



Rep. JoAnn D. Osmond

**Filed: 3/15/2013**

09800HB2785ham002

LRB098 07411 JLS 42909 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. Upon receiving proper evidence that a person has been  
17 a resident of a facility, a consumer reporting agency issuing  
18 credit scores in this State shall issue 2 credit scores to the  
19 person and prospective creditors or lenders. One credit score  
20 shall reflect the person's credit as it was immediately  
21 preceding admission to a facility, and the second credit score  
22 shall reflect the person's credit immediately upon discharge  
23 from a facility accounting only for changes to the person's  
24 credit occurring during that time and based upon only the  
25 obligations owed the facility. When 2 credit scores are issued  
26 to the person or to prospective creditors or lenders, the

1 scores shall be accompanied by a credit report. For purposes of  
2 this Act, transfers between facilities shall be counted as a  
3 stay in one facility.

4 (c) A consumer may request that a security freeze be placed  
5 on his or her credit report by sending a request in writing by  
6 certified mail to a consumer reporting agency at an address  
7 designated by the consumer reporting agency to receive such  
8 requests. This subsection (c) does not prevent a consumer  
9 reporting agency from advising a third party that a security  
10 freeze is in effect with respect to the consumer's credit  
11 report.

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

- 15 (1) a written request described in subsection (c); and  
16 (2) proper identification. ~~and~~  
17 ~~(3) payment of a fee, if applicable.~~

18 (e) Upon placing the security freeze on the consumer's  
19 credit report, the consumer reporting agency shall send to the  
20 consumer within 10 business days a written confirmation of the  
21 placement of the security freeze and a unique personal  
22 identification number or password or similar device, other than  
23 the consumer's Social Security number, to be used by the  
24 consumer when providing authorization for the release of his or  
25 her credit report for a specific party or period of time.

26 (f) If the consumer wishes to allow his or her credit

1 report to be accessed for a specific party or period of time  
2 while a freeze is in place, he or she shall contact the  
3 consumer reporting agency using a point of contact designated  
4 by the consumer reporting agency, request that the freeze be  
5 temporarily lifted, and provide the following:

6 (1) Proper identification;

7 (2) The unique personal identification number or  
8 password or similar device provided by the consumer  
9 reporting agency; and

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

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

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

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

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

26 (i) A consumer reporting agency shall remove or temporarily

1 lift a freeze placed on a consumer's credit report only in the  
2 following cases:

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

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

7 If a consumer reporting agency intends to remove a freeze  
8 upon a consumer's credit report pursuant to this subsection,  
9 the consumer reporting agency shall notify the consumer in  
10 writing prior to removing the freeze on the consumer's credit  
11 report.

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

18 (k) If a consumer requests a security freeze, the credit  
19 reporting agency shall disclose to the consumer the process of  
20 placing and temporarily lifting a security freeze, and the  
21 process for allowing access to information from the consumer's  
22 credit report for a specific party or period of time while the  
23 freeze is in place.

24 (l) A security freeze shall remain in place until the  
25 consumer requests, using a point of contact designated by the  
26 consumer reporting agency, that the security freeze be removed.

1 A credit reporting agency shall remove a security freeze within  
2 3 business days of receiving a request for removal from the  
3 consumer, who provides:

4 (1) Proper identification; and

5 (2) The unique personal identification number or  
6 password or similar device provided by the consumer  
7 reporting agency. ~~and~~

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

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

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

15 (1) A person or entity, or a subsidiary, affiliate, or  
16 agent of that person or entity, or an assignee of a  
17 financial obligation owing by the consumer to that person  
18 or entity, or a prospective assignee of a financial  
19 obligation owing by the consumer to that person or entity  
20 in conjunction with the proposed purchase of the financial  
21 obligation, with which the consumer has or had prior to  
22 assignment an account or contract, including a demand  
23 deposit account, or to whom the consumer issued a  
24 negotiable instrument, for the purposes of reviewing the  
25 account or collecting the financial obligation owing for  
26 the account, contract, or negotiable instrument. For

1 purposes of this subsection, "reviewing the account"  
2 includes activities related to account maintenance,  
3 monitoring, credit line increases, and account upgrades  
4 and enhancements.

5 (2) A subsidiary, affiliate, agent, assignee, or  
6 prospective assignee of a person to whom access has been  
7 granted under subsection (f) of this Section for purposes  
8 of facilitating the extension of credit or other  
9 permissible use.

10 (3) Any state or local agency, law enforcement agency,  
11 trial court, or private collection agency acting pursuant  
12 to a court order, warrant, or subpoena.

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

15 (5) The State or its agents or assigns acting to  
16 investigate fraud.

17 (6) The Department of Revenue or its agents or assigns  
18 acting to investigate or collect delinquent taxes or unpaid  
19 court orders or to fulfill any of its other statutory  
20 responsibilities.

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

24 (8) Any person or entity administering a credit file  
25 monitoring subscription or similar service to which the  
26 consumer has subscribed.

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

4           (10) Any person using the information in connection  
5           with the underwriting of insurance.

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

18          (o) If a security freeze is in place, a consumer reporting  
19          agency shall not change any of the following official  
20          information in a credit report without sending a written  
21          confirmation of the change to the consumer within 30 days of  
22          the change being posted to the consumer's file: (i) name, (ii)  
23          date of birth, (iii) Social Security number, and (iv) address.  
24          Written confirmation is not required for technical  
25          modifications of a consumer's official information, including  
26          name and street abbreviations, complete spellings, or



1 transposition of numbers or letters. In the case of an address  
2 change, the written confirmation shall be sent to both the new  
3 address and to the former address.

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

9 (1) 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 payment.

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

21 (3) A consumer reporting agency that:

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

26 (B) does not maintain a permanent database of

1 credit information from which new credit reports are  
2 produced.

3 (q) For purposes of this Section:

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

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

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

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

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

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

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