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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
OFFICE OF CONSUMER PROTECTION**

**TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

**TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION OF 2009**

Thursday, January 29, 2009  
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 206 – RELATING TO CONSUMER CREDIT  
REPORTING AGENCIES.**

**TO THE HONORABLE ROBERT N. HERKES, CHAIR, AND MEMBERS OF THE  
COMMITTEE:**

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify in support of House Bill No. 206, Relating to Consumer Credit Reporting Agencies. My name is Stephen Levins, and I am the Executive Director of the Department's Office of Consumer Protection ("OCP").

House Bill No. 206 proposes to bar credit reporting agencies from charging consumers who are at least 65 years old a fee for placing, lifting, or removing a security

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**MEMORANDUM**

**TO:** Representative Robert N. Herkes  
Chair, Committee on Consumer Protection & Commerce  
Hawaii State Capitol, Room 325

**FROM:** Mihoko Ito

**DATE:** January 28, 2009

**RE:** H.B. 206 – Relating to Consumer Credit Reporting Agencies  
Hearing Date: Thursday, January 29, 2009

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Dear Chair Herkes and Members of the Committee on Consumer Protection & Commerce:

I am Mihoko Ito testifying on behalf of the Consumer Data Industry Association (CDIA). Founded in 1906, CDIA is the international trade association that represents more than 400 data companies. CDIA members represent the nation's leading institutions in credit reporting, mortgage reporting, fraud prevention, risk management, employment reporting, tenant screening and collection services.

CDIA has concerns regarding H.B. 206. CDIA supports providing consumers with an expedited manner for temporarily lifting security freezes. In that regard, CDIA believes that the provision in H.B. 206 which requires that a request be processed within 15 minutes if done electronically is practical and will help consumers receive the services they need in a timely manner.

However, CDIA is concerned with the requirement that all persons over sixty-five years old may not be charged a fee for placing, lifting or removing a security freeze on their credit reports. Under present Hawai'i law, consumers may not be charged more than \$5.00 to place, lift or remove a security freeze. This cost is minimal and covers only the very basic administrative expenses of using such services.

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Of the ten states that have disallowed charging for security freeze services for those over sixty-five years old, nine of those ten states charge twice the price (\$10.00) for such services. Hawaii's fee of \$5.00 is a reasonable price for consumers to pay in exchange for the financial security they receive in return.

Consumer credit reporting agencies are already required to provide security freeze services free of charge to victims of identity theft. It would be unreasonable to expand this category to include all persons over sixty-five, without justification.

For the above reasons, CDIA respectfully recommends that this bill be amended. We would be glad to work with the members of the committee to find a mutually acceptable resolution.

Thank you very much for this opportunity to submit testimony.