
A BILL FOR AN ACT

RELATING TO CREDIT PROTECTION.

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

1 SECTION 1. Chapter 489P, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§489P- Security freeze for protected consumers. (a) A
5 consumer credit reporting agency shall place a security freeze
6 on the record for a protected consumer if:

7 (1) The credit reporting agency receives a request from
8 the protected consumer's representative for the
9 placement of the security freeze on the record under
10 this section; and

11 (2) The protected consumer's representative:

12 (A) Submits the request to the credit reporting
13 agency at the address or other point of contact
14 and in the manner specified by the credit
15 reporting agency;

16 (B) Provides to the consumer credit reporting agency
17 sufficient proof of identification of the
18 protected consumer and the representative;



- 1 (C) Provides to the consumer credit reporting agency
- 2 sufficient proof of authority to act on behalf of
- 3 the protected consumer; and
- 4 (D) Pays to the consumer credit reporting agency a
- 5 fee as provided in this section.

6 (b) The record shall consist of a compilation of
7 information that:

- 8 (1) Identifies the protected consumer;
- 9 (2) Is created by the consumer credit reporting agency
- 10 solely for the purpose of complying with this section;
- 11 and
- 12 (3) May not be created or used to consider the protected
- 13 consumer's credit worthiness, credit standing, credit
- 14 capacity, character, general reputation, personal
- 15 characteristics, or mode of living for any purpose
- 16 listed in 15 United States Code section 1681b.

17 If a consumer credit reporting agency does not have a file
18 pertaining to a protected consumer when the consumer credit
19 reporting agency receives a request under this section, the
20 consumer credit reporting agency shall create a record for the
21 protected consumer.



1 (c) A consumer credit reporting agency shall place a
2 security freeze on the record for the protected consumer within
3 thirty days after receiving a request that meets the
4 requirements of this section.

5 (d) Unless a security freeze for a protected consumer is
6 removed in accordance with this section, a consumer credit
7 reporting agency may not release the protected consumer's credit
8 report, any information derived from the protected consumer's
9 credit report, or any record created for the protected consumer.

10 (e) A security freeze placed on the record for a protected
11 consumer under subsection (a) shall remain in effect until:

12 (1) The protected consumer or the protected consumer's
13 representative requests the consumer credit reporting
14 agency to remove the security freeze in accordance
15 with subsection (g); or

16 (2) The security freeze is removed in accordance with
17 subsection (f).

18 (f) If a protected consumer or a protected consumer's
19 representative wishes to remove a security freeze on the record
20 for the protected consumer, the protected consumer or the
21 protected consumer's representative shall:



- 1 (1) Submit a request for the removal of the security
2 freeze to the consumer credit reporting agency at the
3 address or other point of contact and in the manner
4 specified by the consumer credit reporting agency;
- 5 (2) Provide to the consumer credit reporting agency:
- 6 (A) In the case of a request by the protected
7 consumer:
- 8 (i) Proof that the sufficient proof of authority
9 for the protected consumer's representative
10 to act on behalf of the protected consumer
11 is no longer valid; and
- 12 (ii) Sufficient proof of identification of the
13 protected consumer; or
- 14 (B) In the case of a request by the representative of
15 a protected consumer:
- 16 (i) Sufficient proof of identification of the
17 protected consumer and the representative;
18 and
- 19 (ii) Sufficient proof of authority to act on
20 behalf of the protected consumer; and
- 21 (3) Pay to the consumer credit reporting agency a fee as
22 provided in subsection (h) of this section.



1 (g) The consumer credit reporting agency shall remove the
2 security freeze on the record for the protected consumer within
3 thirty days after receiving a request that meets the
4 requirements of subsection (f).

5 (h) A consumer credit reporting agency may not charge a
6 fee for any service performed under this section; provided that:

7 (1) A consumer credit reporting agency may charge a
8 reasonable fee, not exceeding \$5, for each placement
9 or removal of a security freeze for a protected
10 consumer; and

11 (2) Notwithstanding paragraph (1), a consumer credit
12 reporting agency may not charge any fee under this
13 section if:

14 (A) The protected consumer's representative:

15 (i) Has obtained a report of alleged identity
16 theft against the protected consumer under
17 section 708-839.6, 708-839.7, or 708-839.8;
18 and

19 (ii) Provides a copy of the report to the
20 consumer credit reporting agency; or

21 (B) A request for the placement or removal of a
22 security freeze is for a protected consumer who



1 is under the age of sixteen years at the time of
2 the request and the consumer credit reporting
3 agency has a credit report pertaining to the
4 protected consumer.

