
A BILL FOR AN ACT

RELATING TO CONSUMER CREDIT REPORTING AGENCIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 489P-3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§489P-3 Security freeze by consumer reporting agency.**

4 (a) Any consumer who is a resident of this State may place a
5 security freeze on the consumer's credit report. A consumer
6 credit reporting agency shall not charge a victim of identity
7 theft or a consumer who is at least sixty-five years old a fee
8 for placing, lifting, or removing a security freeze on a credit
9 report but may charge any other consumer a fee not to exceed \$5
10 for each request by the consumer to place, lift, or remove a
11 security freeze from the consumer's credit report.

12 A consumer who is a resident of this State and has been the
13 victim of identity theft may place a security freeze on the
14 consumer's credit report by making a request in writing by
15 certified mail to a consumer credit reporting agency, at an
16 address designated by the agency to receive such requests, with
17 a valid copy of a police report, investigative report, or
18 complaint the consumer has filed with a law enforcement agency



1 about unlawful use of the consumer's personal information by
2 another person. A consumer who has not been the victim of
3 identity theft may place a security freeze on the consumer's
4 credit report by making a request in writing by certified mail
5 to a consumer credit reporting agency.

6 A security freeze shall prohibit the consumer credit
7 reporting agency from releasing the consumer's credit report or
8 any information from it without the express authorization of the
9 consumer. This subsection shall not prevent a consumer credit
10 reporting agency from advising a third party that a security
11 freeze is in effect with respect to the consumer's credit
12 report.

13 (b) A consumer reporting agency shall place a security
14 freeze on a consumer's credit report no later than five business
15 days after receiving a written request from the consumer.

16 (c) The consumer reporting agency shall send a written
17 confirmation of the security freeze to the consumer within ten
18 business days of placing the security freeze and shall provide
19 the consumer with a unique personal identification number or
20 password, other than the consumer's social security number, to
21 be used by the consumer when providing authorization for the



1 release of the consumer's credit report for a specific party,
2 parties, or period of time.

3 (d) If the consumer wishes to allow access to the
4 consumer's credit report for a specific party, parties, or
5 period of time while a freeze is in place, the consumer shall
6 contact the consumer reporting agency at a point of contact
7 designated by the agency using the procedures that may be
8 developed by the consumer reporting agency, request that the
9 freeze be temporarily lifted, and provide the following:

- 10 (1) Clear and proper identification;
- 11 (2) The unique personal identification number or password
12 provided by the consumer reporting agency; and
- 13 (3) Clear and proper information regarding the third
14 party, parties, or time period for which the report
15 shall be available to users of the credit report.

16 (e) A consumer reporting agency [~~may~~] shall develop
17 procedures involving the use of telephone, fax, the Internet, or
18 other electronic media to receive and process a request from a
19 consumer to temporarily lift a freeze on a credit report under
20 subsection (f) in an expedited manner.

21 (f) A consumer reporting agency that receives a request
22 from a consumer to temporarily lift a freeze on a credit report



1 shall comply with the request [~~no later than three business days~~
2 ~~after receiving the request.~~] within:

3 (1) Three business days after receiving the request by
4 mail; or

5 (2) Fifteen minutes of receiving the request from the
6 consumer through the electronic contact method chosen
7 by the consumer reporting agency in accordance with
8 subsection (e), if the request is received during
9 normal business hours and includes the consumer's
10 proper identification and correct personal
11 identification number or password.

12 (g) A consumer reporting agency is not required to remove
13 a security freeze within the time provided in subsection (f) (2)
14 if:

15 (1) The consumer fails to meet the requirements of
16 subsection (d); or

17 (2) The consumer reporting agency's ability to remove the
18 security freeze within fifteen minutes is prevented
19 by:

20 (A) Fire, earthquake, hurricane, storm, or similar
21 natural disaster or phenomena;



- 1 (B) Unauthorized or illegal acts by a third party,
2 including terrorism, sabotage, riot, vandalism,
3 labor strikes, or disputes disrupting operations,
4 or similar occurrences;
- 5 (C) An interruption in the agency's computer system
6 operations, including electrical failure,
7 unanticipated delay in equipment or replacement
8 part delivery, computer hardware or software
9 failures inhibiting response time, or similar
10 disruptions;
- 11 (D) Governmental action, including emergency orders
12 or regulations, judicial or law enforcement
13 action, or similar directives;
- 14 (E) Regularly scheduled maintenance of the consumer
15 reporting agency's computer outside of normal
16 business hours;
- 17 (F) Commercially reasonable maintenance or repair of
18 the consumer reporting agency's computer that is
19 unexpected or unscheduled; or
- 20 (G) Receipt of a removal request outside of normal
21 business hours.



