protection from identity theft, for security
2 freezes, for procedures for access after imposition and
3 removal of security freezes and for related matters.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Credit
8 Reporting Agency Law.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Consumer." An individual.

14 "Consumer report." A written, oral or other communication of
15 any information by a consumer reporting agency bearing on a
16 consumer's creditworthiness, credit standing or credit capacity.

1 "Consumer reporting agency." Any person who, for monetary
2 fees, dues or on a cooperative basis, regularly engages in whole
3 or in part in the practice of assembling or evaluating consumer
4 credit information or other information on consumers for the
5 purpose of furnishing consumer reports to third parties.

6 "Security freeze." A notice placed on a consumer report, at
7 the request of the consumer and subject to certain exceptions,
8 that prohibits a consumer reporting agency from releasing the
9 consumer report without the express authorization of the
10 consumer.

11 Section 3. Security freeze.

12 (a) Request for freeze.--

13 (1) A consumer may elect to place a security freeze on
14 his consumer report by providing ~~clear and~~ proper <—
15 identification to a consumer reporting agency. The consumer
16 may make the request DIRECTLY TO A CONSUMER REPORTING AGENCY: <—

17 (i) by certified mail USING AN ADDRESS DESIGNATED BY <—
18 THE CONSUMER REPORTING AGENCY; or

19 (ii) ~~directly to the consumer reporting agency~~ <—
20 through a secure Internet connection if the connection is
21 made available by the consumer reporting agency.

22 (2) Each consumer reporting agency covered by this act
23 shall have a toll-free telephone number available to allow a
24 consumer to ~~request an appropriate form~~ RECEIVE INFORMATION <—
25 ABOUT HOW to request a security freeze, which the consumer
26 must return by certified mail.

27 (3) A consumer reporting agency shall place a security
28 freeze on a consumer report no later than five business days
29 after receiving a request for the security freeze from the
30 consumer.

1 (4) The following entities are not required to place a
2 security freeze in a consumer report:

3 (i) A credit reporting agency that acts only as a
4 reseller of credit information by assembling and merging
5 information contained in the database of another credit
6 reporting agency or multiple credit reporting agencies
7 and does not maintain a permanent database of credit
8 information from which new credit reports are produced,
9 however, a credit reporting agency acting as a reseller
10 shall honor any security freeze placed on a credit report
11 by another credit reporting agency.

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

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

25 (b) Effect of security freeze.--Except as provided in
26 subsection (e), when a security freeze is in place, information
27 from a consumer report shall not be released to a third party
28 without prior express authorization from the consumer. This
29 subsection shall not prevent a consumer reporting agency from
30 advising a third party that a security freeze is in effect with

1 respect to a consumer report.

2 (c) Third-party request.--If a third party requests access
3 to a consumer report on which a security freeze is in effect,
4 and the consumer does not allow his or her consumer report to be
5 accessed for that specific party or for a period of time, the
6 third party shall treat the application as incomplete.

7 (d) Duration of freeze.--A security freeze shall remain in
8 ~~place until the consumer requests that the security freeze be~~ <—
9 ~~removed under section 7.~~ PLACE UNTIL THE EARLIER OF THE DATE THE <—
10 CONSUMER REPORTING AGENCY RECEIVES A REQUEST FROM THE CONSUMER
11 TO REMOVE THE SECURITY FREEZE OR UNTIL SEVEN YEARS FROM THE DATE
12 THAT THE SECURITY FREEZE WAS PUT IN PLACE BY THE CONSUMER
13 REPORTING AGENCY.

14 (e) Applicability of freeze.--~~A security freeze does not~~ <—
15 ~~apply to a consumer report provided to:~~ NOTWITHSTANDING A <—
16 SECURITY FREEZE THE FOLLOWING ENTITIES MAY RECEIVE A CONSUMER
17 REPORT:

18 (1) A Federal, State or local government entity,
19 including a law enforcement agency or court, or their agents
20 or assigns.

