

# SB2769

Measure Title: RELATING TO CONSUMER CREDIT REPORTING AGENCIES.

Report Title: Consumer Credit Reporting Agencies; Security Freeze; Credit Report; Protected Consumers; Fee

Description: Eliminates the fee charged by a consumer reporting agency to place, lift, or remove a security freeze requested by a consumer, protected consumer, or a protected consumer's representative. Allows a consumer to request a security freeze at any time.

Companion: [HB2342](#)

Package: Governor

Current Referral: CPH, JDC

Introducer(s): KOUCHI (Introduced by request of another party)



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii  
The Senate  
Committee on Commerce, Consumer Protection, and Health

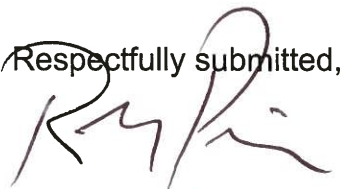
Testimony by  
Hawaii Government Employees Association

January 31, 2018

S.B. 2769 – RELATING TO CONSUMER  
CREDIT REPORTING AGENCIES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the intent of S.B. 2769 which eliminates the fee charged by a consumer reporting agency to place, lift, or remove a security freeze and allows a consumer to request a security freeze at any time. The passage of this measure is increasingly important, especially in light of the 2017 Equifax breach that exposed over 145 million U.S. social security numbers, driver's license numbers and personal information. Consumers should not be mandated to pay a fee, even a nominal fee, to freeze their credit reports.

Thank you for the opportunity to testify in support of S.B. 2796.

Respectfully submitted,  


Randy Perreira  
Executive Director

DATE: January 30, 2018

TO: Senator Rosalyn Baker  
Chair, Senate Committee on Commerce, Consumer Protection and Health  
*Submitted Via Capitol Website*

RE: **S.B. 2769 Relating to Consumer Credit Reporting Agencies**  
**Hearing Date: Wednesday, January 31, 2018 at 9:30 a.m.**  
**Conference Room: 229**

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Dear Chair Baker and Members of the Committee on Commerce, Consumer Protection and Health:

We offer this testimony on behalf of the Consumer Data Industry Association (CDIA). Founded in 1906, CDIA is the international trade association that represents more than 100 data companies. CDIA members represent the nation's leading institutions in credit reporting, mortgage reporting, fraud prevention, risk management, employment screening, tenant screening and collection services.

CDIA submits **comments** regarding S.B. 2769, which eliminates the fee charged by a consumer reporting agency to place, lift, or remove a security freeze requested by a consumer, protected consumer, or a protected consumer's representative, and allows a consumer to request a security freeze at any time.

CDIA has concerns about eliminating the fees for security freezes, but takes no position regarding the proposal in this bill to make security freezes free. However, CDIA respectfully requests that the following amendments which are of concern be made to the bill:

- 1) **Restore the allowance for a security freezes to be lifted if a consumer commits an act of material misrepresentation (delete strikeout on page 4, lines 11-12).** If a consumer has committed a fraud against a consumer reporting agency, it would be appropriate for agencies to continue to be able to lift a security freeze. Consumer reporting agencies should not be required to tolerate fraud perpetrated by a malicious consumer.
- 2) **Transition period.** Consumer credit reporting agencies will require time to implement this change into their systems, which will require making internal programming changes and training staff within various departments within the companies. We would respectfully request a delayed implementation date of January 1, 2019 in order to implement the changes proposed in this bill and ensure that the companies can fully comply with these requirements.

Thank you for the opportunity to submit testimony on this measure.

**LATE**

FRANK W. ABAGNALE



January 31, 2018

**ABAGNALE**  
& Associates

TO: Senator Rosalyn Baker, Chair and Senator Jill Tokuda, Vice-Chair  
RE: S.B. No. 2769, Relating to Consumer Credit Reporting Agencies

Dear Chairman Baker, Vice-Chairman Tokuda and Members of the Committee.

Thank you for the opportunity to express my strong support for a bill that I believe will help Hawaii residents, especially older Hawaii residents, protect themselves against identity theft. I am Frank Abagnale, subject of the book, movie and Broadway musical "Catch Me If You Can." I have a unique perspective having committed fraud as a teenager some 50 years ago and having spent the last 40 years of my life teaching at the FBI Academy and field offices of the Federal Bureau of Investigation. In my 40-year career, I have conducted over 3,000 lectures and written four books on these subjects and I have worked to try to prevent fraud, forgery, embezzlement, identity theft and other white-collar crimes.

What is truly amazing to an individual like me is that what I did 40 years ago as a teenager is 4,000 times easier to do today due to technology. A survey by Javlin Strategy & Research shows a 16% growth in fraud incidence in 2016. Fraud affected over six percent of U.S. consumers – the highest on record. The Consumer Sentinel Network, which collects consumer complaints from the Federal Trade Commission, state law enforcement agencies and other federal agencies, received over 3 million complaints in 2016 and state-by-state complaint data shows the largest losses are from individuals age 50+.

These are probably low estimates because many times consumers are too embarrassed to admit that they have been defrauded, and therefore it goes unreported. Their families may not even be told. Identity theft, investment fraud and scams rob millions of Americans of their hard-earned money every year. To help combat this threat, I have joined forces with AARP's Fraud Watch Network as their ambassador. The goal of the Fraud Watch Network is to arm Americans with the tools they need to spot and avoid fraud and scams so they can protect themselves and their families.

LETTER NO.  
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SECURE DOCUMENT CONSULTANTS

7-1-2018



ABAGNALE  
& Associates

As part of my role as AARP Fraud Watch Network Ambassador, I spoke to audiences on Oahu and Maui in October about identity theft and what you can do to protect yourself and your family. The seminars came just after the massive Equifax data breach became public. The credit reporting agency said that personal information on 145 million consumers was stolen and if past data thefts are any indication, that number is likely to grow higher.

One of the best ways to protect yourself if you've been affected by a data breach is what's known as a security or credit freeze. If you freeze your credit, no one is going to get your credit report without your permission, which will likely prevent identity thieves from opening new accounts in your name. But states like Hawaii allow credit reporting agencies to charge a \$5 fee, per agency, every time you freeze your account and unfreeze it to allow the information to be released. So it can cost \$15 to freeze your information with all three major credit reporting agencies, then another \$15 to release your information if you apply for a loan or other credit, and \$15 to freeze it again.

There should be no reason for a fee because then that becomes a deterrent to people actually freezing their credit. The American consumer never told credit reporting agencies, "I give you permission to store my personal information." We didn't sign a piece of paper that said Equifax can store my name and date of birth. We never authorized that. Why should we be paying a fee to have control over our information?

I have testified before Congress and in my home state of South Carolina to eliminate the fee for everyone who wants to freeze and thaw their credit. Congress hasn't acted. But there is no fee now in South Carolina, North Carolina, Maine and Indiana thanks to their state legislatures. Hawaii can and should also act to help its consumers.

Respectfully,

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