

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

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.

17 (b) Any person who uses a consumer credit report in  
18 connection with the approval of credit based on the application  
19 for an extension of credit, and who has received notification  
20 of a police report filed with a consumer reporting agency that  
21 the applicant has been a victim of financial identity theft, as  
22 defined in Section 16-30 or 16G-15 of the Criminal Code of 1961  
23 or the Criminal Code of 2012, may not lend money or extend

1 credit without taking reasonable steps to verify the consumer's  
2 identity and confirm that the application for an extension of  
3 credit is not the result of financial identity theft.

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.

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

11 (1) a guardian of the disabled person that is the  
12 subject of the request, appointed under Article XIa of the  
13 Probate Act of 1975; and

14 (2) an agent of the disabled person that is the subject  
15 of the request, under a written durable power of attorney  
16 that complies with the Illinois Power of Attorney Act.

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

19 (1) a guardian of the minor that is the subject of the  
20 request, appointed under Article XI of the Probate Act of  
21 1975;

22 (2) a parent of the minor that is the subject of the  
23 request; and

24 (3) a guardian appointed under the Juvenile Court Act  
25 of 1987 for a minor under the age of 18 who is the subject  
26 of the request or, with a court order authorizing the

1 guardian consent power, for a youth who is the subject of  
2 the request who has attained the age of 18, but who is  
3 under the age of 21.

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

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

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

11 (2) proper identification; and

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

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

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

1 (1) Proper identification;

2 (2) The unique personal identification number or  
3 password or similar device provided by the consumer  
4 reporting agency;

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

8 (4) A fee, if applicable.

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

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

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

25 (h) A consumer reporting agency that receives a request  
26 from a consumer to temporarily lift a freeze on a credit report

1 pursuant to subsection (f), shall comply with the request no  
2 later than 3 business days after receiving the request.

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

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

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

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

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

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

1           (1) A security freeze shall remain in place until the  
2 consumer or person authorized under subsection (c) to act on  
3 behalf of the minor or disabled person that is the subject of  
4 the security freeze requests, using a point of contact  
5 designated by the consumer reporting agency, that the security  
6 freeze be removed. A credit reporting agency shall remove a  
7 security freeze within 3 business days of receiving a request  
8 for removal from the consumer, who provides:

9           (1) Proper identification;

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

13           (3) A fee, if applicable.

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

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

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

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

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

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

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

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

25 (6) The Department of Revenue or its agents or assigns  
26 acting to investigate or collect delinquent taxes or unpaid

1 court orders or to fulfill any of its other statutory  
2 responsibilities.

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

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

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

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

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



1 the service member to military service and any orders further  
2 extending the service member's period of service if currently  
3 active.

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

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

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

26 (2) A deposit account information service company,

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

7 (3) A consumer reporting agency that:

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

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

15 (q) For purposes of this Section:

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

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

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

26 "Extension of credit" does not include an increase in an

1 existing open-end credit plan, as defined in Regulation Z of  
2 the Federal Reserve System (12 C.F.R. 226.2), or any change to  
3 or review of an existing credit account.

4 "Proper authority" means documentation that shows that a  
5 parent, guardian, or agent has authority to act on behalf of a  
6 minor or disabled person. "Proper authority" includes (1) an  
7 order issued by a court of law that shows that a guardian has  
8 authority to act on behalf of a minor or disabled person, (2) a  
9 written, notarized statement signed by a parent that expressly  
10 describes the authority of the parent to act on behalf of the  
11 minor, or (3) a durable power of attorney that complies with  
12 the Illinois Power of Attorney Act.

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

20 "Military service member" means a resident of Illinois who  
21 is a member of any component of the U.S. Armed Forces or the  
22 National Guard of any state, the District of Columbia, a  
23 commonwealth, or a territory of the United States who has  
24 entered any full-time training or duty for which the service  
25 member was ordered to report by the President, the governor of  
26 a state, commonwealth, or territory of the United States, or

1 another appropriate military authority.

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

4 (Source: P.A. 97-597, eff. 1-1-12; 97-1150, eff. 1-25-13;  
5 98-486, eff. 1-1-14; 98-756, eff. 7-16-14.)