
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 within thirty days after receiving a request for removal
13 from a protected consumer or the protected consumer's
14 representative as follows:

15 (1) A protected consumer submitting a request for removal
16 shall provide all of the following:

17 (A) Sufficient proof of identification of the
18 protected consumer as determined by the consumer
19 reporting agency;

20 (B) Documentation that the sufficient proof of
21 authority of the protected consumer's



1 representative to act on behalf of the protected
2 consumer is no longer valid; and
3 (C) A fee as authorized under this section.
4 (2) A representative submitting a request for removal
5 shall provide all of the following:
6 (A) Sufficient proof of identification of the
7 representative and sufficient proof of authority
8 as determined by the consumer reporting agency;
9 and
10 (B) A fee as authorized under this section.
11 (g) A consumer reporting agency may charge a fee not
12 exceeding \$10 for each placement or removal of a security freeze
13 on a protected consumer's record or credit report; provided that
14 a consumer reporting agency may not charge any fee under this
15 section if:
16 (1) The protected consumer's representative provides a
17 copy of a police report to the consumer reporting
18 agency alleging that the protected consumer has been a
19 victim of an offense involving identity theft; or
20 (2) A request for the placement or removal of a security
21 freeze is for a protected consumer who is under



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

4 (h) This section shall not apply to a protected consumer's
5 credit report or record provided to persons listed in section
6 489P-3(1).

7 (i) As used in this section:

8 "Protected consumer" means an individual who is:

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

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

13 "Record" means a compilation of information that:

14 (1) Identifies a protected consumer;

15 (2) Is created by a consumer reporting agency solely for
16 the purpose of complying with this chapter; and

17 (3) May not be created or used to consider the protected
18 consumer's credit worthiness, credit standing, credit
19 capacity, character, general reputation, personal
20 characteristics, or mode of living.



1 "Representative" means an individual who provides to a
2 consumer reporting agency sufficient proof of authority to act
3 on behalf of a protected consumer.

4 "Security freeze" means:

5 (1) If a consumer reporting agency does not have a credit
6 report pertaining to a protected consumer, a
7 restriction that:

8 (A) Is placed on the protected consumer's record in
9 accordance with this section; and

10 (B) Prohibits the consumer reporting agency from
11 releasing the protected consumer's record except
12 as provided in this section; or

13 (2) If a consumer reporting agency has a credit report
14 pertaining to the protected consumer, a restriction
15 that:

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

18 (B) Prohibits the consumer reporting agency from
19 releasing the protected consumer's credit report
20 or any information derived from the protected



1 consumer's credit report except as provided in
2 this section.

3 "Sufficient proof of authority" means documentation that
4 shows a representative has authority to act on behalf of a
5 protected consumer, including:

6 (1) A court order granting custodianship, guardianship, or
7 conservatorship;

8 (2) A birth certificate;

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

10 (4) A written, notarized statement signed by a
11 representative that expressly describes the authority
12 of the representative to act on behalf of a protected
13 consumer.

14 "Sufficient proof of identification" means documentation
15 identifying a protected consumer or a representative including:

16 (1) A copy of a social security card;

17 (2) A certified or official copy of a birth certificate;

18 (3) A copy of a valid driver's license; or

19 (4) A copy of a government issued photo identification."

20 SECTION 3. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on July 1, 2099.



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. (HB651 HD1)

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