
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 494 Session of
2017

INTRODUCED BY SCHLOSSBERG, BOBACK, V. BROWN, BULLOCK,
CALTAGIRONE, DONATUCCI, FRANKEL, MACKENZIE, MADDEN, ROEBUCK,
ROZZI, SAMUELSON, SCHWEYER, SIMS, SOLOMON AND THOMAS,
FEBRUARY 14, 2017

REFERRED TO COMMITTEE ON COMMERCE, FEBRUARY 14, 2017

AN ACT

1 Amending the act of November 29, 2006 (P.L.1463, No.163),
2 entitled "An act providing for protection from identity
3 theft, for security freezes, for procedures for access after
4 imposition and removal of security freezes and for related
5 matters," further providing for definitions, for security
6 freeze, for consumer reporting agency, for personal
7 identification, for temporary access or removal of security
8 freeze, for secure procedures and for fees; and providing for
9 construction.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. The definitions of "consumer" and "security
13 freeze" in section 2 of the act of November 29, 2006 (P.L.1463,
14 No.163), known as the Credit Reporting Agency Act, are amended
15 and the section is amended by adding definitions to read:

16 Section 2. Definitions.

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

20 "Consumer." An individual. The term shall not include a

1 protected consumer.

2 * * *

3 "Durable power of attorney." As defined in 20 Pa.C.S. Ch. 56
4 (relating to powers of attorney).

5 "Protected consumer." An individual who:

6 (1) is under 18 years of age or has a legal guardian,
7 agent or conservator appointed; and

8 (2) has a representative on record with a consumer
9 credit reporting agency to act on behalf of the individual
10 with respect to that consumer credit reporting agency.

11 "Representative." A parent, legal guardian, agent,
12 conservator or other person who provides a consumer reporting
13 agency with sufficient proof of authority to act on behalf of a
14 protected consumer.

15 "Security freeze." A notice placed on a consumer report, at
16 the request of the consumer or a representative and subject to
17 certain exceptions, that prohibits a consumer reporting agency
18 from releasing the consumer report without the express
19 authorization of the consumer or the representative.

20 "Sufficient proof of authority." Proper identification and
21 other documentation that shows a representative has authority to
22 act on behalf of a protected consumer, including any of the
23 following:

24 (1) An order issued by a court.

25 (2) A durable power of attorney.

26 (3) A notarized written statement signed by a
27 representative that expressly describes the authority of the
28 representative to act on behalf of the protected consumer.

29 Section 2. Sections 3, 4, 5, 7, 8 and 9 of the act are
30 amended to read:

1 Section 3. Security freeze.

2 (a) Request for freeze.--

3 (1) A consumer may elect to place a security freeze on
4 his consumer report by providing proper identification to a
5 consumer reporting agency. The consumer may make the request
6 directly to a consumer reporting agency:

7 (i) by certified mail using an address designated by
8 the consumer reporting agency; or

9 (ii) through a secure Internet connection if the
10 connection is made available by the consumer reporting
11 agency.

12 (1.1) A representative may request that a security
13 freeze be placed on the credit report of the protected
14 consumer he represents by providing sufficient proof of
15 authority to the consumer reporting agency. A request for a
16 security freeze under this paragraph shall be made by a
17 representative in the same manner as a consumer under
18 paragraph (1).

19 (2) Each consumer reporting agency covered by this act
20 shall have a toll-free telephone number available to allow a
21 consumer or a representative to receive information about how
22 to request a security freeze, which the consumer or
23 representative must return by certified mail.

24 (3) A consumer reporting agency shall place a security
25 freeze on a consumer report no later than five business days
26 after receiving a request for the security freeze from the
27 consumer or representative.

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

30 (i) A credit reporting agency that acts only as a

1 reseller of credit information by assembling and merging
2 information contained in the database of another credit
3 reporting agency or multiple credit reporting agencies
4 and does not maintain a permanent database of credit
5 information from which new credit reports are produced;
6 however, a credit reporting agency acting as a reseller
7 shall honor any security freeze placed on a credit report
8 by another credit reporting agency.

