

SB

93

<TARGET><BILL>SB 93</BILL><SUBJECT>SB
93</SUBJECT><COMM>HL&C30</COMM></TARGET>

30th Alaska State Legislature

Judiciary Committee
Chairman
Resources Committee
Vice-Chair
Education Committee
Vice-Chair
State Affairs Committee
Select Committee on Legislative
Ethics
Joint Armed Services Committee




Senator John Coghill

Session Address:
State Capitol, Room 119
Juneau, AK 99801-1182
(907) 465-3719
Fax (907) 465-3258

Interim Address:
1292 Sadler Way, Suite 340
Fairbanks, AK 99701
(907) 451-2997
Fax (907) 451-3526
(877) 465-3719

www.alaskasenate.org

MEMORANDUM

Date: April 11, 2017
To: Representative Sam Kito, Chair
House Labor & Commerce Committee
From: Senator John Coghill 
Re: Senate Bill 93 - Security Freeze for Protected Consumers

I am requesting a hearing for SB 93, *'An Act relating to security freezes on the credit reports or records of incapacitated persons and certain minors'* at your earliest convenience.

I have attached a sponsor statement, sectional, and letters of supports with the bill.

Thank you for your consideration.

30th Alaska State Legislature

Judiciary Committee

Chairman

Resources Committee

Vice-Chair

Education Committee

Vice-Chair

State Affairs Committee

Select Committee on Legislative

Ethics

Joint Armed Services Committee



Senator John Coghill

Session Address:
State Capitol, Room 119
Juneau, AK 99801-1182
(907) 465-3719
Fax (907) 465-3258

Interim Address:
1292 Sadler Way, Suite 340
Fairbanks, AK 99701
(907) 451-2997
Fax (907) 451-3526
(877) 465-3719

www.alaskasenate.org

SB 93 Security Freeze for Protected Consumers

Sponsor Statement

Legislation was passed last year to allow for a security freeze for a minor, but the process for removing the freeze or accessing the record by the representative, or for exemptions to the freeze for by entities like child support divisions, delinquent tax agencies, or agencies investigating fraud were not addressed in the legislation.

The bill puts in place requirements for identification of both the protected consumer and the legal representative and requires proof of the authority of the legal representative. Protected consumers are defined as minors up to the age of 16 and incapacitated persons with legal representatives.

When a protected consumer does not have a credit record or report, the consumer credit reporting agency will create a record for the consumer.

Senate Bill 93 provides a process by which protected consumers can avoid identity theft by having a personal representative place a security freeze on their credit record or credit report.

30th Alaska State Legislature

Judiciary Committee
Chairman
Resources Committee
Vice-Chair
Education Committee
Vice-Chair
State Affairs Committee
Select Committee on Legislative
Ethics
Joint Armed Services Committee



Senator John Coghill

Session Address:
State Capitol, Room 119
Juneau, AK 99801-1182
(907) 465-3719
Fax (907) 465-3258

Interim Address:
1292 Sadler Way, Suite 340
Fairbanks, AK 99701
(907) 451-2997
Fax (907) 451-3526
(877) 465-3719

www.alaskasenate.org

SB 93 Security Freeze for Protected Customers SECTIONAL

Section 1. Establishes that there are exemptions to the inapplicability for protected customer of Article 2 of AS 45.48 Credit Report and Credit Score Security Freeze 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 of more than \$10.00
- (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.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: SB 93
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB093-LAW-CIV-03-24-17
Title: CREDIT REPORT SECURITY FREEZE
Sponsor: COGHILL
Requester: Senate Labor & Commerce

Department: Department of Law
Appropriation: Civil Division
Allocation: Commercial and Fair Business
OMB Component Number: 2717

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Valerie Rose, Budget Analyst	Phone:	(907)465-3674
Division:	Administrative Services Division	Date:	03/24/2017 09:03 AM
Approved By:	Jahna Lindemuth, Attorney General	Date:	03/24/17
Agency:	Department of Law		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. SB 93

Analysis

SB 93 would repeal and replace AS 45.48.220, under AS 45.48 (Personal Information Protection Act), which allows a parent or legal guardian to place a security freeze on the credit report of a minor, incapacitated person, or protected person. Under SB 93, AS 45.48.100 – 45.48.290 (Credit Report and Credit Score Security Freeze) would not apply to a security freeze on the credit report of a protected consumer. SB 93 allows a representative of a protected consumer to place a security freeze on the credit report of a protected consumer.

If a credit report does not exist at the time the request is made, the consumer credit reporting agency would be required to generate a record for the protected consumer for the purpose of placing a security freeze. A representative of a protected consumer would be required to provide proof of identification in order to place a freeze on a protected consumer's credit report, and the credit reporting agency would be required to place the freeze within a certain period of time.

