

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 4, 2018

**GOV. MSG. NO. 1122**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 4, 2018, the following bill was signed into law:

HB2342 HD1 SD1

RELATING TO CONSUMER CREDIT  
REPORTING AGENCIES  
**ACT 022 (18)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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# 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~~[7]~~ 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~~[7]~~ 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 ~~(3) 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~~

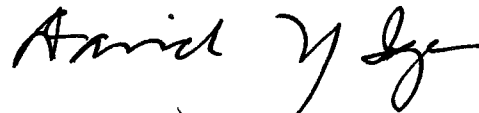
15           ~~(2) A request for the placement or removal of a security~~  
16           ~~freeze is for a protected consumer who is under the~~  
17           ~~age of sixteen at the time of the request and the~~  
18           ~~consumer credit reporting agency has a credit report~~  
19          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

APPROVED this 04 day of JUN, 2018



GOVERNOR OF THE STATE OF HAWAII



HB No. 2342, HD 1, SD 1

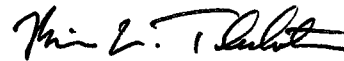
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 25, 2018  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki  
Speaker  
House of Representatives

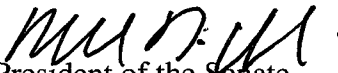


Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: April 6, 2018  
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.

  
President of the Senate



Clerk of the Senate