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

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

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

29 (c) Third-party request.--If a third party requests access
30 to a consumer report on which a security freeze is in effect and

1 the consumer or representative does not allow [his or her] the
2 consumer report to be accessed for that specific party or for a
3 period of time, the third party shall treat the application as
4 incomplete.

5 (d) Duration of freeze.--A security freeze shall remain in
6 place until the earlier of the date the consumer reporting
7 agency receives a request from the consumer or a representative
8 acting on behalf of a protected consumer to remove the security
9 freeze or until seven years from the date that the security
10 freeze was put in place by the consumer reporting agency.

11 (e) Applicability of freeze.--Notwithstanding a security
12 freeze, the following entities may receive a consumer report:

13 (1) A Federal, State or local government entity,
14 including a law enforcement agency or court, or their agents
15 or assigns.

16 (2) A private collection agency for the sole purpose of
17 assisting in the collection of an existing debt of the
18 consumer or protected consumer who is the subject of the
19 consumer report requested.

20 (3) A person or entity or a subsidiary, affiliate or
21 agent of that person or entity, or an assignee of a financial
22 obligation owed by the consumer or protected consumer to that
23 person or entity, or a prospective assignee of a financial
24 obligation owed by the consumer or protected consumer to that
25 person or entity in conjunction with the proposed purchase of
26 the financial obligation, with which the consumer or
27 protected consumer has or had prior to assignment an account
28 or contract, including a demand deposit account, or to whom
29 the consumer or protected consumer issued a negotiable
30 instrument, for the purposes of reviewing the account or

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

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

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

13 (6) A consumer reporting agency for the purposes of
14 providing a consumer with a copy of his own consumer report
15 on his request or providing a representative a copy of the
16 protected consumer's credit report at the request of the
17 representative.

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 or representative request for a
9 deposit account at the inquiring bank or financial
10 institution.

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

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

18 Section 4. Consumer reporting agency.

19 (a) Duties.--The consumer reporting agency shall[, no]:

20 (1) No later than ten business days after the date the
21 agency receives a request from a consumer or representative
22 for a security freeze, send the consumer or representative a
23 written confirmation that provides the consumer or
24 representative with a unique personal identification number
25 or password to be used by the consumer or representative when
26 providing authorization for the access to [his] the consumer
27 report for a specific period of time or for a specific third
28 party or removing the security freeze. [In addition, the
29 consumer reporting agency shall simultaneously]

30 (2) Simultaneously provide to the consumer or

1 representative in writing notification of the process of
2 removing a security freeze and the process of temporarily
3 lifting a security freeze and the process for allowing access
4 to information from the consumer report for a specific party
5 or for a specific period while the security freeze is in
6 effect.

7 (b) Temporary lifting prohibited.--Notwithstanding
8 subsection (a) or any other provisions of this act, a security
9 freeze which is in effect under section 3(a)(1.1) may not be
10 temporarily lifted.

11 Section 5. Personal identification.

12 A consumer or representative may request in writing a
13 replacement personal identification number or password. The
14 request must comply with the requirements for requesting a
15 security freeze under section 3. The consumer reporting agency
16 shall, no later than ten business days after the date the agency
17 receives the request for a replacement personal identification
18 number or password, provide the consumer or representative with
19 a new, unique personal identification number or password to be
20 used by the consumer or representative instead of the number or
21 password that was provided under section 4.

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

23 (a) Request.--[If] Except as provided in section 4, if the
24 consumer or representative wishes to allow his consumer report
25 or, in the case of a representative, the consumer report of a
26 protected consumer to be accessed for a specific period of time
27 or by a specific third party while a security freeze is in place
28 or to remove a security freeze, he shall be able to contact the
29 consumer reporting agency by certified mail or by a toll-free
30 telephone number which shall be provided by the consumer

1 reporting agency and may be able to contact the consumer
2 reporting agency through a secure Internet connection which may
3 be established by the consumer reporting agency and request that
4 the security freeze be temporarily lifted or removed and provide
5 all of the following:

6 (1) Proper identification.

