

SENATE BILL 202

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By: **Senators Lee, Ferguson, Guzzone, Kelley, King, Pinsky, Rosapepe, Smith, and Zucker**

Introduced and read first time: January 17, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Credit Report Security Freezes – Notice and Fees**

3 FOR the purpose of prohibiting a consumer reporting agency from charging a fee for the
4 placement of a security freeze requested by a consumer or a certain consumer
5 representative under certain circumstances; prohibiting a consumer reporting
6 agency from charging a fee for the temporary lift or removal of a security freeze that
7 has been placed on the consumer's credit report; altering the contents of a certain
8 notice that must be included with a certain summary of rights provided to a
9 consumer; and generally relating to credit report security freezes.

10 BY repealing and reenacting, with amendments,

11 Article – Commercial Law

12 Section 14–1212.1(i) and (j), 14–1212.2(g) and (i), and 14–1212.3(i)

13 Annotated Code of Maryland

14 (2013 Replacement Volume and 2017 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Commercial Law**

18 14–1212.1.

19 (i) (1) Except as provided in paragraph (2) of this subsection, a consumer may
20 not be charged for any service relating to a security freeze.

21 (2) A consumer reporting agency may charge a reasonable fee, not
22 exceeding \$5, for each placement[, temporary lift, or removal] of a security freeze.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) Notwithstanding paragraph (2) of this subsection, a consumer reporting
2 agency may not charge any fee under this section to a consumer who:

3 (i) 1. Has obtained a report of alleged identity fraud against the
4 consumer under § 8–304 of the Criminal Law Article or an identity theft passport under §
5 8–305 of the Criminal Law Article; and

6 2. Provides a copy of the report or passport to the consumer
7 reporting agency; or

8 (ii) Requests the placement of a security freeze if the consumer has
9 not previously requested the placement of a security freeze from the consumer reporting
10 agency **DURING THE CURRENT CALENDAR YEAR.**

11 (j) At any time that a consumer is entitled to receive a summary of rights under
12 § 609 of the federal Fair Credit Reporting Act or § 14–1206 of this subtitle, the following
13 notice shall be included:

14 “NOTICE

15 You have a right, under § 14–1212.1 of the Commercial Law Article of the Annotated
16 Code of Maryland, to place a security freeze on your credit report. The security freeze will
17 prohibit a consumer reporting agency from releasing your credit report or any information
18 derived from your credit report without your express authorization. The purpose of a
19 security freeze is to prevent credit, loans, and services from being approved in your name
20 without your consent.

21 You may elect to have a consumer reporting agency place a security freeze on your
22 credit report by written request sent by certified mail or by electronic mail or the Internet
23 if the consumer reporting agency provides a secure electronic connection. The consumer
24 reporting agency must place a security freeze on your credit report within 3 business days
25 after your request is received. Within 5 business days after a security freeze is placed on
26 your credit report, you will be provided with a unique personal identification number or
27 password to use if you want to remove the security freeze or temporarily lift the security
28 freeze to release your credit report to a specific person or for a specific period of time. You
29 also will receive information on the procedures for removing or temporarily lifting a
30 security freeze.

31 If you want to temporarily lift the security freeze on your credit report, you must
32 contact the consumer reporting agency and provide all of the following:

33 (1) The unique personal identification number or password provided by the
34 consumer reporting agency;

35 (2) The proper identifying information to verify your identity; and

36 (3) The proper information regarding the person who is to receive the credit

1 report or the period of time for which the credit report is to be available to users of the
2 credit report.

3 A consumer reporting agency must comply with a request to temporarily lift a
4 security freeze on a credit report within 3 business days after the request is received, or
5 within 15 minutes for certain requests. A consumer reporting agency must comply with a
6 request to remove a security freeze on a credit report within 3 business days after the
7 request is received.