If a security freeze was placed on a protected person's credit report, the credit reporting agency would be prohibited from releasing the report without the express permission of the protected consumer or the protected consumer's representative. The security freeze would remain in effect until removed by the protected consumer, protected consumer's representative, or the credit reporting agency. A credit reporting agency would be permitted to charge \$5 to place a security freeze on a protected consumer's credit report, but would not be permitted to charge a fee in certain circumstances.

SB 93 contains a list of exemptions that allow certain persons and entities to access the protected consumer's credit report when the freeze is in place, and a list of definitions. The transition section of SB 93 allows a security freeze placed under AS 45.48.220 to remain in effect after the bill's effective date.

The Department of Law does not anticipate fiscal impact to the department should this bill become law.



SB 93 – Security Freeze for Protected Consumers

Senator John Coghill's Office

Presented by Rynniva Moss



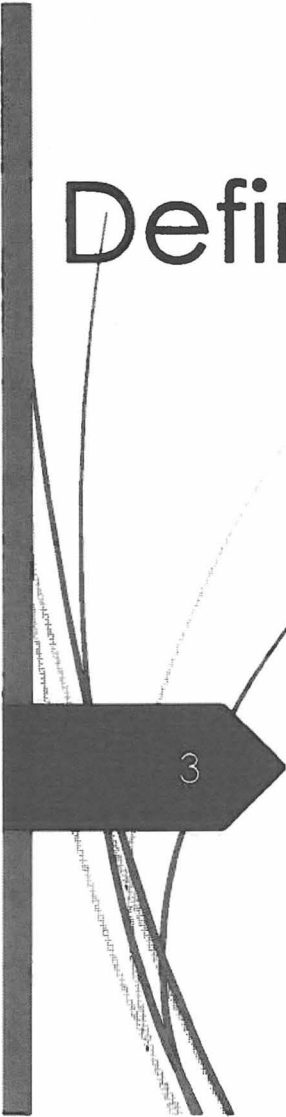
Sec. 1

Who is a protected consumer?

2

A person who is an incapacitated person or under 16 years of age.

Definition of *incapacitated person*



An incapacitated person is 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.

Why Sixteen?

Consumers at 16 years of age typically begin working, own a cell phone, have a bank account, and have established active credit. 26 other states have reduced the age from 18 to 16.

A credit freeze for a minor and a credit freeze for an adult, while similar in name, in practice they operate in very different ways.

- ▶ A credit freeze for an adult is placed to temporarily turn off the availability of already established credit for that individual. The request for a freeze could be due to a recent identity theft or for other purposes. Because a credit report was previously created by a lending agency and therefore currently exists for an adult, one can turn on and off their credit by placing a freeze.
- ▶ In the case of a minor, a credit report should not exist for a person under the age of 16. Therefore, in order to place a freeze, a credit reporting agency must (1) verify and authenticate the identities of both the minor and the requestor, (2) verify the relationship of the person requesting the freeze for the minor, and (3) create a new record (prohibiting a credit report from being created in the future for the minor).



Sec. 2

Creates Article 2A. Security Freeze for Protected Consumers

Article 2A sets up a system in state statute for placement of and removal of a security freeze for minors and incapacitated consumers. The bill puts in place requirements for identification of parties involved, verification of authority of personal representatives, accessing the record by the representative or other entities with legal purpose, and the lifting of a security freeze.

Placement of a Security Freeze

AS 45.48.300 - A consumer credit reporting agency is mandated to place a freeze on a protected consumer's report if:

- A protected consumer's representative requests one.
- The protected consumer's representative
 - Submits the request in a manner specified by the agency
 - Submits proof of identification of the protected consumer
 - Submits proof of identification of the representative and proof of authority
 - Pay the fee of not more that \$5.00

Creation of a Record for a Protected Consumer

AS 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.

Proof of Identification and Authority

AS 45.48.320 - Proof of Identification

- ▶ 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 the 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

Time of Placement of Security Freeze

AS 45.48.330 - Placement of Freeze

The agency must place a freeze on the credit report of record no later than 30 days after receiving the request.

Operation of Security Freeze

AS 45.48.340 - Operation of 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 from the representative.



Duration of Security Freeze

AS 45.48.350 - Duration of 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 a misrepresentation of facts.

Effect of Material Misrepresentation of Fact

AS 45.48.370 - 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.

Removal of Security Freeze

AS 45.48.360 - Removal of Security Freeze. (a) The protected consumer or his representative can have a freeze removed by:

- Submitting a request in the manner prescribed by the agency
- Providing sufficient proof of:
 - Identification of protected consumer
 - Identification of representative
 - Authority for the representative
- Pay the agency a fee of not more than \$5.00

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

Charges

AS 45.48.380 - Charges.

