

HOUSE No. 291

By Mr. Pedone of Worcester, petition of Vincent A. Pedone and Joyce A. Spiliotis relative to the protection of personal information. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO THE PROTECTION PERSONAL INFORMATION.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 50 of chapter 93 of the General Laws, as so
2 appearing, is hereby amended by inserting after the definition “Pre-
3 screening” the following definition:—

4 “Security freeze”, a notice placed on a consumer report at the
5 request of a consumer that prohibits the consumer reporting agency
6 from releasing a report, or any information therein, without the
7 expressed authorization of said consumer.

1 SECTION 2. Chapter 93 of the General Laws, as so appearing, is
2 hereby amended by inserting after section 51A the following
3 section:—

4 Section 51B. (a) A consumer may place a security freeze on his
5 consumer report by sending a written request to a consumer
6 reporting agency that will be delivered by Certified Mail. Said secu-
7 rity freeze shall be in place for 5 years unless the consumer requests
8 the temporary removal of the security freeze pursuant to subsec-
9 tion (c) or the permanent removal of the security freeze pursuant to
10 subsection (d).

11 (b) The consumer reporting agency shall place a security freeze
12 on a consumer report no later than 24 hours after receiving the
13 request. Within 8 business days of receiving the request, the con-
14 sumer reporting agency shall send a written confirmation of the
15 security freeze to the consumer and shall provide the consumer with
16 a unique personal identification number or a password to be used by
17 the consumer when providing authorization for the release of his

18 consumer report for a specific party or period of time or for the per-
19 manent removal of the security freeze.

20 (c) The consumer may authorize the temporary removal of the
21 security freeze for a specific third party or for a specific period of
22 time. The consumer reporting agency shall comply with a request to
23 temporarily remove a security freeze within 24 hours of receiving
24 the request; provided, however, that said request includes the per-
25 sonal identification number or password and has sufficient detail to
26 identify the consumer, the third party, and the time period.

27 (d) The consumer may authorize the permanent removal of the
28 security freeze by sending a written request to the consumer
29 reporting agency. The consumer reporting agency shall comply with
30 a request to permanently remove a security freeze within 24 hours of
31 receiving the request; provided, however, that said request includes
32 the personal identification number or password and has sufficient
33 detail to identify the consumer.

34 (e) A consumer may request a security freeze only his own
35 credit; provided, however, that a parent or legal guardian may
36 request a security freeze for a minor.

37 (f) If a security freeze is in place, a third party requesting a con-
38 sumer report may treat the application as incomplete.

39 (g) If a security freeze is in place, a consumer reporting agency
40 shall not change a name, date of birth, Social Security number, or
41 address in a consumer report without sending a written confirmation
42 of the change to the consumer within 30 days of the change being
43 posted to the consumer's file. Written confirmation is not required
44 for technical modifications of a name and street abbreviations, com-
45 plete spellings, or transposition of numbers or letters. In the case of
46 an address change, the written confirmation shall be sent to both the
47 new address and to the former address.

48 (h) If a consumer is required to receive a summary of rights
49 under the federal Fair Credit Reporting Act, 15 U.S.C. 1681g, he
50 shall also receive a notice about the procedures for security freezes
51 under this section.

52 (i) This section shall not apply to the request for a consumer
53 report by the following:-

54 (1) a person, or subsidiary, affiliate, or agent of that person, or an
55 assignee of a financial obligation owed by the consumer to that
56 person, or a prospective assignee of a financial obligation owed by

57 the consumer to that person in conjunction with the proposed pur-
58 chase of the financial obligation, with which the consumer has or
59 had prior to assignment an account or contract, including a demand
60 deposit account, or to whom the consumer issued a negotiable
61 instrument, for the purposes of reviewing the account or collecting
62 the financial obligation owing for the account, contract, or nego-
63 tiable instrument. For purposes of this paragraph, “reviewing the
64 account” includes activities related to account maintenance, moni-
65 toring, credit line increases, and account upgrades and enhance-
66 ments;

67 (2) a subsidiary, affiliate, agent, assignee, or prospective assignee
68 of a person to whom access has been granted for purposes of facili-
69 tating the extension of credit or other permissible use;

70 (3) a state or local governmental agency, law enforcement agency,
71 trial court, or private collection agency acting pursuant to a court
72 order, warrant, or subpoena;

73 (4) the department of revenue;

74 (5) whoever is prescreening under the federal Fair Credit
75 Reporting Act, 15 U.S.C. 1681 et seq.; or

76 (6) whoever is administering a credit file monitoring subscription
77 service to which the consumer has subscribed.

78 (j) A consumer reporting agency shall not charge a consumer any
79 fee to place a security freeze on a consumer report. A consumer
80 reporting agency may charge up to \$5 for temporary or permanent
81 removal of the security freeze or for a replacement of the personal
82 identification number or password provided by the consumer
83 reporting agency when the security freeze was requested. There
84 shall be no such fees if a consumer:—

85 (1) provides the consumer reporting agency with a copy of a
86 police incident report or criminal complaint alleging identity theft;

87 (2) is 62 years or older; or

88 (3) is a person with a disability, as defined in section 1 of
89 chapter 123B, or who is otherwise mentally or physically disabled
90 and as a result of such mental or physical disability is wholly or par-
91 tially dependent on another person or persons to meet his daily
92 living needs.

93 (k) This section shall not apply to a request for a security freeze
94 as applied to:—

95 (1) a check services company, or a fraud prevention services com-
96 pany, which issues reports on incidents of fraud or authorizations for
97 the purpose of approving or processing negotiable instruments, elec-
98 tronic funds transfers, or similar methods of payments;

99 (2) a demand deposit account information service company,
100 which issues reports regarding account closures due to fraud, sub-
101 stantial overdrafts, automatic teller machine abuse, or similar nega-
102 tive information regarding a consumer, to inquiring banks or other
103 financial institutions for use only in reviewing a consumer request
104 for a demand deposit account at the inquiring bank or financial insti-
105 tution; or

106 (3) a consumer reporting agency that acts only as a reseller of
107 credit information by assembling and merging information contained
108 in the database of another consumer reporting agency or multiple
109 consumer reporting agencies and does not maintain a permanent
110 database of credit information from which new consumer reports are
111 produced, except that such a reseller of credit information shall
112 honor any security freeze placed on a consumer report by another
113 consumer reporting agency.

114 (l) The director of consumer affairs and business regulation shall
115 promulgate rules and regulations to effectuate the purposes of this
116 section and to encourage the temporary removal of a security freeze
117 within 15 minutes of a consumer request.