21 (2) A private collection agency for the sole purpose of
22 assisting in the collection of an existing debt of the
23 consumer who is the subject of the consumer report requested.

24 (3) A person or entity or a subsidiary, affiliate or
25 agent of that person or entity, or an assignee of a financial
26 obligation owed by the consumer to that person or entity, or
27 a prospective assignee of a financial obligation owed by the
28 consumer to that person or entity in conjunction with the
29 proposed purchase of the financial obligation, with which the
30 consumer has or had prior to assignment an account or

1 contract, including a demand deposit account, or to whom the
2 consumer issued a negotiable instrument, for the purposes of
3 reviewing the account or collecting the financial obligation
4 owing for the account, contract or negotiable instrument. For
5 purposes of this paragraph, "reviewing the account" includes
6 activities related to account maintenance, monitoring, credit
7 line increases and account upgrades and enhancements.

8 (4) A subsidiary, affiliate, agent, assignee or
9 prospective assignee of a person to whom access has been
10 granted under this section for the purposes of facilitating
11 the extension of credit.

12 (5) A person, for the purposes of prescreening as
13 provided by the Fair Credit Reporting Act (Public Law 91-508,
14 15 U.S.C. § 1681 et seq.).

15 (6) A consumer reporting agency for the purposes of
16 providing a consumer with a copy of his own consumer report
17 on his request.

18 (7) A child support enforcement agency.

19 (8) A consumer reporting agency that acts only as a
20 reseller of credit information by assembling and merging
21 information contained in the database of another consumer
22 reporting agency or multiple consumer reporting agencies and
23 does not maintain a permanent database of credit information
24 from which new consumer reports are produced. However, a
25 consumer reporting agency acting as a reseller shall honor
26 any security freeze placed on a consumer report by another
27 consumer reporting agency.

28 (9) A check services or fraud prevention services
29 company which issues reports on incidents of fraud or
30 authorizations for the purpose of approving or processing

1 negotiable instruments, electronic funds transfers or similar
2 methods of payments.

3 (10) A deposit account information service company which
4 issues reports regarding account closures due to fraud,
5 substantial overdrafts, automated teller machine (ATM) abuse
6 or similar negative information regarding a consumer to
7 inquiring banks or other financial institutions for use only
8 in reviewing a consumer request for a deposit account at the
9 inquiring bank or financial institution.

10 (11) Any person or entity for use in setting or
11 adjusting a rate, issuing or underwriting a policy, adjusting
12 a claim or servicing a policy for underwriting for property
13 and casualty insurance purposes.

14 (12) A person or entity administering a credit file
15 monitoring subscription service or similar service to which
16 the consumer has subscribed.

17 Section 4. Consumer reporting agency.

18 The consumer reporting agency shall, no later than ten
19 business days after the date the agency receives a request from
20 a consumer for a security freeze, send the consumer a written
21 confirmation that provides the consumer with a unique personal
22 identification number or password to be used by the consumer
23 when providing authorization for the access to his consumer
24 report for a specific period of time or for a specific third
25 party or removing the security freeze. In addition, the consumer
26 reporting agency shall simultaneously provide to the consumer in
27 writing notification of the process of removing a security
28 freeze and the process of temporarily lifting a security freeze
29 and the process for allowing access to information from the
30 consumer report for a specific party or for a specific period

1 while the security freeze is in effect.

2 Section 5. Personal identification.

3 A consumer may request in writing a replacement personal
4 identification number or password. The request must comply with
5 the requirements for requesting a security freeze under section
6 3. The consumer reporting agency shall, no later than ten
7 business days after the date the agency receives the request for
8 a replacement personal identification number or password,
9 provide the consumer with a new, unique personal identification
10 number or password to be used by the consumer instead of the
11 number or password that was provided under section 4.

12 Section 6. Notification of freeze.

13 A consumer reporting agency shall notify a person who
14 requests a consumer report if a security freeze is in effect for
15 the consumer report requested.

