
A BILL FOR AN ACT

RELATING TO CONSUMER CREDIT REPORTING AGENCIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that recent events
2 involving security breaches of databases containing sensitive
3 identifying information, such as social security numbers and
4 addresses, have shown that these databases continue to be at
5 high risk of infiltration by identity thieves.

6 Accordingly, the purpose of this Act is to enhance consumer
7 protections by:

- 8 (1) Expanding the methods by which a consumer may request
9 a security freeze; and
- 10 (2) Specifying that a consumer credit reporting agency
11 shall not charge a fee for placing, lifting, or
12 removing a security freeze on a consumer's credit
13 report or for placing or removing a security freeze on
14 a protected consumer's credit report or records.

15 SECTION 2. Section 489P-1, Hawaii Revised Statutes, is
16 amended to read as follows:



1 " ~~[+] §489P-1 [.]~~ **Purpose.** The Federal Trade Commission
2 ~~[recently]~~ determined that between October 1998 ~~[.]~~ and September
3 2003, more than twenty-seven million three hundred Americans
4 ~~[have been]~~ were victims of identity theft, resulting in
5 billions of dollars of losses to consumers. The purpose of this
6 chapter is to protect Hawaii consumers ~~[who are victims of~~
7 ~~identity theft]~~ by allowing ~~[them]~~ consumers to place a security
8 freeze on their credit reports. This security freeze will
9 prohibit a consumer reporting agency from releasing any
10 information to unauthorized parties without the consumer's
11 express authorization and provide consumers more control over
12 who has access to their credit report. This chapter aims to
13 effectively prevent identity thieves from continuing to secure
14 credit in ~~[an identity theft victim's]~~ someone else's name."

15 SECTION 3. Section 489P-2, Hawaii Revised Statutes, is
16 amended as follows:

17 1. By amending the definition of "security freeze" to
18 read:

19 ""Security freeze" means a notice placed in a credit
20 report ~~[.]~~ at the request of the consumer ~~[who is a victim of~~
21 ~~identity theft.] or the protected consumer's representative.~~"



1 2. By deleting the definition of "identity theft".

2 ~~["Identity theft" means the unauthorized use of another~~
3 ~~person's identifying information to obtain credit, goods,~~
4 ~~services, money, or property."]~~

5 SECTION 4. Section 489P-3, Hawaii Revised Statutes, is
6 amended as follows:

7 1. By amending subsection (a) to read:

8 "(a) Any consumer who is a resident of this State may
9 place a security freeze on the consumer's credit report. A
10 consumer credit reporting agency shall not charge ~~[a victim of~~
11 ~~identity theft]~~ a fee for placing, lifting, or removing a
12 security freeze on a credit report ~~[but may charge any other~~
13 ~~consumer a fee not to exceed \$5 for each request by the consumer~~
14 ~~to place, lift, or remove a security freeze from the consumer's~~
15 ~~credit report]~~.

16 A consumer who is a resident of this State ~~[and has been~~
17 ~~the victim of identity theft]~~ may place a security freeze on the
18 consumer's credit report by making a request ~~[in writing by~~
19 ~~certified mail]~~ to a consumer credit reporting agency, at an
20 address, telephone number, or website designated by the consumer
21 credit reporting agency to receive such requests, ~~[with a valid~~



~~1 copy of a police report, investigative report, or complaint the
2 consumer has filed with a law enforcement agency about unlawful
3 use of the consumer's personal information by another person. A
4 consumer who has not been the victim of identity theft may place
5 a security freeze on the consumer's credit report by making a
6 request in writing by certified mail to a consumer credit
7 reporting agency.] by any of the following methods:~~

- 8 (1) First-class mail;
- 9 (2) Telephone call; or
- 10 (3) Secure website.

11 A security freeze shall prohibit the consumer credit
12 reporting agency from releasing the consumer's credit report or
13 any information from it without the express authorization of the
14 consumer. This subsection shall not prevent a consumer credit
15 reporting agency from advising a third party that a security
16 freeze is in effect with respect to the consumer's credit
17 report."

18 2. By amending subsection (g) to read:

19 "(g) A consumer reporting agency shall remove or
20 temporarily lift a security freeze placed on a consumer's credit
21 report only in the following cases:



- 1 (1) Upon consumer request; or
- 2 (2) When the consumer's credit report was frozen due to a
- 3 material misrepresentation of fact by the consumer.

