

Honolulu, Hawaii

March 24, 2016

RE: S.B. No. 2681
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2681, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER CREDIT REPORTING AGENCIES,"

begs leave to report as follows:

The purpose of this measure is to help protect minor children and other protected persons from credit fraud and identity theft by:

- (1) Requiring consumer credit reporting agencies to create credit records or files for protected consumers, including minors under the age of sixteen and incapacitated persons;
- (2) Authorizing protected consumers or their representatives to place a security freeze on the protected consumer's credit report or any record created for the protected consumer; and
- (3) Establishing provisions for fees, timelines, and penalties pertaining to protected consumer requests for the creation of a record, placing of a security freeze, or removal of a security freeze.



The Department of Commerce and Consumer Affairs testified in support of this measure. Experian, Consumer Data Industry Association, and Equifax provided comments on this measure.

Your Committee has amended this measure by:

- (1) Specifying that a consumer reporting agency shall remove a security freeze for a protected consumer within thirty days, rather than three days, of receiving an appropriate request to remove the security freeze;
- (2) Changing the effective date to July 1, 2016; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee notes that that at least twenty-two other states have enacted similar legislation, and the majority, if not all of them provide a standard thirty days account freeze removal time, which is the same length of time credit bureaus are allowed to place an account freeze. Your Committee finds that this is necessary to allow the credit bureaus to make sure that they are placing or removing the right freeze for the right person for the right reason.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2681, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2681, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