16 Section 7. Temporary access or removal of security freeze.

17 (a) Request.--If the consumer wishes to allow his consumer
18 report to be accessed for a specific period of time or by a
19 specific third party while a security freeze is in place or to
20 remove a security freeze he shall be able to contact the
21 consumer reporting agency by certified mail or by a toll-free
22 telephone number which shall be provided by the consumer
23 reporting agency and may be able to contact the consumer
24 reporting agency through a secure Internet connection which may
25 be established by the consumer reporting agency and request that
26 the security freeze be temporarily lifted or removed and provide
27 all of the following:

28 (1) Clear and proper identification.

29 (2) The unique personal identification number or
30 password provided by the consumer reporting agency pursuant

1 to this act.

2 (3) One of the following:

3 (i) The proper information regarding the time period
4 for which the consumer report shall be available to any
5 person.

6 (ii) The proper information regarding the third
7 party who is to receive the consumer report.

8 (iii) A request that the security freeze be removed.

9 (b) Agency requirement.--A consumer reporting agency that
10 receives a request from a consumer pursuant to subsection (a)
11 shall comply with the request no later than three business days
12 after receiving the request.

13 (c) Removal of security freeze.--A consumer reporting agency
14 shall temporarily lift or remove a security freeze placed on a
15 consumer report only in the following cases:

16 (1) Upon the consumer's request as provided for in this
17 section.

18 (2) If the consumer report was frozen due to a material
19 misrepresentation of fact by the consumer or other person. If
20 a consumer reporting agency intends to remove a freeze upon a
21 consumer report pursuant to this paragraph, the consumer
22 reporting agency shall notify the consumer in writing prior
23 to removing the freeze on the consumer report.

24 Section 8. Secure procedures.

25 In addition to the requirements of this act, a consumer
26 reporting agency may develop secure procedures, including, but
27 not limited to, the use of the telephone, facsimile, Internet or
28 other electronic media to receive and process a request from a
29 consumer to place a security freeze, temporarily lift a security
30 freeze or remove a security freeze on a consumer report pursuant

1 to this act in an expedited manner.

2 Section 9. Fees.

3 (a) General rule.--A consumer reporting agency may impose a
4 reasonable charge on a consumer for initially placing a security
5 freeze on a consumer report. The amount of the charge may not
6 exceed \$10. The charge to temporarily lift the security freeze
7 may not exceed \$10 per request. At no time shall the consumer be
8 charged for removing the freeze.

9 (b) Exceptions.--

10 (1) A consumer will not be charged by a consumer
11 reporting agency for placing a security freeze or temporarily
12 lifting a security freeze if the consumer is a victim of
13 identity theft and provides, or has provided, the consumer
14 reporting agency with a copy of a police report.

15 (2) A consumer will not be charged by a consumer
16 reporting agency for placing a security freeze if the
17 consumer is 65 years of age or older.

18 (c) Confirmation required.--If a security freeze is in
19 place, a consumer reporting agency shall not change any of the
20 following information regarding a consumer without sending a
21 written confirmation of the change to the consumer within 30
22 days of the change being posted:

- 23 (1) Name.
- 24 (2) Date of birth.
- 25 (3) Social Security number.
- 26 (4) Address.

27 Written confirmation is not required for technical modifications
28 of a consumer's official information, including name and street
29 abbreviations, complete spellings or transposition of numbers or
30 letters. In the case of an address change, the written

1 confirmation shall be sent to both the new address and to the
2 former address.

3 Section 10. Civil relief.

4 A violation of this act shall be deemed to be an unfair or
5 deceptive act or practice in violation of the act of December
6 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices
7 and Consumer Protection Law. The Office of Attorney General
8 shall have exclusive authority to bring an action under the
9 Unfair Trade Practices and Consumer Protection Law for a
10 violation of this act.

11 Section 11. Effective date.

12 This act shall take effect January 1, 2007.