

**REGULATING CREDIT RECORDS OF A
MINOR**

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Eric K. Hutchings

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses the placement and removal of a security freeze on the credit report of a child.

Highlighted Provisions:

This bill:

- requires a consumer reporting agency to place a security freeze on the credit report of a child when the credit reporting agency learns of the issuance of a Social Security number to a child born in the state;
- allows the removal of a security freeze from a child's credit report upon request of a parent or the child, if the child is 14 years of age or older;
- prevents a consumer reporting agency from charging a fee in connection with a security freeze on a child's credit report; and
- makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on September 1, 2008.

Utah Code Sections Affected:

AMENDS:



13-45-201 (Effective 09/01/08), as enacted by Chapter 344, Laws of Utah 2006

13-45-202 (Effective 09/01/08), as enacted by Chapter 344, Laws of Utah 2006

13-45-204 (Effective 09/01/08), as enacted by Chapter 344, Laws of Utah 2006

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 13-45-201 (Effective 09/01/08) is amended to read:

13-45-201 (Effective 09/01/08). Security freeze.

(1) (a) A consumer may place a security freeze on the consumer's credit report by:

~~[(a)]~~ (i) making a request to a consumer reporting agency in writing by certified mail;

~~[(b)]~~ (ii) providing proper identification; and

~~[(c)]~~ (iii) paying the fee required by the consumer reporting agency in accordance with

Section 13-45-204.

(b) (i) A consumer reporting agency shall place a security freeze on the credit report of any child born in Utah at the time it learns of the issuance of a Social Security number to a child born in Utah.

(ii) Unless a minor is emancipated, the legal parent or guardian of any minor may place a security freeze on the minor's credit report.

(2) If a security freeze is in place, a consumer reporting agency may not release a consumer's credit report, or information from the credit report, to a third party that intends to use the information to determine a consumer's eligibility for credit without prior authorization from the consumer.

(3) (a) Notwithstanding Subsection (2), a consumer reporting agency may communicate to a third party requesting a consumer's credit report that a security freeze is in effect on the consumer's credit report.

(b) If a third party requesting a consumer's credit report in connection with the consumer's application for credit is notified of the existence of a security freeze under Subsection (3)(a), the third party may treat the consumer's application as incomplete.

(4) Upon receiving a request from a consumer under Subsection (1), the consumer reporting agency shall:

(a) place a security freeze on the consumer's credit report within five business days after receiving the consumer's request;

(b) send a written confirmation of the security freeze to the consumer within ten business days after placing the security freeze; and

(c) provide the consumer with a unique personal identification number or password to be used by the consumer when providing authorizations for removal or temporary removal of the security freeze under Section 13-45-202.

(5) A consumer reporting agency shall require proper identification of the consumer requesting to place, remove, or temporarily remove a security freeze.

(6) (a) A consumer reporting agency shall develop a contact method to receive and process a consumer's request to place, remove, or temporarily remove a security freeze.

(b) A contact method under Subsection (6)(a) shall include:

(i) a postal address;

(ii) an electronic contact method chosen by the consumer reporting agency, which may include the use of fax, Internet, or other electronic means; and

(iii) the use of telephone in a manner that is consistent with any federal requirements placed on the consumer reporting agency.

(7) A security freeze placed under this section may be removed only in accordance with Section 13-45-202.

Section 2. Section **13-45-202 (Effective 09/01/08)** is amended to read:

13-45-202 (Effective 09/01/08). Removal of security freeze -- Requirements and timing.

(1) A consumer reporting agency may remove a security freeze from a consumer's credit report only if:

(a) (i) the consumer reporting agency receives the consumer's request through a contact method established and required in accordance with Subsection 13-45-201(6); and

(ii) the consumer reporting agency receives the consumer's proper identification and:

(A) other information sufficient to identify the consumer; or

(B) the consumer provides the consumer's personal identification number or password;

or

(b) the consumer makes a material misrepresentation of fact in connection with the placement of the security freeze and the consumer reporting agency notifies the consumer in writing before removing the security freeze.

90 (2) (a) A consumer reporting agency shall temporarily remove a security freeze upon
91 receipt of:

92 (i) the consumer's request through the contact method established by the consumer
93 reporting agency in accordance with Subsection 13-45-201(6);

94 (ii) the consumer's proper identification and:

95 (A) other information sufficient to identify the consumer; or

96 (B) personal identification number or password;

97 (iii) a specific designation of the period of time for which the security freeze is to be
98 removed; and

99 (iv) the consumer reporting agency receives the payment of any fee required under
100 Section 13-45-204.

101 (b) A consumer reporting agency shall remove a security freeze from a consumer's
102 credit report within:

103 (i) three business days after the business day on which the consumer's written request
104 to remove the security freeze is received by the consumer reporting agency at the postal address
105 chosen by the consumer reporting agency in accordance with Subsection 13-45-201(6); or

106 (ii) 15 minutes after the consumer's request is received by the consumer reporting
107 agency through the electronic contact method chosen by the consumer reporting agency in
108 accordance with Subsection 13-45-201(6), or the use of telephone, during normal business
109 hours and includes the consumer's proper identification and correct personal identification
110 number or password.

111 (3) A consumer reporting agency need not remove a security freeze within the time
112 provided in Subsection (2)(b)(ii) if:

113 (a) the consumer fails to meet the requirements of Subsection 13-45-202(1); or

114 (b) the consumer reporting agency's ability to remove the security freeze within 15
115 minutes is prevented by:

116 (i) an act of God, including fire, earthquakes, hurricanes, storms, or similar natural
117 disaster or phenomena;

118 (ii) unauthorized or illegal acts by a third party, including terrorism, sabotage, riot,
119 vandalism, labor strikes or disputes disrupting operations, or similar occurrence;

120 (iii) operational interruption, including electrical failure, unanticipated delay in

equipment or replacement part delivery, computer hardware or software failures inhibiting response time, or similar disruption;

(iv) governmental action, including emergency orders or regulations, judicial or law enforcement action, or similar directives;

(v) regularly scheduled maintenance, during other than normal business hours, of, or updates to, the consumer reporting agency's systems;

(vi) commercially reasonable maintenance of, or repair to, the consumer reporting agency's systems that is unexpected or unscheduled; or

(vii) receipt of a removal request outside of normal business hours.

(4) A security freeze on a child's credit report may be removed by:

(a) a parent; or

(b) the child if the child is 14 years of age or older.

Section 3. Section **13-45-204 (Effective 09/01/08)** is amended to read:

13-45-204 (Effective 09/01/08). Fees for security freeze.

(1) Except as provided in Subsection (2), a consumer reporting agency may charge a reasonable fee to a consumer for placing and temporarily removing a security freeze.

(2) A consumer reporting agency may not charge a fee for placing or removing a security freeze if:

(a) (i) the consumer is a victim of identity fraud under Section 76-6-1102; and

~~[(b)]~~ (ii) the consumer provides the consumer reporting agency with a valid copy of a police report or police case number documenting the identity fraud~~[-];~~ or

(b) the consumer is a child under the age of 14.

Section 4. **Effective date.**

This bill takes effect on September 1, 2008.

Legislative Review Note

as of 1-30-07 2:38 PM

Office of Legislative Research and General Counsel