7 (2) The unique personal identification number or
8 password provided by the consumer reporting agency pursuant
9 to this act.

10 (3) One of the following:

11 (i) The proper information regarding the time period
12 for which the consumer report shall be available to any
13 person.

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

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

17 (4) If a representative, sufficient proof of authority.

18 (b) Agency requirement.--A consumer reporting agency that
19 receives a request from a consumer or representative pursuant to
20 subsection (a) shall comply with the request no later than three
21 business days after receiving the request.

22 (c) Removal of security freeze.--[A] Except as provided in
23 section 4, a consumer reporting agency shall temporarily lift or
24 remove a security freeze placed on a consumer report only in the
25 following cases:

26 (1) Upon the consumer's or representative's request as
27 provided for in this section.

28 (2) If the consumer report was frozen due to a material
29 misrepresentation of fact by the consumer, representative or
30 other person. If a consumer reporting agency intends to

1 remove a freeze upon a consumer report pursuant to this
2 paragraph, the consumer reporting agency shall notify the
3 consumer or representative in writing prior to removing the
4 freeze on the consumer report.

5 Section 8. Secure procedures.

6 In addition to the requirements of this act, a consumer
7 reporting agency may develop secure procedures, including, but
8 not limited to, the use of the telephone, facsimile, Internet or
9 other electronic media, to receive and process a request from a
10 consumer or representative to place a security freeze,
11 temporarily lift a security freeze or remove a security freeze
12 on a consumer report pursuant to this act in an expedited
13 manner.

14 Section 9. Fees.

15 (a) General rule.--A consumer reporting agency may impose a
16 reasonable charge on a consumer or representative for initially
17 placing a security freeze on a consumer report. The amount of
18 the charge may not exceed \$10. The charge to temporarily lift
19 the security freeze may not exceed \$10 per request. At no time
20 shall the consumer or representative be charged for removing the
21 freeze.

22 (b) Exceptions.--

23 (1) A consumer or representative will not be charged by
24 a consumer reporting agency for placing a security freeze or
25 temporarily lifting a security freeze if the consumer or
26 protected consumer is a victim of identity theft and
27 provides, or has provided, the consumer reporting agency with
28 a copy of a police report.

29 (2) A consumer or representative will not be charged by
30 a consumer reporting agency for placing a security freeze if

1 the consumer is 65 years of age or older or a protected
2 consumer.

3 (c) Confirmation required.--If a security freeze is in
4 place, a consumer reporting agency shall not change any of the
5 following information regarding a consumer or protected consumer
6 without sending a written confirmation of the change to the
7 consumer or representative within 30 days of the change being
8 posted:

9 (1) Name.

10 (2) Date of birth.

11 (3) Social Security number.

12 (4) Address.

13 Written confirmation is not required for technical modifications
14 of a consumer's or protected consumer's official information,
15 including name and street abbreviations, complete spellings or
16 transposition of numbers or letters. In the case of an address
17 change, the written confirmation shall be sent to both the new
18 address and to the former address.

19 Section 3. The act is amended by adding a section to read:

20 Section 9.1. Construction.

21 Nothing in this act shall be construed to authorize or
22 otherwise require a consumer reporting agency to provide a
23 personal identification number, password or other similar device
24 to a protected consumer for the purpose of:

25 (1) releasing any information to the protected consumer;

26 (2) providing authorization for access to a protected
27 consumer's consumer report;

28 (3) providing third-party access to a protected
29 consumer's consumer report; or

30 (4) removing a security freeze.

1 Section 4. This act shall take effect in 60 days.