- ▶ A consumer credit reporting agency may not charge more than \$5.00
- ▶ The agency may 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

Exemptions

AS 45.48.390 - Exemptions. The following entities do not create data and are not originators of credit reports therefore they should not be required to create a credit record to freeze.

- A person with a court order
- 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
- 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

Exemptions (continued)

AS 45.48.390 - Exemptions. The following entities do not create data and are not originators of credit reports therefore they should not be required to create a credit record to freeze.

- 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

Definitions

AS 45.48.395 - Definitions

“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 the report.

Sec. 3 - Transition

This transition language 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.



Credit Freeze for Minors, Incapacitated, and Protected Individuals

Statutes of Select States

State	Proof of Authority & ID:	Protected Consumer Defined Age	Record
<u>Arizona:</u>	<p>"Sufficient proof of authority" means documentation that shows a representative has authority to act on behalf of a protected person and includes:</p> <ul style="list-style-type: none"> (a) A court order. (b) A lawfully executed and valid power of attorney. (c) A written, notarized statement signed by a representative that expressly describes the authority of the representative to act on behalf of a protected person. <p>6. "Sufficient proof of identification" means information or documentation that identifies a protected person or a representative of a protected person and includes:</p> <ul style="list-style-type: none"> (a) A social security number or a social security card issued by the social security administration. (b) A certified or official copy of a birth certificate issued by the department of health services. (c) A driver license or a nonoperating identification license issued by the department of transportation pursuant to title 28, chapter 8 or any other government issued identification. 	<p>"Protected person" means an individual who is under sixteen years of age at the time a request for the placement of a security freeze is made or who is an incapacitated person or a protected person for whom a guardian or conservator has been appointed.</p>	<p>2. "Record" means a compilation of information to which all of the following apply:</p> <ul style="list-style-type: none"> (a) The record identifies a protected person. (b) The record is created by a consumer reporting agency solely for the purpose of complying with this section. <p>2. "Record" means a compilation of information to which all of the following apply:</p> <ul style="list-style-type: none"> (a) The record identifies a protected person. (b) The record is created by a consumer reporting agency solely for the purpose of complying with this section.

Ways to Remove Credit Freeze

A security freeze that is placed on a protected person's record or credit report placed under this section remains in effect until either:

1. The protected person or the protected person's representative requests that the consumer reporting agency remove the security freeze pursuant to subsection F of this section.

2. The security freeze is removed pursuant to subsection J of this section.

F. To remove a security freeze for a protected person, the protected person or the protected person's representative shall submit a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency and pay a fee as prescribed in subsection H of this section. In addition:

1. If the protected person requested the removal of the security freeze, the protected person shall provide to the consumer reporting agency either of the following:

(a) Proof that the protected person's representative no longer has sufficient proof of authority to act on behalf of the protected person.

(b) Sufficient proof of identification of the protected person.

2. If the protected person's representative requested the removal of the security freeze on behalf of the protected person, the protected person's representative shall provide to the consumer reporting agency both of the following:

(a) Sufficient proof of identification of the protected person and the representative.

Remove Freeze Due to Fraud

A consumer reporting agency may remove a security freeze for a protected person or may delete a protected person's record if the security freeze was placed or the record was created based on a material misrepresentation of fact by the protected person or the protected person's representative.

Service Charge

A consumer reporting agency may charge a five dollar fee for each placement or removal of a security freeze on a protected person's record or credit report.

Exemptions

L. This section does not apply to the use of a protected person's credit report or record by any of the following:

1. A person administering a credit file monitoring subscription service to which either:
(a) The protected person has subscribed.

(b) The protected person's representative has subscribed on behalf of the protected person.

2. A person providing the protected person or the protected person's representative with a copy of the protected person's credit report on the request of the protected person or the protected person's representative.

3. A check services or fraud prevention services company that issues either:
(a) Reports on incidents of fraud.

State	Proof of Authority & ID:	Protected Consumer Defined Age	Record
<u>Kansas:</u>	<p>The term “sufficient proof of authority” means documentation that shows a representative has authority to act on behalf of a protected consumer, including any of the following:</p> <ul style="list-style-type: none"> (1) An order issued by a court; (2) a lawfully executed and valid power of attorney; <p>or</p> <ul style="list-style-type: none"> (3) a written, notarized statement signed by a representative that expressly describes the authority of the representative to act on behalf of a protected consumer. <p>(o) The term “sufficient proof of identification” means information or documentation that identifies a protected consumer or a representative of a protected consumer, including any of the following:</p> <ul style="list-style-type: none"> (1) A social security number or a copy of a social security card issued by the social security administration; or (2) a certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate. 	<p>The term “protected consumer” means an individual who is:</p> <ul style="list-style-type: none"> (1) Under the age of 16 years at the time a request for the placement of a security freeze is made under K.S.A. 2016 Supp. 50-725, and amendments thereto; or (2) an individual for whom a guardian or conservator has been appointed. 	<p>The term “record” means a compilation of information about a protected consumer that satisfies all of the following:</p> <ul style="list-style-type: none"> (1) The compilation identifies the protected consumer; and (2) the compilation is created by a consumer reporting agency solely for the purpose of complying with K.S.A. 2016 Supp. 50-725, and amendments thereto.

