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# A BILL FOR AN ACT

RELATING TO CREDIT PROTECTION.

**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 a fee for placing, lifting, or removing a security freeze  
8 on a credit report but may charge any other consumer a fee not  
9 to exceed \$5 for each request by the consumer to place, lift, or  
10 remove a security freeze from the consumer's credit report.  
11           A consumer who is a resident of this State and has been the  
12 victim of identity theft may place a security freeze on the  
13 consumer's credit report by making a request in writing by  
14 certified mail to a consumer credit reporting agency, at an  
15 address designated by the agency to receive such requests, with  
16 a valid copy of a police report, investigative report, or  
17 complaint the consumer has filed with a law enforcement agency  
18 about unlawful use of the consumer's personal information by



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

5 A security freeze shall prohibit the consumer credit  
6 reporting agency from releasing the consumer's credit report or  
7 any information from it without the express authorization of the  
8 consumer. This subsection shall not prevent a consumer credit  
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 (b) A consumer reporting agency shall place a security  
13 freeze on a consumer's credit report no later than five business  
14 days after receiving a written request from the consumer.

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



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

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

14 (e) A consumer reporting agency may develop procedures  
15 involving the use of telephone, fax, the Internet, or other  
16 electronic media to receive and process a request from a  
17 consumer to temporarily lift a freeze on a credit report in an  
18 expedited manner.

19 (f) A consumer reporting agency that receives a request  
20 from a consumer to temporarily lift a freeze on a credit report  
21 shall comply with the request no later than three business days  
22 after receiving the request.



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

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



1           (j) A security freeze shall remain in place until the  
2 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) A consumer reporting agency shall require clear and  
13 proper identification of the person making a request to place or  
14 remove a security freeze.

15           (1) The provisions of this section, including the security  
16 freeze, do not apply to the use of a consumer's credit report by  
17 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 (m) The parent or legal guardian of a minor child may place  
17 a security freeze on the credit report of the minor child in the  
18 manner described in this section and subject to the same  
19 conditions."

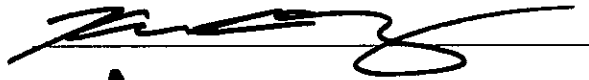
20 SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval.

2

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "M. J. ...", written over a horizontal line.A second handwritten signature in black ink, appearing to be "L. ...", written below the first signature.A horizontal line drawn below the second signature.

JAN 22 2013





# H.B. NO. 712

**Report Title:**

Credit Protection; Security Freeze; Minors

**Description:**

Authorizes the parent or legal guardian of a minor child to place a security freeze on the minor child's credit report.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

