



Sen. Ira I. Silverstein

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LRB095 07903 WGH 34902 a

1 AMENDMENT TO SENATE BILL 141

2 AMENDMENT NO. _____. Amend Senate Bill 141, AS AMENDED, by
3 replacing the title with the following:

4 "AN ACT concerning business."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Consumer Fraud and Deceptive Business
8 Practices Act is amended by changing Section 2MM as follows:

9 (815 ILCS 505/2MM)

10 Sec. 2MM. Verification of accuracy of consumer reporting
11 information used to extend consumers credit and security freeze
12 on credit reports.

13 (a) A credit card issuer who mails an offer or solicitation
14 to apply for a credit card and who receives a completed
15 application in response to the offer or solicitation which

1 lists an address that is not substantially the same as the
2 address on the offer or solicitation may not issue a credit
3 card based on that application until reasonable steps have been
4 taken to verify the applicant's change of address.

5 (b) Any person who uses a consumer credit report in
6 connection with the approval of credit based on the application
7 for an extension of credit, and who has received notification
8 of a police report filed with a consumer reporting agency that
9 the applicant has been a victim of financial identity theft, as
10 defined in Section 16G-15 of the Criminal Code of 1961, may not
11 lend money or extend credit without taking reasonable steps to
12 verify the consumer's identity and confirm that the application
13 for an extension of credit is not the result of financial
14 identity theft.

15 (c) A consumer may request that a security freeze be placed
16 on his or her credit report by sending a request in writing by
17 certified mail to a consumer reporting agency at an address
18 designated by the consumer reporting agency to receive such
19 requests. This subsection (c) does not prevent a consumer
20 reporting agency from advising a third party that a security
21 freeze is in effect with respect to the consumer's credit
22 report.

23 (d) A consumer reporting agency shall place a security
24 freeze on a consumer's credit report no later than 5 business
25 days after receiving a written request from the consumer:

26 (1) a written request described in subsection (c);

1 (2) proper identification; and

2 (3) payment of a fee, if applicable.

3 (e) Upon placing the security freeze on the consumer's
4 credit report, the consumer reporting agency shall send to the
5 consumer within 10 business days a written confirmation of the
6 placement of the security freeze and a unique personal
7 identification number or password or similar device, other than
8 the consumer's Social Security number, to be used by the
9 consumer when providing authorization for the release of his or
10 her credit report for a specific party or period of time.

11 (f) If the consumer wishes to allow his or her credit
12 report to be accessed for a specific party or period of time
13 while a freeze is in place, he or she shall contact the
14 consumer reporting agency using a point of contact designated
15 by the consumer reporting agency, request that the freeze be
16 temporarily lifted, and provide the following:

17 (1) Proper identification;

18 (2) The unique personal identification number or
19 password or similar device provided by the consumer
20 reporting agency;

21 (3) The proper information regarding the third party or
22 time period for which the report shall be available to
23 users of the credit report; and

24 (4) A fee, if applicable.

25 (g) A consumer reporting agency shall develop a contact
26 method to receive and process a request from a consumer to

1 temporarily lift a freeze on a credit report pursuant to
2 subsection (f) in an expedited manner.

3 A contact method under this subsection shall include: (i) a
4 postal address; and (ii) an electronic contact method chosen by
5 the consumer reporting agency, which may include the use of
6 telephone, fax, Internet, or other electronic means.

7 (h) A consumer reporting agency that receives a request
8 from a consumer to temporarily lift a freeze on a credit report
9 pursuant to subsection (f), shall comply with the request no
10 later than 3 business days after receiving the request.

11 (i) A consumer reporting agency shall remove or temporarily
12 lift a freeze placed on a consumer's credit report only in the
13 following cases:

14 (1) upon consumer request, pursuant to subsection (f)
15 or subsection (l) of this Section; or

16 (2) if the consumer's credit report was frozen due to a
17 material misrepresentation of fact by the consumer.

18 If a consumer reporting agency intends to remove a freeze
19 upon a consumer's credit report pursuant to this subsection,
20 the consumer reporting agency shall notify the consumer in
21 writing prior to removing the freeze on the consumer's credit
22 report.

23 (j) If a third party requests access to a credit report on
24 which a security freeze is in effect, and this request is in
25 connection with an application for credit or any other use, and
26 the consumer does not allow his or her credit report to be

1 accessed for that specific party or period of time, the third
2 party may treat the application as incomplete.

3 (k) If a consumer requests a security freeze, the credit
4 reporting agency shall disclose to the consumer the process of
5 placing and temporarily lifting a security freeze, and the
6 process for allowing access to information from the consumer's
7 credit report for a specific party or period of time while the
8 freeze is in place.

9 (l) A security freeze shall remain in place until the
10 consumer requests, using a point of contact designated by the
11 consumer reporting agency, that the security freeze be removed.
12 A credit reporting agency shall remove a security freeze within
13 3 business days of receiving a request for removal from the
14 consumer, who provides:

15 (1) Proper identification;

16 (2) The unique personal identification number or
17 password or similar device provided by the consumer
18 reporting agency; and

19 (3) A fee, if applicable.

20 (m) A consumer reporting agency shall require proper
21 identification of the person making a request to place or
22 remove a security freeze.