Ways to Remove Credit Freeze

(f) (1) If a protected consumer or a protected consumer's representative wishes to remove a security freeze for a protected consumer, the protected consumer or the protected consumer's representative shall:

(A) Submit a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency;

(B) provide to the consumer reporting agency sufficient proof of identification of the protected consumer and:

(i) For a request by the protected consumer, proof that the sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid; or

(ii) for a request by the representative of a protected consumer, sufficient proof of identification of the representative and sufficient proof of authority to act on behalf of the

Remove Freeze Due to Fraud

A consumer reporting agency may remove a security freeze for a protected consumer or delete a record of a protected consumer if such security freeze was placed or the record was created based on a material misrepresentation of a fact by the protected consumer or the protected consumer's representative.

Service Charge

A consumer reporting agency may charge a reasonable fee, not exceeding \$10, for each placement or removal of a security freeze for a protected consumer, except a consumer reporting agency shall not charge any fee under this section if:

(A) The protected consumer's representative has obtained a police report or provided an affidavit of alleged fraud against the protected consumer and provides a copy of the report or the affidavit to the consumer reporting agency;

Exemptions

This section shall not apply to:

(1) A person administering a credit file monitoring subscription service to which the protected consumer has subscribed or the representative of the protected consumer has subscribed on behalf of the protected consumer;

(2) a person providing the protected consumer or the protected consumer's representative with a copy of the protected consumer's consumer report on request of the protected consumer or the protected consumer's representative; or

(3) a person or entity listed in K.S.A. 2016 Supp. 50-723/11(1) and (6) through (12)

State	Proof of Authority & ID:	Protected Consumer Defined Age	Record	<u>Representative</u>
<u>New York:</u>	<p>Sufficient proof of authority:</p> <p>(i) A court order that identifies or describes the relationship between the representative and the protected consumer;</p> <p>(ii) A valid and lawfully executed power of attorney that permits the representative to act on the protected consumer's behalf; or</p> <p>(iii) A written affidavit that the representative signs and has notarized in which the representative expressly describes the relationship between the representative and the protected consumer and the representative's authority to act on the protected consumer's behalf.</p>	<p>The term "protected consumer" means an individual who is under the age of sixteen years at the time a request for the placement of a security freeze is made.</p>	<p>If a consumer credit reporting agency does not have a file pertaining to a protected consumer when the consumer credit reporting agency receives a request under subdivision (a) of this section, the consumer credit reporting agency shall create a record for the protected consumer.</p>	<p>Representative" means a person who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected person.</p>

Remove Freeze Due to Fraud

A consumer credit reporting agency shall remove a security freeze for a protected consumer, or delete a record of a protected consumer, if the security freeze was placed or the record was created based on a material misrepresentation of fact by the protected consumer or the protected consumer's representative.

Service Charge

A consumer credit reporting agency may charge a reasonable fee, not exceeding fifteen dollars, for each placement or removal of a security freeze for a protected consumer as provided for in subparagraph (iv) of paragraph two of subdivision (a) or clause (C) of subparagraph (ii) of paragraph two of subdivision (f) of this section. A consumer credit reporting agency shall not charge a fee for any other service performed under this section.

Exemptions

This section does not apply to: (1) A person administering a credit file monitoring subscription service to which: (i) the protected consumer has subscribed; or (ii) the representative of the protected consumer has subscribed on behalf of the protected consumer; (2) A person providing the protected consumer or the protected consumer's representative with a copy of the protected consumer's consumer credit report upon the request of the protected consumer or the protected consumer's representative; (3)(i) An entity listed in paragraphs three through eight of subdivision (m) of

State	Proof of Authority & ID:	Protected Consumer Defined Age	Record
<u>Oregon:</u>	<p>sufficient proof of authority consists of:</p> <p>(i) A court order that identifies or describes the relationship between the representative and the protected consumer;</p> <p>(ii) A valid and lawfully executed power of attorney that permits the representative to act on the protected consumer's behalf; or</p> <p>(iii) A written affidavit that the representative signs and has notarized in which the representative expressly describes the relationship between the representative and the protected consumer and the representative's authority to act on the protected consumer's behalf.</p>	<p>Protected consumer⁹ means an individual who is:</p> <p>(a) Under the age of sixteen years old at the time a request for the placement of a security freeze is made pursuant to RCW 19.182.230; or</p> <p>(b) Incapacitated and for whom a guardian or limited guardian has been</p>	<p>The protective record that the consumer reporting agency creates under paragraph (b) of this subsection does not need to contain any information other than the protected consumer's personal information, if other information for the protected consumer is not available.</p>