5 (i) A consumer credit reporting agency may remove a
6 security freeze for a protected consumer or delete a record of a
7 protected consumer if the security freeze was placed or the
8 record was created based on a material misrepresentation of fact
9 by the protected consumer or the protected consumer's
10 representative.

11 (j) This section does not apply to the use of a protected
12 consumer's credit report or record by:

13 (1) A person administering a credit file monitoring
14 subscription service to which:

15 (A) The protected consumer has subscribed; or

16 (B) The representative of the protected consumer has
17 subscribed on behalf of the protected consumer;

18 (2) A person providing the protected consumer or the
19 protected consumer's representative with a copy of the
20 protected consumer's credit report on request of the
21 protected consumer or the protected consumer's
22 representative;



- 1 (3) An entity or purpose listed in sections 489P-3(1)(8)
2 through (10) or 489P-5; or
- 3 (4) A consumer reporting agency database or file that
4 consists entirely of consumer information concerning,
5 and used solely for:
- 6 (A) Criminal record information;
7 (B) Personal loss history information;
8 (C) Fraud prevention or detection;
9 (D) Employment screening; or
10 (E) Tenant screening.
- 11 (k) As used in this section, "security freeze" means:
- 12 (1) If a consumer credit reporting agency does not have a
13 file pertaining to a protected consumer, a restriction
14 that:
- 15 (A) Is placed on the protected consumer's record
16 established in accordance with this section; and
17 (B) Prohibits the consumer credit reporting agency
18 from releasing the protected consumer's record
19 except as provided in this section; or
- 20 (2) If a consumer credit reporting agency has a file
21 pertaining to the protected consumer, a restriction
22 that:



- 1 (A) Is placed on the protected consumer's credit
2 report in accordance with this section; and
3 (B) Prohibits the consumer credit reporting agency
4 from releasing the protected consumer's credit
5 report or any information derived from the
6 protected consumer's credit report except as
7 provided in this section."

8 SECTION 2. Chapter 489P-2, Hawaii Revised Statutes, is
9 amended by adding four new definitions to be appropriately
10 inserted and to read as follows:

11 "Protected consumer" means an individual who is:

12 (1) Under the age of sixteen years at the time a request
13 for the placement of a security freeze is made; or

14 (2) An incapacitated person or a protected person for whom
15 a guardian or conservator has been appointed in
16 accordance with chapter 560.

17 "Representative" means a person who provides to a consumer
18 credit reporting agency sufficient proof of authority to act on
19 behalf of a protected consumer.

20 "Sufficient proof of authority" means documentation that
21 shows a representative has authority to act on behalf of a
22 protected consumer, which includes:



- 1 (1) An order issued by a court of law;
2 (2) A lawfully executed and valid power of attorney; or
3 (3) A written, notarized statement signed by a
4 representative that expressly describes the authority
5 of the representative to act on behalf of a protected
6 consumer.

7 "Sufficient proof of identification" means information or
8 documentation that identifies a protected consumer or a
9 representative of a protected consumer, which includes:

- 10 (1) A social security number or a copy of a social
11 security card issued by the Social Security
12 Administration;
13 (2) A certified or official copy of a birth certificate;
14 (3) A valid photo identification card or license issued by
15 a federal or state government agency authorized to
16 issue valid identification; or
17 (4) A copy of a bill, including a bill for telephone,
18 sewer, septic tank, water, electric, or natural gas
19 services, that shows name and home address."

20 SECTION 3. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on July 1, 2112.



Report Title:

Credit Protection; Security Freeze; Protected Consumers

Description:

Enables a credit reporting agency to place a security freeze on the record for a protected consumer, who is a minor or incapacitated person, upon the request of the protected consumer's representative. Effective July 1, 2112. (HB712 HD1)

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