4 If a consumer reporting agency [~~intends to remove~~] removes a

5 security freeze upon a consumer's credit report pursuant to this

6 subsection, the consumer reporting agency shall [~~notify~~] send a

7 written confirmation of the removal of the security freeze to

8 the consumer [~~in writing prior to~~] within five business days of

9 removing the security freeze on the consumer's credit report."

10 SECTION 5. Section 489P-3.5, Hawaii Revised Statutes, is

11 amended as follows:

12 1. By amending subsection (a) to read:

13 "(a) A consumer credit reporting agency shall place a

14 security freeze on a protected consumer's credit report or

15 records if:

16 (1) The consumer credit reporting agency receives a

17 request from the protected consumer's representative

18 for the placement of the security freeze under this

19 section; and

20 (2) The protected consumer's representative:



1 (A) Submits the request to the consumer credit
2 reporting agency at the address or other point of
3 contact specified by the consumer credit
4 reporting agency;

5 (B) Provides to the consumer credit reporting agency
6 sufficient proof of identification of the
7 protected consumer and the protected consumer's
8 representative; and

9 (C) Provides to the consumer credit reporting agency
10 sufficient proof of authority to act on behalf of
11 the protected consumer [~~;~~ and

12 ~~(D) Pays to the consumer credit reporting agency a~~
13 ~~fee as provided in subsection (h)]."~~

14 2. By amending subsection (f) to read:

15 "(f) If a protected consumer or a protected consumer's
16 representative wishes to remove a security freeze for the
17 protected consumer, the protected consumer or the protected
18 consumer's representative shall:

19 (1) Submit a request for the removal of the security
20 freeze to the consumer credit reporting agency at the



1 address or other point of contact specified by the
2 consumer credit reporting agency; and

3 (2) Provide to the consumer credit reporting agency:

4 (A) In the case of a request by the protected
5 consumer:

6 (i) Proof that the sufficient proof of authority
7 for the protected consumer's representative
8 to act on behalf of the protected consumer
9 is no longer valid; and

10 (ii) Sufficient proof of identification of the
11 protected consumer; or

12 (B) In the case of a request by the representative of
13 a protected consumer:

14 (i) Sufficient proof of identification of the
15 protected consumer and the representative;
16 and

17 (ii) Sufficient proof of authority to act on
18 behalf of the protected consumer [~~and~~

19 ~~Pay to the consumer credit reporting agency a fee as~~
20 ~~provided in subsection (h)]."~~

21 3. By amending subsection (h) to read:



1 "(h) A consumer credit reporting agency [~~may~~] shall not
2 charge a [~~reasonable~~] fee [~~, not to exceed \$5, for each placement~~
3 ~~or removal of~~] for placing or removing a security freeze on a
4 credit report or records for a protected consumer [~~, provided~~
5 ~~that a consumer credit reporting agency shall not charge a fee~~
6 ~~under this section if:~~

7 ~~(1) The protected consumer's representative has a valid~~
8 ~~copy of a police report, investigative report, or~~
9 ~~complaint which the protected consumer or the~~
10 ~~protected consumer's representative has filed with a~~
11 ~~law enforcement agency regarding the unlawful use of~~
12 ~~the protected consumer's personal information by~~
13 ~~another person, and provides a copy of the report to~~
14 ~~the consumer credit reporting agency; or~~

15 ~~(2) A request for the placement or removal of a security~~
16 ~~freeze is for a protected consumer who is under the~~
17 ~~age of sixteen at the time of the request and the~~
18 ~~consumer credit reporting agency has a credit report~~
19 ~~pertaining to the protected consumer]. "~~

20 SECTION 6. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 7. This Act shall take effect on July 1, 2018.



Report Title:

Consumer Credit Reporting Agencies; Security Freeze; Credit Report; Protected Consumers; Fees

Description:

Expands the methods by which a consumer may request a security freeze. Specifies that a consumer credit reporting agency shall not charge a fee for placing, lifting, or removing a security freeze on a consumer's credit report or for placing or removing a security freeze on a protected consumer's credit report or records. (SD1)

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