Ways to remove Credit Freeze

A security freeze for a protective record must remain in place until the protected consumer or a representative requests, using a point of contact the consumer reporting agency designates, that the security freeze be removed or that the protective record be deleted. The consumer reporting agency does not have an affirmative duty to notify the protected consumer or the representative that a security freeze is in place or to remove the security freeze or delete the protective record once the protected consumer is no longer a protected consumer. A protected consumer or a representative has the affirmative duty to request that the consumer reporting agency remove the security freeze or delete the protective record. A consumer reporting agency shall remove a security freeze or delete a protective record within 30 business days after receiving a request for removal or deletion from the protected consumer or a representative, who provides:

- (A) Proper identification;
- (B) Sufficient proof of authority, as described in ORS 646A.606 (Security freeze) (3)(b), if the representative seeks to remove the security freeze or delete the protective record;
- (C) Proof that the representative's authority to act on the protected consumer's behalf is no longer valid or applicable, if the protected consumer seeks to remove the security freeze or delete the protective record; and
- (D) A fee, if applicable. [2007 c.759 §5; 2013 c.415 §3]

Remove Freeze **Due to Fraud**

A consumer reporting agency may not charge a fee to a consumer or a protected consumer who is the victim of identity theft or to a consumer who has reported or a protected consumer for whom a representative has reported to a law enforcement agency the theft of personal information, provided the consumer or the representative has submitted to the consumer reporting agency a copy of a valid police report, incident report or identity theft declaration.

(2)(a) A consumer reporting agency may charge a reasonable fee of not more than \$10 to a consumer, other than a consumer described in subsection (1) of this section, for each placement of a security freeze, temporary lift of the security freeze, removal of the security freeze or replacing a lost personal identification number or password previously provided to the consumer.

(b)(A) Except as provided in subsection (1) of this section and in subparagraph (B) of this paragraph, a consumer reporting agency may charge a reasonable fee of not more than \$10 to place or remove a security freeze for a protected consumer's consumer report or protective record or to create or delete a protective record for a protected consumer.

(B) A consumer reporting agency may not charge a fee to place or remove a security freeze on an existing consumer report or protective record for a protected consumer who is under 16 years of age at the time a representative requests the consumer reporting agency to place or remove the security freeze. [2007 c.759 §6; 2013 c.415 §4]

Service Charge

Exemptions

State	Proof of Authority & ID:	Protected Consumer Defined Age	Record
<u>Texas:</u>	<p>(a) Documentation that shows a person has authority to act on behalf of a protected consumer is considered sufficient proof of authority for purposes of this subchapter, including:</p> <ul style="list-style-type: none"> (1) an order issued by a court; or (2) a written, notarized statement signed by a representative that expressly describes the authority of the representative to act on behalf of a protected consumer. <p>(b) Information or documentation that identifies a protected consumer or a representative of a protected consumer is considered sufficient proof of identity for purposes of this subchapter, including:</p> <ul style="list-style-type: none"> (1) a social security number or a copy of the social security card issued by the United States Social Security Administration; (2) a certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate; (3) a copy of a driver's license or identification card issued by the Department of Public Safety; or (4) any other government-issued identification. 	<p>"Protected consumer" means an individual who resides in this state and is younger than 16 years of age at the time a request for the placement of a security freeze is made.</p>	<p>"Record," with respect to a protected consumer, means a compilation of information identifying a protected consumer created by a consumer reporting agency solely to comply with this subchapter.</p>

Ways to Remove Credit Freeze

A security freeze on a protected consumer's consumer file or record remains in effect until:

- (1) the protected consumer or the protected consumer's representative requests that the consumer reporting agency remove the security freeze in accordance with Section 20.28; or**
- (2) a consumer reporting agency removes the security freeze under Section 20.30.**

Sec. 20.28. REMOVAL OF SECURITY FREEZE. (a) A protected consumer or a protected consumer's representative may remove a security freeze on a protected consumer's consumer file or record

if the protected consumer or representative:

(1) submits a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact of and in the manner specified by the consumer reporting agency;

(2) provides to the consumer reporting agency:

(A) in the case of a request by the protected consumer:

(i) sufficient proof of identification of the protected consumer; and

(ii) proof that the sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid; or

(B) in the case of a request by the

representative of a protected consumer:

(i) sufficient proof of identification of the protected consumer and the representative; and (ii) sufficient proof of authority to act on behalf of the protected consumer; and

(3) pays to the consumer reporting agency a fee as provided by Section 20.29.

