



Rep. JoAnn D. Osmond

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LRB098 07411 JLS 41956 a

1 AMENDMENT TO HOUSE BILL 2785

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2785 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 16-30 or 16G-15 of the Criminal Code of 1961  
7 or the Criminal Code of 2012, may not lend money or extend  
8 credit without taking reasonable steps to verify the consumer's  
9 identity and confirm that the application for an extension of  
10 credit is not the result of financial identity theft.

11           (b-5) A consumer reporting agency may not include in a  
12 consumer credit report any information based upon obligations  
13 incurred by a consumer during the time the consumer is a  
14 resident of a facility as defined in Section 1-113 of the  
15 Nursing Home Care Act, except for obligations owed the  
16 facility.

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

25           (d) A consumer reporting agency shall place a security  
26 freeze on a consumer's credit report no later than 5 business

1 days after receiving a written request from the consumer:

2 (1) a written request described in subsection (c); and

3 (2) proper identification. ~~and~~

4 ~~(3) payment of a fee, if applicable.~~

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

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

19 (1) Proper identification;

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

23 (3) The proper information regarding the third party or  
24 time period for which the report shall be available to  
25 users of the credit report. ~~and~~

26 ~~(4) A fee, if applicable.~~

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

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

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

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

16 (1) upon consumer request, pursuant to subsection (f)  
17 or subsection (1) of this Section; or

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

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

25 (j) If a third party requests access to a credit report on  
26 which a security freeze is in effect, and this request is in

1 connection with an application for credit or any other use, and  
2 the consumer does not allow his or her credit report to be  
3 accessed for that specific party or period of time, the third  
4 party may treat the application as incomplete.

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

11 (l) A security freeze shall remain in place until the  
12 consumer requests, using a point of contact designated by the  
13 consumer reporting agency, that the security freeze be removed.  
14 A credit reporting agency shall remove a security freeze within  
15 3 business days of receiving a request for removal from the  
16 consumer, who provides:

17 (1) Proper identification; and

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

21 (3) (blank) ~~A fee, if applicable.~~

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

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

1 any of the following:

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

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

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

26 (4) A child support agency acting pursuant to Title

1 IV-D of the Social Security Act.

2 (5) The State or its agents or assigns acting to  
3 investigate fraud.

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

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

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

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

17 (10) Any person using the information in connection  
18 with the underwriting of insurance.

19 (n-5) ~~A This Section does not prevent a consumer reporting~~  
20 ~~agency may not charge ~~from charging~~ a fee in connection with a~~  
21 ~~of no more than \$10 to a consumer for each freeze, removal, or~~  
22 ~~temporary lift of a the freeze, regarding access to a consumer~~  
23 ~~credit report, except that a consumer reporting agency may not~~  
24 ~~charge a fee to (i) a consumer 65 years of age or over for~~  
25 ~~placement and removal of a freeze, or (ii) a victim of identity~~  
26 ~~theft who has submitted to the consumer reporting agency a~~

1 ~~valid copy of a police report, investigative report, or~~  
2 ~~complaint that the consumer has filed with a law enforcement~~  
3 ~~agency about unlawful use of his or her personal information by~~  
4 ~~another person.~~

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

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

22 (1) A check services or fraud prevention services  
23 company, which issues reports on incidents of fraud or  
24 authorizations for the purpose of approving or processing  
25 negotiable instruments, electronic funds transfers, or  
26 similar methods of payment.



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

8           (3) A consumer reporting agency that:

9           (A) acts only to resell credit information by  
10           assembling and merging information contained in a  
11           database of one or more consumer reporting agencies;  
12           and

13           (B) does not maintain a permanent database of  
14           credit information from which new credit reports are  
15           produced.

16           (q) For purposes of this Section:

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

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

21           "Security freeze" means a notice placed in a consumer's  
22           credit report, at the request of the consumer and subject to  
23           certain exceptions, that prohibits the consumer reporting  
24           agency from releasing the consumer's credit report or score  
25           relating to an extension of credit, without the express  
26           authorization of the consumer.

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

5           "Proper identification" means information generally deemed  
6 sufficient to identify a person. Only if the consumer is unable  
7 to reasonably identify himself or herself with the information  
8 described above, may a consumer reporting agency require  
9 additional information concerning the consumer's employment  
10 and personal or family history in order to verify his or her  
11 identity.

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

14           (Source: P.A. 97-597, eff. 1-1-12; 97-1150, eff. 1-25-13.)".