

30th Alaska State Legislature

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State Affairs Committee
Select Committee on Legislative Ethics
Joint Armed Services Committee



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SB 93 Security Freeze for Protected Customers SECTIONAL

Section 1. Distinguishes difference between security freezes for adults and security freezes for a “protected customer” **AND** Defines a “protected customer” as a person who is incapacitated or under 16 years of age.

Sec. 2. Creates Article 2A (Security Freeze for Protected Consumer)

***45.48.300. Placement of security freeze.** A consumer credit reporting agency is mandated to place a freeze on a protected consumer’s report if:

- (1) A protected consumer’s representative requests one.
- (2) The protected consumer’s representative
 - (a) Submits the request in a manner specified by the agency
 - (b) Submits proof of identification of the protected consumer
 - (c) Submits proof of identification of the representative and proof of authority
 - (d) Pay the fee of not more than \$5.00.

***45.48.310. Record.** If a protected consumer does not have a credit report with the agency, the agency will create a record for the protected consumer and place a freeze on it.

***45.48.320. Proof of identification and authority.** Proof of identification includes:

- Social security number or copy of SS card
- Certified or official birth certificate
- A driver’s license or identification card issued by Division of Motor Vehicles
- Other identification issued by a government agency

Proof of authority Includes:

- A court order
- A written, notarized statement expressly describing the authority that the representative has signed.

***45.48.330. Time of Placement of security freeze.** The agency shall place the freeze on the credit report or record no later than 30 days after receiving the request.

***45.48.340. Operation of security freeze.** Once a freeze is placed on the report or record, the agency cannot release information about the record without permission from the representative or consumer unless the freeze was placed based on misrepresentation of fact or the agency has received a request for removal of the security freeze.

***45.48.350. Duration of security freeze.** A security freeze remains in effect until the representative requests the freeze be removed or if the agency determines the freeze occurred because of misrepresentation of facts.

***45.48.360. Removal of security freeze.**

(a) The protected consumer or his or her representative can have a freeze removed by:

- (1) Submitting a request in the manner prescribed by the agency
- (2) Providing sufficient proof of:
 - (a) ID of protected consumer
 - (b) ID of representative
 - (c) authority for the representative
- (3) Pay the agency a fee of not more than \$5.00

(b) The agency has not more than 30 days to remove the freeze

***45.48.370. Effect of material misrepresentation of fact.** The agency may remove a security freeze or delete the record if the security freeze was obtained using a material misrepresentation of fact.

***45.48.380. Charges.**

- (1) A consumer credit reporting agency may not charge a fee more than \$5.00
- (2) The agency may not (shall not) charge a fee when:
 - the protected consumer's representative submits a police report, investigative report of complaint involving criminal impersonation in the 1st degree
 - the protected consumer is under the age of 16 and the agency has created a credit record for that consumer

***45.48.390. Exemptions.** Under the following conditions a frozen report of a protected consumer will be made available to the requestor:

- a person with a court order, warrant, or subpoena
- a government agency establishing and enforcing child support orders
- Dept. of Health & Social Services and its agents in investigating fraud

- Dept. of Revenue and its agents when investigating or collecting delinquent taxes, unpaid court orders, or other statutory responsibilities
- a credit file monitoring service the protected consumer is a subscriber to
- the protected consumer or representative has requested a report
- if the report of the agency consists entirely of information used solely for one or more of the following:
 - Criminal records information
 - Personal loss information
 - Fraud prevention or detection
 - Tenant screening
 - Employment screening
- A person preparing a credit report for an inquiring bank or financial institution regarding account closures because of fraud, substantial overdrafts, automated teller machine abuse, or similar information regarding a protected consumer

***45.48.395. Definitions.**

“consumer” an individual who is the subject of a credit report or credit score.

“consumer credit reporting agency” - a person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages, in whole or part, in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing credit reports to third parties, *but does not include a person who issues reports.*

“incapacitated person” - means a person whose ability to receive and evaluate information or to communicate decisions is impaired to the extent that the person lacks the ability to provide or arrange for the essential requirements for the person’s physical health or safety without court-ordered assistance.

“proof of authority and identification” - proof of authority and identification required for a protected consumer’s representative by the credit reporting agency to place a security freeze on the credit record or report.

“protected consumer” - a person who is an incapacitated person or under 16 years of age.

“record” - the record credit in AS 45.48.310, a record created by the agency and frozen.

“representative” - a person who has authority to act on behalf of a protected consumer.

“security freeze” - the restriction on access to a protected consumer’s credit report or record.

Sec. 3. Transition. This provision provides that security freezes put in place prior to the effective date of this Act, will remain enforced under the same statutes as they did when the freeze was placed on the record.