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LRB098 07663 MLW 44527 a

1 AMENDMENT TO HOUSE BILL 3380

2 AMENDMENT NO. _____. Amend House Bill 3380 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 (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.

16 The following persons may request that a security freeze be
17 placed on the credit report of a disabled person:

18 (1) a guardian appointed under Article XIa of the
19 Probate Act of 1975; and

20 (2) an agent under a written durable power of attorney
21 that complies with Illinois Power of Attorney Act.

22 The following persons may request that a security freeze
23 be placed on the credit report of a minor:

24 (1) a guardian appointed under Article XI of the
25 Probate Act of 1975; and

26 (2) a parent.

1 This subsection (c) does not prevent a consumer reporting
2 agency from advising a third party that a security freeze is in
3 effect with respect to the consumer's credit report.

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

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

8 (2) proper identification; and

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

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

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

24 (1) Proper identification;

25 (2) The unique personal identification number or
26 password or similar device provided by the consumer

1 reporting agency;

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

5 (4) A fee, if applicable.

6 A security freeze for a minor may not be temporarily
7 lifted. This Section does not require a consumer reporting
8 agency to provide to a minor or a parent or guardian of a minor
9 on behalf of the minor a unique personal identification number,
10 password, or similar device provided by the consumer reporting
11 agency for the minor, or parent or guardian of the minor, to
12 use to authorize the consumer reporting agency to release
13 information from a minor.

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 or person authorized under subsection (c) to act on
26 behalf of a minor or disabled person requests, using a point of

1 contact designated by the consumer reporting agency, that the
2 security freeze be removed. A credit reporting agency shall
3 remove a security freeze within 3 business days of receiving a
4 request for removal from the consumer, who provides:

5 (1) Proper identification;

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

9 (3) A fee, if applicable.

10 (m) A consumer reporting agency shall require proper
11 identification of the person making a request to place or
12 remove a security freeze and may require proper identification
13 and proper authority from the person making the request to
14 place or remove a freeze on behalf of the disabled person or
15 minor.

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

19 (1) A person or entity, or a subsidiary, affiliate, or
20 agent of that person or entity, or an assignee of a
21 financial obligation owing by the consumer to that person
22 or entity, or a prospective assignee of a financial
23 obligation owing by the consumer to that person or entity
24 in conjunction with the proposed purchase of the financial
25 obligation, with which the consumer has or had prior to
26 assignment an account or contract, including a demand

1 deposit account, or to whom the consumer issued a
2 negotiable instrument, for the purposes of reviewing the
3 account or collecting the financial obligation owing for
4 the account, contract, or negotiable instrument. For
5 purposes of this subsection, "reviewing the account"
6 includes activities related to account maintenance,
7 monitoring, credit line increases, and account upgrades
8 and enhancements.

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

14 (3) Any state or local agency, law enforcement agency,
15 trial court, or private collection agency acting pursuant
16 to a court order, warrant, or subpoena.

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

19 (5) The State or its agents or assigns acting to
20 investigate fraud.

21 (6) The Department of Revenue or its agents or assigns
22 acting to investigate or collect delinquent taxes or unpaid
23 court orders or to fulfill any of its other statutory
24 responsibilities.

25 (7) The use of credit information for the purposes of
26 prescreening as provided for by the federal Fair Credit

1 Reporting Act.

2 (8) Any person or entity administering a credit file
3 monitoring subscription or similar service to which the
4 consumer has subscribed.

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

8 (10) Any person using the information in connection
9 with the underwriting of insurance.

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

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

1 Written confirmation is not required for technical
2 modifications of a consumer's official information, including
3 name and street abbreviations, complete spellings, or
4 transposition of numbers or letters. In the case of an address
5 change, the written confirmation shall be sent to both the new
6 address and to the former address.

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

12 (1) A check services or fraud prevention services
13 company, which issues reports on incidents of fraud or
14 authorizations for the purpose of approving or processing
15 negotiable instruments, electronic funds transfers, or
16 similar methods of payment.

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

24 (3) A consumer reporting agency that:

25 (A) acts only to resell credit information by
26 assembling and merging information contained in a

1 database of one or more consumer reporting agencies;
2 and

3 (B) does not maintain a permanent database of
4 credit information from which new credit reports are
5 produced.

6 (q) For purposes of this Section:

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

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

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

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

21 "Proper authority" means documentation that shows that a
22 parent or guardian has authority to act on behalf of a minor or
23 disabled person. "Proper authority" includes (1) an order
24 issued by a court of law that shows that a guardian has
25 authority to act on behalf of a minor or disabled person, (2) a
26 written, notarized statement signed by a parent that expressly

1 describes the authority of the parent to act on behalf of the
2 minor, or (3) a power of attorney that complies with the
3 Illinois Power of Attorney Act.

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

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

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