Remove Freeze Due to Fraud

A consumer reporting agency may remove a security freeze on a protected consumer's consumer file or record, or delete a record of a protected consumer, if the security freeze was placed or the record was created based on a material misrepresentation of fact by the protected consumer or the protected consumer's representative.

State

Proof of Authority & ID:

Protected Consumer Defined Age

Record

Representative

Utah:

(14) (a) "Sufficient proof of authority" means documentation that shows that a person has authority to act on behalf of a protected consumer.

(b) "Sufficient proof of authority" includes:

(i) a court order;

(ii) a lawfully executed power of attorney; or

(iii) a written, notarized statement signed by the person that expressly describes the person's authority to act on behalf of the protected consumer.

(15) (a) "Sufficient proof of identification" means information or documentation that identifies a protected consumer or a representative.

(b) "Sufficient proof of identification" includes:

(i) a Social Security number or a copy of a Social Security card issued by the United

(10) "Protected consumer" means an individual who, at the time a request for a security freeze is made, is:

(a) less than 16 years of age;

(b) an incapacitated person; or

(c) a protected person.

(11) "Protected person" means the same as that term is defined in Section 75-5b-102.

"Record" means a compilation of information that:

(a) identifies a protected consumer;

(b) is created by a consumer reporting agency solely for the purpose of complying with this section; and

(c) may not be created or used to consider the protected consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

Representative " means a person who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected consumer.

Remove Freeze Due to Fraud

A consumer reporting agency may remove a security freeze for a protected consumer or delete a record of a protected consumer if the security freeze was placed or the record was created based on a material misrepresentation of fact by the protected consumer or the protected consumer's representative

Service Charge

. A consumer reporting agency may charge a reasonable fee, which does not exceed \$5, for each placement or removal of a security freeze under this part, unless:

- (a) the protected consumer's representative:**
 - (i) has obtained a police report that states the protected consumer is the alleged victim of identity fraud; and**
 - (ii) provides a copy of the report to the consumer reporting agency; or**
- (b) (i) the protected consumer is less than 16 years of age at the time the request is submitted to the consumer reporting agency; and**
- (ii) the consumer reporting agency has a file that pertains to the protected consumer.**

Exemptions

This part does not apply to the use of a protected consumer's credit report or record by: (1) a person administering a credit file monitoring subscription service to which: (a) the protected consumer has subscribed; or (b) the protected consumer's representative has subscribed on the protected consumer's behalf; (2) a person who, upon request from the protected consumer or the protected consumer's representative, provides the protected consumer or the protected consumer's representative with a copy of the protected consumer's credit report; (3) a check services or fraud prevention services company that issues: (a) reports on incidents of fraud; or (b) authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar payment methods; (4) a deposit account information service company that

State	Proof of Authority & ID:	Protected Consumer Defined Age	Record
<u>Washington:</u>	<p>"Sufficient proof of authority" means documentation that shows a representative has authority to act on behalf of a protected consumer, including:</p> <ul style="list-style-type: none"> (a) An order issued by a court of law; (b) A lawfully executed and valid power of attorney; and (c) A written, notarized statement signed by a representative that expressly describes the authority of the representative to act on behalf of a protected consumer. <p>(8) "Sufficient proof of Identification" means information or documentation that identifies a protected consumer or a representative of a protected consumer, including:</p> <ul style="list-style-type: none"> (a) A social security number or a copy of a social security card issued by the social security administration; (b) A certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate; (c) A copy of a driver's license, an identicard issued under RCW 46.20.117, or any other government-issued identification; or (d) A copy of a bill, including a bill for telephone, sewer, septic tank, water, electric, oil, or natural gas services, that shows a name and home address. <p>[2016 c 135 § 1.]</p>	<p>Protected consumer" means an individual who is:</p> <ul style="list-style-type: none"> (a) Under the age of sixteen years old at the time a request for the placement of a security freeze is made pursuant to RCW 19.182.230; or (b) Incapacitated and for whom a guardian or limited guardian has been appointed. 	<p>"Record" means a compilation of information that:</p> <ul style="list-style-type: none"> (a) Identifies a protected consumer; (b) Is created by a consumer reporting agency solely for the purpose of complying with RCW 19.182.230;

Record Use for Credit Worthiness

May not be created or used to consider the protected consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living for any purpose listed in RCW 19.182.020.

