



April 13, 2016

The Honorable Gabrielle LeDoux
Chair, House Judiciary Committee
Juneau, Alaska

Re: Senate Bill 121 – Security Freeze for Minors

Dear Chairman LeDoux:

I write on behalf of the Consumer Data Industry Association (CDIA) to share our concerns related to Senate Bill 121, legislation seeking to create a mechanism to govern the placement, and removal of a security freeze for minors and protected consumers.

By way of background, CDIA was founded in 1906 and is the international trade association that represents some 120 consumer data companies. CDIA members represent the nation's leading institutions in credit reporting, fraud prevention, risk management, and employment reporting.

While CDIA is not opposed to purpose of Senate Bill 121, we are however, very concerned about the lack of consumer protections contained in the bill before your committee. The bill is limited in scope and does not contemplate a number of issues and situations which are critical to ensuring adequate protection of minor and otherwise vulnerable consumers. For example, the bill would require a consumer reporting agency to create a record and place it on a minor's file, however the term "record" is not defined in the bill, nor anywhere else in Alaska statute.

Additionally, by proposing that this new section be placed in the adult security freeze portion of Alaska Code, it raises the likelihood that minors and other protected consumers will be subject to credit and identity fraud. Current Alaska Code allows for adults to easily place and remove security freezes within minutes. This makes sense for consumers who are active participants in the marketplace. However, for minors, this provision would open the door for unscrupulous actors to perpetrate fraud.

Finally, without proper authentication, consumers and their representatives will not be required to produce proof that they are who they say they are, or proof that they have legal authority to act on behalf of a minor or otherwise protected individual.

I hope this information has been helpful to you and your committee. Please feel free to reach out to me and CDIA throughout the legislative process, as we are happy to offer our subject matter expertise in this debate.

Respectfully submitted,

Ramon O. Looby
Senior Director, Public Policy & Government Relations