

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred Senate Bill No. 207 entitled “An act relating to eliminating
4 fees for placing or removing a credit freeze” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 9 V.S.A. § 2480b is amended to read:

8 § 2480b. DISCLOSURES TO CONSUMERS

9 (a) A credit reporting agency shall, upon request and proper identification
10 of any consumer, clearly and accurately disclose to the consumer all
11 information available to users at the time of the request pertaining to the
12 consumer, including:

13 (1) any credit score or predictor relating to the consumer, in a form and
14 manner that complies with such comments or guidelines as may be issued by
15 the Federal Trade Commission;

16 (2) the names of users requesting information pertaining to the
17 consumer during the prior 12-month period and the date of each request; and

18 (3) a clear and concise explanation of the information.

19 (b) As frequently as new telephone directories are published, the credit
20 reporting agency shall cause to be listed its name and number in each
21 telephone directory published to serve communities of this State. In

1 accordance with rules adopted by the Attorney General, the credit reporting
2 agency shall make provision for consumers to request by telephone the
3 information required to be disclosed pursuant to subsection (a) of this section
4 at no cost to the consumer.

5 (c) Any time a credit reporting agency is required to make a written
6 disclosure to consumers pursuant to 15 U.S.C. § 1681g, it shall disclose, in at
7 least 12 point type, and in bold type as indicated, the following notice:

8 “NOTICE TO VERMONT CONSUMERS

9 (1) Under Vermont law, you are allowed to receive one free copy of
10 your credit report every 12 months from each credit reporting agency. If you
11 would like to obtain your free credit report from [INSERT NAME OF
12 COMPANY], you should contact us by [[writing to the following address:
13 [INSERT ADDRESS FOR OBTAINING FREE CREDIT REPORT]] or
14 [calling the following number: [INSERT TELEPHONE NUMBER FOR
15 OBTAINING FREE CREDIT REPORT]], or both].

16 (2) Under Vermont law, no one may access your credit report without
17 your permission except under the following limited circumstances:

18 (A) in response to a court order;

19 (B) for direct mail offers of credit;

20 (C) if you have given ongoing permission and you have an existing
21 relationship with the person requesting a copy of your credit report;

1 (D) ~~where~~ when the request for a credit report is related to an
2 education loan made, guaranteed, or serviced by the Vermont Student
3 Assistance Corporation;

4 (E) ~~where~~ when the request for a credit report is by the Office of
5 Child Support ~~Services~~ when investigating a child support case;

6 (F) ~~where~~ when the request for a credit report is related to a credit
7 transaction entered into prior to January 1, 1993; ~~and~~ or

8 (G) ~~where~~ when the request for a credit report is by the Vermont
9 ~~State Tax~~ Department of Taxes and is used for the purpose of collecting or
10 investigating delinquent taxes.

11 (3) If you believe a law regulating consumer credit reporting has been
12 violated, you may file a complaint with the Vermont Attorney General's
13 Consumer Assistance Program, 104 Morrill Hall, University of Vermont,
14 Burlington, Vermont 05405.

15 Vermont Consumers Have the Right to Obtain a Security Freeze

16 You have a right to place a "security freeze" on your credit report pursuant
17 to 9 V.S.A. § 2480h at no charge ~~if you are a victim of identity theft. All other~~
18 ~~Vermont consumers will pay a fee to the credit reporting agency of up to~~
19 ~~\$10.00 to place the freeze on their credit report.~~ The security freeze will
20 prohibit a credit reporting agency from releasing any information in your credit

1 report without your express authorization. ~~A security freeze must be requested~~
2 ~~in writing by certified mail.~~

3 The security freeze is designed to help prevent credit, loans, and services
4 from being approved in your name without your consent. However, you
5 should be aware that using a security freeze to take control over who gains
6 access to the personal and financial information in your credit report may
7 delay, interfere with, or prohibit the timely approval of any subsequent request
8 or application you make regarding new loans, credit, mortgage, insurance,
9 government services or payments, rental housing, employment, investment,
10 license, cellular phone, utilities, digital signature, ~~internet~~ Internet credit card
11 transaction, or other services, including an extension of credit at point of sale.

12 When you place a security freeze on your credit report, within ten business
13 days you will be provided a personal identification number ~~or~~, password, or
14 other equally secure method of authentication to use if you choose to remove
15 the freeze on your credit report or authorize the release of your credit report for
16 a specific party, parties, or period of time after the freeze is in place. To
17 provide that authorization, you must contact the credit reporting agency and
18 provide all of the following:

19 (1) The unique personal identification number ~~or~~, password, or other
20 method of authentication provided by the credit reporting agency.

21 (2) Proper identification to verify your identity.

1 (3) The proper information regarding the third party or parties who are
2 to receive the credit report or the period of time for which the report shall be
3 available to users of the credit report.

4 A credit reporting agency ~~may~~ shall not charge a fee ~~of up to \$5.00 to a~~
5 ~~consumer who is not a victim of identity theft~~ to remove the freeze on your
6 credit report or authorize the release of your credit report for a specific party,
7 parties, or period of time after the freeze is in place. ~~For a victim of identity~~
8 ~~theft, there is no charge when the victim submits a copy of a police report,~~
9 ~~investigative report, or complaint filed with a law enforcement agency about~~
10 ~~unlawful use of the victim's personal information by another person.~~

11 A credit reporting agency that receives a request from a consumer to lift
12 temporarily a freeze on a credit report shall comply with the request no later
13 than three business days after receiving the request.

