
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. Cybercriminals target minors because their
2 identities offer a clean slate with which to apply for bank
3 accounts, credit cards, or loans. While adults can learn
4 quickly that their identities have been stolen, it can take
5 years for a minor to find out that they have been a victim of
6 identity theft. Families often find out a child's identity was
7 stolen when applying for college loans or scholarships, or after
8 tax returns are filed in the child's name.

9 Adults can protect themselves from identity theft by
10 placing a security freeze on their credit reports with credit
11 reporting agencies such as Equifax, Experian, and Transunion.
12 Placing a security freeze on a credit report means that any new
13 creditor trying to open an account in an individual's name will
14 not have access to that individual's credit report unless the
15 individual requests removal of the security freeze.

16 However, minors must overcome two main hurdles. First, the
17 majority of minors do not have an existing credit report to



1 place a security freeze on. Second, many state statutes only
2 allow an individual to place a security freeze on their own
3 credit report and do not allow a parent, guardian, or other
4 legal representative of a minor to place a security freeze on a
5 credit report on behalf of the minor.

6 The purpose of this Act is to protect minors from the
7 misuse of their personal financial information by those with the
8 intent to defraud them by allowing parents and legal guardians
9 to place a security freeze on a minor's credit report.

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

13 "§489P- Security freeze for protected consumer; removal
14 of security freeze; fees; applicability and scope. (a) A
15 consumer reporting agency shall place a security freeze for a
16 protected consumer if:

- 17 (1) The consumer reporting agency receives a request from
18 the protected consumer's representative for the
19 placement of the security freeze under this section;
20 and
21 (2) The protected consumer's representative:



- 1 (A) Submits the request to the consumer reporting
2 agency at the address or other point of contact
3 and in the manner specified by the consumer
4 reporting agency;
- 5 (B) Provides to the consumer reporting agency
6 sufficient proof of identification of the
7 protected consumer and the representative;
- 8 (C) Provides to the consumer reporting agency
9 sufficient proof of authority to act on behalf of
10 the protected consumer; and
- 11 (D) Pays to the consumer reporting agency a fee, if
12 any, as provided in this section.

13 (b) If a consumer reporting agency does not have a credit
14 report pertaining to a protected consumer when the consumer
15 reporting agency receives a request under this section, the
16 consumer reporting agency shall create a record for the
17 protected consumer.

18 (c) Within thirty days after receiving a request pursuant
19 to this section, a consumer reporting agency shall place a
20 security freeze on the protected person's record or credit
21 report.



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

6 (e) The consumer reporting agency shall send a written
7 confirmation of the security freeze to the representative within
8 ten business days after instituting the security freeze on the
9 credit report or record and shall provide the representative
10 with instructions for removing the security freeze.

11 (f) A consumer reporting agency shall remove a security
12 freeze from a protected consumer's credit report or record only
13 under either of the following circumstances:

14 (1) A consumer reporting agency shall remove a security
15 freeze within thirty days after receiving a request
16 for removal from a protected consumer or the protected
17 consumer's representative as follows:

18 (A) A representative submitting a request for removal
19 shall provide all of the following:

20 (i) Sufficient proof of identification of the
21 representative and sufficient proof of



- 1 authority as determined by the consumer
2 reporting agency; and
3 (ii) A fee as authorized under this section.
4 (B) A protected consumer submitting a request for
5 removal shall provide all of the following:
6 (i) Sufficient proof of identification of the
7 protected consumer as determined by the
8 consumer reporting agency;
9 (ii) Documentation that the sufficient proof of
10 authority of the protected consumer's
11 representative to act on behalf of the
12 protected consumer is no longer valid; and
13 (iii) A fee as authorized under this section; or
14 (2) A consumer reporting agency that intends to remove a
15 security freeze under this subsection shall notify the
16 representative and protected consumer in writing
17 before removing the security freeze.
18 (g) A consumer reporting agency may charge a fee not
19 exceeding \$10 for each placement or removal of a security freeze
20 on a protected consumer's record or credit report; provided that



1 a consumer reporting agency may not charge any fee under this
2 section if:

3 (1) The protected consumer's representative provides a
4 copy of a police report to the consumer reporting
5 agency alleging that the protected consumer has been a
6 victim of an offense involving identity theft; or

7 (2) A request for the placement or removal of a security
8 freeze is for a protected consumer who is under
9 sixteen years of age at the time of the request and
10 the consumer reporting agency has a credit report
11 pertaining to the protected consumer.

12 (h) This section shall not apply to a protected consumer's
13 credit report or record provided to persons listed in section
14 489P-3(1).

15 (i) As used in this section:

16 "Protected consumer" means an individual who is:

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

19 (2) An incapacitated person or a protected person for whom
20 a guardian or conservator has been appointed.

21 "Record" means a compilation of information that:



- 1 (1) Identifies a protected consumer;
- 2 (2) Is created by a consumer reporting agency solely for
- 3 the purpose of complying with this chapter; and
- 4 (3) May not be created or used to consider the protected
- 5 consumer's credit worthiness, credit standing, credit
- 6 capacity, character, general reputation, personal
- 7 characteristics, or mode of living.

8 "Representative" means an individual who provides to a
9 consumer reporting agency sufficient proof of authority to act
10 on behalf of a protected consumer.

11 "Security freeze" means:

- 12 (1) If a consumer reporting agency does not have a credit
- 13 report pertaining to a protected consumer, a
- 14 restriction that:

- 15 (A) Is placed on the protected consumer's record in
- 16 accordance with this section; and
- 17 (B) Prohibits the consumer reporting agency from
- 18 releasing the protected consumer's record except
- 19 as provided in this section; or



1 (2) If a consumer reporting agency has a credit report
2 pertaining to the protected consumer, a restriction
3 that:

4 (A) Is placed on the protected consumer's credit
5 report in accordance with this section; and

6 (B) Prohibits the consumer reporting agency from
7 releasing the protected consumer's credit report
8 or any information derived from the protected
9 consumer's credit report except as provided in
10 this section.

11 "Sufficient proof of authority" means documentation that
12 shows a representative has authority to act on behalf of a
13 protected consumer, including:

14 (1) A court order granting custodianship, guardianship, or
15 conservatorship;

16 (2) A birth certificate;

17 (3) A lawfully executed and valid power of attorney; or

18 (4) A written, notarized statement signed by a
19 representative that expressly describes the authority
20 of the representative to act on behalf of a protected
21 consumer.



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1 "Sufficient proof of identification" means documentation
2 identifying a protected consumer or a representative including:

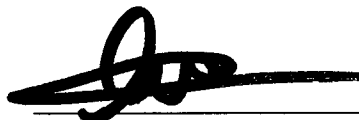
- 3 (1) A copy of a social security card;
4 (2) A certified or official copy of a birth certificate;
5 (3) A copy of a valid driver's license; or
6 (4) A copy of a government issued photo identification."

7 SECTION 3. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval.

9

INTRODUCED BY: _____



JAN 20 2017



H.B. NO. 651

Report Title:

Consumer Credit Reporting Agencies; Identity Theft; Protected Consumer; Security Freeze; Credit Report; Protective Record

Description:

Protects minors from the misuse of their personal financial information by those with the intent to defraud them by allowing parents and legal guardians to place a security freeze on a minor's credit report.

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