23 (n) The provisions of subsections (c) through (m) of this
24 Section do not apply to the use of a consumer credit report by
25 any of the following:

26 (1) A person or entity, or a subsidiary, affiliate, or

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

16 (2) A subsidiary, affiliate, agent, assignee, or
17 prospective assignee of a person to whom access has been
18 granted under subsection (f) of this Section for purposes
19 of facilitating the extension of credit or other
20 permissible use.

21 (3) Any state or local agency, law enforcement agency,
22 trial court, or private collection agency acting pursuant
23 to a court order, warrant, or subpoena.

24 (4) A child support agency acting pursuant to Title
25 IV-D of the Social Security Act.

26 (5) The State or its agents or assigns acting to

1 investigate fraud.

2 (6) The Department of Revenue or its agents or assigns
3 acting to investigate or collect delinquent taxes or unpaid
4 court orders or to fulfill any of its other statutory
5 responsibilities.

6 (7) The use of credit information for the purposes of
7 prescreening as provided for by the federal Fair Credit
8 Reporting Act.

9 (8) Any person or entity administering a credit file
10 monitoring subscription or similar service to which the
11 consumer has subscribed.

12 (9) Any person or entity for the purpose of providing a
13 consumer with a copy of his or her credit report or score
14 upon the consumer's request.

15 (10) Any person using the information in connection
16 with the underwriting of insurance.

17 (n-5) This Section does not prevent a consumer reporting
18 agency from charging a fee of no more than \$10 to a consumer
19 for each freeze, removal, or temporary lift of the freeze,
20 regarding access to a consumer credit report, except that a
21 consumer reporting agency may not charge a fee to (i) a
22 consumer 65 years of age or over for placement and removal of a
23 freeze, or (ii) a victim of identity theft who has submitted to
24 the consumer reporting agency a valid copy of a police report,
25 investigative report, or complaint that the consumer has filed
26 with a law enforcement agency about unlawful use of his or her

1 personal information by another person.

2 (o) If a security freeze is in place, a consumer reporting
3 agency shall not change any of the following official
4 information in a credit report without sending a written
5 confirmation of the change to the consumer within 30 days of
6 the change being posted to the consumer's file: (i) name, (ii)
7 date of birth, (iii) Social Security number, and (iv) address.
8 Written confirmation is not required for technical
9 modifications of a consumer's official information, including
10 name and street abbreviations, complete spellings, or
11 transposition of numbers or letters. In the case of an address
12 change, the written confirmation shall be sent to both the new
13 address and to the former address.

14 (o-5) A consumer reporting agency shall ensure that any
15 information provided to a consumer via an Internet website,
16 telephone, fax, or other electronic means is accurate, reflects
17 the provisions of this Section in its entirety, and includes
18 the following:

19 (1) A link that is clearly posted on the home page of
20 the consumer reporting agency's Internet website to
21 information on how to place, temporarily lift, and remove a
22 security freeze.

23 (2) Information on placing a security freeze and the
24 designated address for submitting a request that is
25 available via all telephone, fax, Internet, or other
26 electronic means.

1 (p) The following entities are not required to place a
2 security freeze in a consumer report, however, pursuant to
3 paragraph (3) of this subsection, a consumer reporting agency
4 acting as a reseller shall honor any security freeze placed on
5 a consumer credit report by another consumer reporting agency:

6 (1) A check services or fraud prevention services
7 company, which issues reports on incidents of fraud or
8 authorizations for the purpose of approving or processing
9 negotiable instruments, electronic funds transfers, or
10 similar methods of payment.

11 (2) A deposit account information service company,
12 which issues reports regarding account closures due to
13 fraud, substantial overdrafts, ATM abuse, or similar
14 negative information regarding a consumer to inquiring
15 banks or other financial institutions for use only in
16 reviewing a consumer request for a deposit account at the
17 inquiring bank or financial institution.

18 (3) A consumer reporting agency that:

19 (A) acts only to resell credit information by
20 assembling and merging information contained in a
21 database of one or more consumer reporting agencies;
22 and

23 (B) does not maintain a permanent database of
24 credit information from which new credit reports are
25 produced.

26 (q) For purposes of this Section:

1 "Credit report" has the same meaning as "consumer report",
2 as ascribed to it in 15 U.S.C. Sec. 1681a(d).

3 "Consumer reporting agency" has the meaning ascribed to it
4 in 15 U.S.C. Sec. 1681a(f).

5 "Security freeze" means a notice placed in a consumer's
6 credit report, at the request of the consumer and subject to
7 certain exceptions, that prohibits the consumer reporting
8 agency from releasing the consumer's credit report or score
9 relating to an extension of credit, without the express
10 authorization of the consumer.

11 "Extension of credit" does not include an increase in an
12 existing open-end credit plan, as defined in Regulation Z of
13 the Federal Reserve System (12 C.F.R. 226.2), or any change to
14 or review of an existing credit account.

15 "Proper identification" means information generally deemed
16 sufficient to identify a person. Only if the consumer is unable
17 to reasonably identify himself or herself with the information
18 described above, may a consumer reporting agency require
19 additional information concerning the consumer's employment
20 and personal or family history in order to verify his or her
21 identity.

22 (r) Any person who violates this Section commits an
23 unlawful practice within the meaning of this Act.

24 (Source: P.A. 93-195, eff. 1-1-04; 94-74, eff. 1-1-06; 94-799,
25 eff. 1-1-07.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".