1 ~~(g)~~ (h) A consumer reporting agency shall remove or
2 temporarily lift a freeze placed on a consumer's credit report
3 only in the following cases:

- 4 (1) Upon consumer request; or
- 5 (2) When 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 upon a
8 consumer's credit report pursuant to this subsection, the
9 consumer reporting agency shall notify the consumer in writing
10 prior to removing the freeze on the consumer's credit report.

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

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



1 ~~[(j)]~~ (k) A security freeze shall remain in place until
2 the consumer requests that the security freeze be removed. A
3 consumer reporting agency shall remove a security freeze within
4 three business days of receiving a request for removal at a
5 point of contact designated by the agency using procedures that
6 may be developed by the consumer reporting agency; provided that
7 the consumer shall provide the following:

- 8 (1) Clear and proper identification; and
- 9 (2) The unique personal identification number or password
10 provided by the consumer reporting agency pursuant to
11 subsection (c).

12 ~~[(k)]~~ (l) A consumer reporting agency shall require clear
13 and proper identification of the person making a request to
14 place or remove a security freeze.

15 ~~[(l)]~~ (m) The provisions of this section, including the
16 security freeze, do not apply to the use of a consumer's credit
17 report by the following:

- 18 (1) A person, or the person's subsidiary, affiliate,
19 agent, or assignee with which the consumer has or,
20 prior to assignment, had an account, contract, or
21 debtor-creditor relationship for the purposes of
22 reviewing the account or collecting the financial



- 1 obligation owing for the account, contract, or debt,
2 or extending credit to a consumer with a prior or
3 existing account, contract, or debtor-creditor
4 relationship. For purposes of this subsection,
5 "reviewing the account" includes activities related to
6 account maintenance, monitoring, credit line
7 increases, and account upgrades and enhancements;
- 8 (2) A subsidiary, affiliate, agent, assignee, or
9 prospective assignee of a person to whom access has
10 been granted for purposes of facilitating the
11 extension of credit or other permissible use;
- 12 (3) Any person acting pursuant to a court order, warrant,
13 or subpoena;
- 14 (4) A child support enforcement agency when investigating
15 a child support case pursuant to Title IV-D of the
16 Social Security Act (42 U.S.C. sections 651 to 669b);
- 17 (5) The department of the attorney general or county
18 prosecuting attorneys or their agents or assignees
19 acting to investigate medicaid fraud;
- 20 (6) The department of taxation, county taxing authorities,
21 or any of their agents or assignees, acting to
22 investigate or collect delinquent taxes or



1 assessments, including interest and penalties, unpaid
2 court orders, or to fulfill any of their other
3 statutory or charter responsibilities;

4 (7) The use of credit information for the purposes of
5 prescreening as provided by the federal Fair Credit
6 Reporting Act (15 U.S.C. sections 1681 to 1681x);

7 (8) Any person for the sole purpose of providing a credit
8 file monitoring subscription service to which the
9 consumer has subscribed;

10 (9) A person for the sole purpose of providing a consumer
11 with a copy of the consumer's credit report upon the
12 consumer's request; and

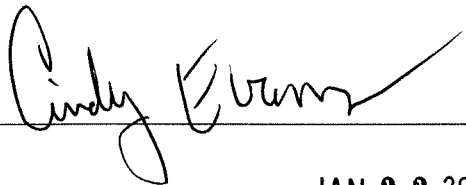
13 (10) Any person or entity using a credit report in setting
14 or adjusting a rate, adjusting a claim, or
15 underwriting for insurance purposes."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act shall take effect on July 1, 2009.

19

INTRODUCED BY:



JAN 22 2009



Report Title:

Consumer Credit Reporting Agencies; Security Freeze

Description:

Bars credit reporting agencies from charging consumers who are at least 65 years old a fee for placing, lifting, or removing a security freeze on their credit reports. Provides an expedited manner for temporarily lifting a security freeze.