Ways to Remove Credit Freeze

- (5) A security freeze for a protected consumer placed in accordance with this section shall remain in effect until:**
- (a) The protected consumer or the protected consumer's representative requests the consumer reporting agency to remove the security freeze in accordance with subsection (6) of this section; or**
 - (b) The security freeze is removed in accordance with subsection (9) of this section.**
- (6) If a protected consumer or a protected consumer's representative wishes to remove a security freeze for the protected consumer, the protected consumer or the protected consumer's representative shall:**
- (a) Submit a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency;**
 - (b) Provide to the consumer reporting agency:**
 - (i) In the case of a request by the protected consumer:**
 - (A) Proof that the sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid; and**
 - (B) Sufficient proof of identification of the protected consumer;**
 - (ii) In the case of a request by the representative of a protected consumer:**
 - (A) Sufficient proof of identification of the protected consumer and the representative; and**
 - (B) Sufficient proof of authority to act on behalf of the protected consumer; and**
 - (iii) In any case, pay to the consumer reporting agency a fee as provided in this section.**
- (7) Within thirty days after receiving a request that meets the requirements of subsection (6) of this section, the consumer reporting agency shall remove the security freeze for the protected consumer.**

30th Alaska State Legislature

Judiciary Committee
Chairman
Resources Committee
Vice-Chair
Education Committee
Vice-Chair
State Affairs Committee
Select Committee on Legislative
Ethics
Joint Armed Services Committee



Senator John Coghill

Session Address:
State Capitol, Room 119
Juneau, AK 99801-1182
(907) 465-3719
Fax (907) 465-3258

Interim Address:
1292 Sadler Way, Suite 340
Fairbanks, AK 99701
(907) 451-2997
Fax (907) 451-3526
(877) 465-3719

www.alaskasenate.org

SB 93 Security Freeze for Protected Consumers

Sponsor Statement

Two years ago legislation was enacted to allow for a security freeze for a minor, but the process by which this was to be initiated by a credit reporting firm was not established in statute.

SB 93 expands the process to not only minors up to the age of 16, but to incapacitated persons with legal representatives. The bill puts in place requirements for identification of both the protected consumer and the parent or legal representative and proof of authority for the legal representative.

Most protected consumers do not have a credit report to freeze, so SB 93 allows consumer reporting agencies to create a credit record to freeze.

1.3 million kids have their identity stolen annually. 50% of these children are under 6 years of age. A child's identity is 50 times more likely to be stolen than an adult's identity.

The primary purpose of a credit report for adults is prevent lending institutions, businesses, and credit card companies from providing credit for a bad risk. A freeze is placed on the credit record when there has been identity theft that impacts a good credit report.

The primary purpose of establishing a credit report for a minor or incapacitated person is to protect that person's identity from identity theft. A child's social security number is considered "pristine" because there is no reason for their parents to check their credit record when they have no financial transactions to show up on a credit report.

Thieves obtain the social security numbers by stealing mothers' purses containing SS cards or gaining to pediatrician's offices or school records.

SB 93 provides a process by which minors and incapacitate persons can be protected from identity theft. Twenty-six other states have similar statutes for protected consumers.

Alaska Business

[Sections](#) [More](#) [About Us](#)

Senate Improves Protections against Identity Theft

ALASKA SENATE MAJORITY

0

Published: April 12, 2017

JUNEAU – The Alaska State Senate unanimously passed a bill today that improves consumer protection rules against identity theft for vulnerable populations.

Senate Bill 93, sponsored by Sen. John Coghill (R-North Pole), grants a parent, guardian or court appointed representative the ability to place a security freeze on the credit record of a minor up to the age of 16 or an incapacitated person, to protect the consumer from identity theft.

"Because minors or incapacitated persons do not have credit reports, the credit reporting agency must create a credit record to place a freeze on them," said Sen. John Coghill (R-North Pole), chairman of the Senate Judiciary Committee. "That process can take up to 30 days."

The bill also establishes safeguards, including requirements for proof of identification for both the protected consumer and the legal representative, as well as proof of the authority of the legal representative.

27 other states already have a similar process in place for protected consumers.

SB 93 is now on its way to the Alaska House of Representatives for consideration.

For more information, contact Rynnieva Moss in Senator Coghill's office at (907) 465-3719.

Add your comment:

Characters remaining: 2000

Please enter the letters from the image below:



March 17, 2017

The Honorable John Coghill
Alaska State Senate
State Capitol, Room 119
Juneau, AK 99801

RE: SB 93 – Credit Report Security Freeze

Dear Senator Coghill:

On behalf of Equifax, I am writing to express support for Senate Bill 93.

As introduced, Senate Bill 93 will amend existing Alaska law as it relates to the placement and removal of a credit security freeze on behalf of a protected consumer by specifying the manner in which a protected consumer's representative must submit a request to a consumer credit reporting agency, including sufficient proof of identification and authority to act on behalf of a protected consumer. By incorporating these specific requirements into the existing Alaska credit report security freeze statute, effected consumers will be more protected from the risk of a freeze being unduly placed on their credit file.