8 If you are actively seeking credit, you should be aware that the procedures involved
9 in lifting a security freeze may slow your own applications for credit. You should plan ahead
10 and lift a security freeze, either completely if you are seeking credit from a number of
11 sources, or just for a specific creditor if you are applying only to that creditor, a few days
12 before actually applying for new credit.

13 A consumer reporting agency may charge a reasonable fee not exceeding \$5 for each
14 placement[, temporary lift, or removal] of a security freeze. However, a consumer reporting
15 agency may not charge any fee to a consumer who, at the time of a request to place[,
16 temporarily lift, or remove] a security freeze, presents to the consumer reporting agency a
17 police report of alleged identity fraud against the consumer or an identity theft passport. A
18 consumer reporting agency also may not charge any fee to a consumer for the first
19 placement of a security freeze [with the consumer reporting agency] **ON THE CONSUMER'S**
20 **CREDIT REPORT IN A CALENDAR YEAR, OR FOR THE TEMPORARY LIFT OR REMOVAL**
21 **OF A SECURITY FREEZE.**

22 A security freeze does not apply if you have an existing account relationship and a
23 copy of your credit report is requested by your existing creditor or its agents or affiliates for
24 certain types of account review, collection, fraud control, or similar activities.”

25 14–1212.2.

26 (g) If a protected consumer or a protected consumer’s representative wishes to
27 remove a security freeze for the protected consumer, the protected consumer or the
28 protected consumer’s representative shall:

29 (1) Submit a request for the removal of the security freeze to the consumer
30 reporting agency at the address or other point of contact and in the manner specified by the
31 consumer reporting agency; **AND**

32 (2) Provide to the consumer reporting agency:

33 (i) In the case of a request by the protected consumer:

34 1. Proof that the sufficient proof of authority for the
35 protected consumer’s representative to act on behalf of the protected consumer is no longer
36 valid; and

1 2. Sufficient proof of identification of the protected consumer;
2 or

3 (ii) In the case of a request by the representative of a protected
4 consumer:

5 1. Sufficient proof of identification of the protected consumer
6 and the representative; and

7 2. Sufficient proof of authority to act on behalf of the
8 protected consumer[]; and

9 (3) Pay to the consumer reporting agency a fee as provided in subsection (i)
10 of this section].

11 (i) (1) Except as provided in paragraph (2) of this subsection, a consumer
12 reporting agency may not charge a fee for any service performed under this section.

13 (2) A consumer reporting agency may charge a reasonable fee, not
14 exceeding \$5, for each placement [or removal] of a security freeze for a protected consumer.

15 (3) Notwithstanding paragraph (2) of this subsection, a consumer reporting
16 agency may not charge any fee under this section if:

17 (i) The protected consumer's representative:

18 1. **A.** Has obtained a report of alleged identity fraud
19 against the protected consumer under § 8–304 of the Criminal Law Article or an identity
20 theft passport under § 8–305 of the Criminal Law Article; and

21 **[2.] B.** Provides a copy of the report or passport to the
22 consumer reporting agency; or

23 **2. REQUESTS THE PLACEMENT OF A SECURITY FREEZE**
24 **AND THE PROTECTED CONSUMER'S REPRESENTATIVE HAS NOT PREVIOUSLY**
25 **REQUESTED THE PLACEMENT OF A SECURITY FREEZE ON THE PROTECTED**
26 **CONSUMER'S CREDIT REPORT FROM THE CONSUMER REPORTING AGENCY DURING**
27 **THE CALENDAR YEAR; OR**

28 (ii) 1. A request for the placement or removal of a security freeze
29 is for a protected consumer who is under the age of 16 years at the time of the request; and

30 2. The consumer reporting agency has a consumer report
31 pertaining to the protected consumer.

1 14-1212.3.

2 (i) A consumer reporting agency may charge a reasonable fee, not exceeding \$5,
3 for each placement [or removal] of a security freeze for a protected consumer under this
4 section.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2018.