



Sen. Ira I. Silverstein

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LRB095 05958 WGH 36094 a

1 AMENDMENT TO SENATE BILL 1052

2 AMENDMENT NO. _____. Amend Senate Bill 1052 by replacing
3 everything after the enacting clause with the following:

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

6 (815 ILCS 505/2MM)

7 Sec. 2MM. Verification of accuracy of consumer reporting
8 information used to extend consumers credit and security freeze
9 on credit reports.

10 (a) A credit card issuer who mails an offer or solicitation
11 to apply for a credit card and who receives a completed
12 application in response to the offer or solicitation which
13 lists an address that is not substantially the same as the
14 address on the offer or solicitation may not issue a credit
15 card based on that application until reasonable steps have been
16 taken to verify the applicant's change of address.

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

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

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

- 22 (1) a written request described in subsection (c);
- 23 (2) proper identification; and
- 24 (3) payment of a fee, if applicable.

25 (e) Upon placing the security freeze on the consumer's
26 credit report, the consumer reporting agency shall send to the

1 consumer within 10 business days a written confirmation of the
2 placement of the security freeze and a unique personal
3 identification number or password or similar device, other than
4 the consumer's Social Security number, to be used by the
5 consumer when providing authorization for the release of his or
6 her credit report for a specific party or period of time.

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

13 (1) Proper identification;

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

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

20 (4) A fee, if applicable.

21 (g) A consumer reporting agency shall develop a contact
22 method to receive and process a request from a consumer to
23 temporarily lift a freeze on a credit report pursuant to
24 subsection (f) in an expedited manner.

25 A contact method under this subsection shall include: (i) a
26 postal address; and (ii) an electronic contact method chosen by

1 the consumer reporting agency, which may include the use of
2 telephone, fax, Internet, or other electronic means.

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

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

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

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

14 If a consumer reporting agency intends to remove a freeze
15 upon a consumer's credit report pursuant to this subsection,
16 the consumer reporting agency shall notify the consumer in
17 writing prior to removing the freeze on the consumer's credit
18 report.

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

25 (k) If a consumer requests a security freeze, the credit
26 reporting agency shall disclose to the consumer the process of

1 placing and temporarily lifting a security freeze, and the
2 process for allowing access to information from the consumer's
3 credit report for a specific party or period of time while the
4 freeze is in place.

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

11 (1) Proper identification;

12 (2) The unique personal identification number or
13 password or similar device provided by the consumer
14 reporting agency; and

15 (3) A fee, if applicable.

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

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

22 (1) A person or entity, or a subsidiary, affiliate, or
23 agent of that person or entity, or an assignee of a
24 financial obligation owing by the consumer to that person
25 or entity, or a prospective assignee of a financial
26 obligation owing by the consumer to that person or entity

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

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

17 (3) Any state or local agency, law enforcement agency,
18 trial court, or private collection agency acting pursuant
19 to a court order, warrant, or subpoena.

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

22 (5) The State or its agents or assigns acting to
23 investigate fraud.

24 (6) The Department of Revenue or its agents or assigns
25 acting to investigate or collect delinquent taxes or unpaid
26 court orders or to fulfill any of its other statutory

1 responsibilities.

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

5 (8) Any person or entity administering a credit file
6 monitoring subscription or similar service to which the
7 consumer has subscribed.

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

11 (10) Any person using the information in connection
12 with the underwriting of insurance.

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

24 (o) If a security freeze is in place, a consumer reporting
25 agency shall not change any of the following official
26 information in a credit report without sending a written

1 confirmation of the change to the consumer within 30 days of
2 the change being posted to the consumer's file: (i) name, (ii)
3 date of birth, (iii) Social Security number, and (iv) address.
4 Written confirmation is not required for technical
5 modifications of a consumer's official information, including
6 name and street abbreviations, complete spellings, or
7 transposition of numbers or letters. In the case of an address
8 change, the written confirmation shall be sent to both the new
9 address and to the former address.

10 (o-5) A consumer reporting agency shall ensure that any
11 information provided to a consumer via an Internet website,
12 telephone, fax, or other electronic means is accurate. A
13 consumer reporting agency shall provide the following:

14 (1) A link that is clearly posted on the Internet
15 homepage of the consumer reporting agency to information on
16 how to place, temporarily lift, and remove a security
17 freeze.

18 (2) Upon request at any point of contact publicly made
19 available to consumers, information on placing a security
20 freeze and the designated method for receiving a request as
21 described in subsection (c) of this Section. For the
22 purposes of this item (2), "point of contact" means mail,
23 telephone, fax, email, or other electronic means.

24 (p) The following entities are not required to place a
25 security freeze in a consumer report, however, pursuant to
26 paragraph (3) of this subsection, a consumer reporting agency

1 acting as a reseller shall honor any security freeze placed on
2 a consumer credit report by another consumer reporting agency:

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

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

15 (3) A consumer reporting agency that:

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

20 (B) does not maintain a permanent database of
21 credit information from which new credit reports are
22 produced.

23 (q) For purposes of this Section:

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

26 "Consumer reporting agency" has the meaning ascribed to it

1 in 15 U.S.C. Sec. 1681a(f).

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

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

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

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

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

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."