The bill also adjusts the definition of a protected consumer to include those under the age of 16 and requires a consumer credit reporting agency to complete the request for a credit security freeze placement or removal within 30 days, bringing Alaska law more in line with other minor freeze laws across the country.

Equifax is a global information solutions company that uses trusted unique data, innovative analytics, technology and industry expertise to power organizations and individuals around the world by transforming knowledge into insights that help make more informed business and personal decisions. The company organizes, assimilates and analyzes data on more than 820 million consumers and more than 91 million businesses worldwide, and its database includes employee data contributed from more than 7,100 employers.

Thank you for the opportunity to submit the above comments regarding Senate Bill 93. Please contact me directly with any questions at (404) 987-5933 or carlie.christensen@equifax.com

Sincerely,

Carlie Christensen
Director, Government Relations
Equifax



Jeremy Hancock
Director, Government Affairs

900 17th St. NW, Suite 1050
Washington, DC 20006
www.experian.com

The Honorable John Coghill
Alaska State Senate
State Capitol, Room 119
Juneau, AK 99801

RE: SB 93- Credit Report Security Freeze

Dear Senator Coghill:

I write today to express Experian's support for S.B. 93, a bill relating to security freezes on the credit reports of incapacitated persons and certain minors. As a national credit reporting agency and leading global information services company, Experian helps consumers check their credit report and score and protect against identity theft, including the placement of a security freeze on behalf of children or incapacitated persons.

In 2016, the Alaska legislature approved legislation to expand identity theft protections to children in the state by allowing a credit freeze. While we applaud efforts to protect the state's most vulnerable, the current law does not include important authentication protections and complete process requirements that are consistent with national obligations.

From an external perspective, an adult security freeze and child security freeze appear very similar, yet the process is very different. Credit reporting agencies do not knowingly have information on minors because they cannot seek credit. Unlike an adult freeze, where consumers have already been authenticated through a lender, additional steps must be taken to authenticate a child, including verifying birth certificates and parental authority. The result is a timely, manual process to appropriately protect children and safeguard them from identity theft.

To date, at least twenty-four additional states have approved nearly identical laws requiring national credit reporting agencies to offer a credit freeze for minors or incapacitated persons. Yet, Alaska law deviates from the well-established statutory requirements enacted in other states. The changes afforded by S.B. 93 would align Alaska law to provide the same level of protections and consumer experience.

We encourage the legislature to approve the credit freeze improvements in S.B. 93.

Sincerely,



Jeremy Hancock





CDIA

CONSUMER DATA INDUSTRY ASSOCIATION
Empowering Economic Opportunity

Writer's Direct Dial: 202.408.7404

Writer's email: slashford@cdiaonline.org

March 17, 2017

The Honorable John Coghill
Alaska State Senate
State Capitol, Room 119
Juneau, AK 99801

RE: S.B. 93- Credit Report Security Freeze

Dear Senator Coghill:

I write on behalf of the Consumer Data Industry Association (CDIA) to thank you for sponsoring S.B. 93, a bill relating to security freezes on the credit reports of incapacitated persons and certain minors. S.B. 93 will provide additional protections to Alaskans who may be vulnerable to identity theft.

In 2016, the Alaska Legislature passed legislation, Ch.22, SLA 2016 (SB 121) to authorize a credit freeze for minors' consumer records. Providing protections for those exposed to the dangers of identity theft in Alaska was a step in the right direction. However, by placing the authorization in the same section of the statute as that for adults, AS 45.48, lacks additional protections that 26 other states have adopted. These additional measures help to both safeguard against fraud and identity theft, as well as ensure consistency amongst states. This consistency offers improved commerce for consumers and business transactions. In addition, S.B. 93 provides clear guidance and standards for handling minors' credit as outlined in Ch.22 SLA 16. We believe S.B. 93 maintains the original intent of the 2016 legislation while adding uniformity and consistency with other states' laws.

CDIA is an international trade association, founded in 1906, of more than 130 corporate members. Our mission is to enable consumers, media, legislators and regulators to understand the benefits of the responsible use of consumer data which creates opportunities for consumers and the economy. CDIA members provide businesses with the data and analytical tools necessary to manage risk. Our members

help ensure fair and safe transactions for consumers, facilitate competition and expand consumers' access to a market which is innovative and focused on their needs. CDIA member products are used in more than nine billion transactions each year.

In conclusion, we respectfully ask that the Senate Labor and Commerce Committee support S.B. 93. We believe that the consumers of Alaska deserve the same level of protections and experience as their peers in the 26 other states that have adopted a credit freeze for minors and incapacitated adults. Thank you again for sponsoring S.B. 93. I would be happy to answer any questions the Committee might have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sarah M. Lashford".

Sarah M. Lashford
Manager of Government Relations