14 A security freeze ~~will~~ shall not apply to “preauthorized approvals of credit.”
15 If you want to stop receiving preauthorized approvals of credit, you should call
16 [INSERT PHONE NUMBERS] [ALSO INSERT ALL OTHER CONTACT
17 INFORMATION FOR PRESCREENED OFFER ~~OPT-OUT~~ OPT-OUT.]

18 A security freeze does not apply to a person or entity, or its affiliates, or
19 collection agencies acting on behalf of the person or entity with which you
20 have an existing account that requests information in your credit report for the
21 purposes of reviewing or collecting the account, provided you have previously

1 given your consent to this use of your credit reports. Reviewing the account
2 includes activities related to account maintenance, account monitoring, credit
3 line increases, and account upgrades and enhancements.

4 You have a right to bring a civil action against someone who violates your
5 rights under the credit reporting laws. The action can be brought against a
6 credit reporting agency or a user of your credit report.”

7 (d) The information required to be disclosed by this section shall be
8 disclosed in writing. The information required to be disclosed pursuant to
9 subsection (c) of this section shall be disclosed on one side of a separate
10 document, with text no smaller than that prescribed by the Federal Trade
11 Commission for the notice required under 15 U.S.C. ~~§ 1681e~~ § 1681g. The
12 information required to be disclosed pursuant to subsection (c) of this section
13 may accurately reflect changes in numerical items that change over time (such
14 as the ~~phone~~ telephone number or address of a Vermont State ~~agencies~~
15 agency); and remain in compliance.

16 (e) The Attorney General may revise this required notice by rule as
17 appropriate from time to time ~~so long as,~~ provided no new substantive rights
18 are created therein.

1 Sec. 2. 9 V.S.A. § 2480h is amended to read:

2 § 2480h. SECURITY FREEZE BY CREDIT REPORTING AGENCY; TIME
3 IN EFFECT

4 (a)(1) Any Vermont consumer may place a security freeze on his or her
5 credit report. A credit reporting agency shall not charge a fee to victims of
6 identity theft but may charge a fee of up to \$10.00 to all other a Vermont
7 consumers consumer for placing and \$5.00 for or removing, removing for a
8 specific party or parties, or removing for a specific period of time after the
9 freeze is in place a security freeze on a credit report.

10 (2) A consumer ~~who has been the victim of identity theft~~ may place a
11 security freeze on his or her credit report by making a request ~~in writing by~~
12 ~~certified mail~~ to a credit reporting agency ~~with a valid copy of a police report,~~
13 ~~investigative report, or complaint the consumer has filed with a law~~
14 ~~enforcement agency about unlawful use of his or her personal information by~~
15 ~~another person. All other Vermont consumers may place a security freeze on~~
16 ~~his or her credit report by making a request in writing by certified mail to a~~
17 ~~credit reporting agency~~ in writing or through another method adopted pursuant
18 to subsection (e) of this section.

19 (3) A security freeze shall prohibit, subject to the exceptions in
20 subsection (1) of this section, the credit reporting agency from releasing the
21 consumer's credit report or any information from it without the express

1 authorization of the consumer. ~~When a security freeze is in place, information~~
2 ~~from a consumer's credit report shall not be released to a third party without~~
3 ~~prior express authorization from the consumer.~~

4 (4) This subsection does not prevent a credit reporting agency from
5 advising a third party that a security freeze is in effect with respect to the
6 consumer's credit report.

7 (b) A credit reporting agency shall place a security freeze on a consumer's
8 credit report ~~no~~ not later than five business days after receiving a ~~written~~
9 request from the consumer.

10 (c) The credit reporting agency shall send a written confirmation of the
11 security freeze to the consumer within 10 business days and shall provide the
12 consumer with a unique personal identification number or password, other than
13 the customer's Social Security number, or another method of authentication
14 that is equally or more secure than a PIN or password, to be used by the
15 consumer when providing authorization for the release of his or her credit for a
16 specific party, parties, or period of time.

17 (d) If the consumer wishes to allow his or her credit report to be accessed
18 for a specific party, parties, or period of time while a freeze is in place, he or
19 she shall contact the credit reporting agency, request that the freeze be
20 temporarily lifted, and provide the following:

1 (1) ~~Proper~~ proper identification;

2 (2) ~~The~~ the unique personal identification number ~~or~~, password, or other
3 method of authentication provided by the credit reporting agency pursuant to
4 subsection (c) of this section; and

5 (3) ~~The~~ the proper information regarding the third party, parties, or time
6 period for which the report shall be available to users of the credit report.

7 (e) A credit reporting agency ~~may~~ shall develop reasonable procedures
8 involving the use of telephone, fax, the Internet, or other electronic media to
9 receive and process in an expedited manner a request from a consumer to
10 place, temporarily lift, or remove a freeze on a credit report pursuant to
11 ~~subsection (d) of this section in an expedited manner.~~

12 (f) A credit reporting agency that receives a request from a consumer to lift
13 temporarily a freeze on a credit report pursuant to subsection (d) of this section
14 shall comply with the request ~~no~~ not later than three business days after
15 receiving the request.

16 (g) A credit reporting agency shall remove or temporarily lift a freeze
17 placed on a consumer's credit report only in the following cases:

18 (1) Upon consumer request, pursuant to subsection (d) or (j) of this
19 section.

20 (2) If the consumer's credit report was frozen due to a material
21 misrepresentation of fact by the consumer. If a credit reporting agency intends

1 to remove a freeze upon a consumer's credit report pursuant to this
2 subdivision, the credit reporting agency shall notify the consumer in writing
3 prior to removing the freeze on the consumer's credit report.

4 (h) If a third party requests access to a credit report on which a security
5 freeze is in effect and this request is in connection with an application for
6 credit or any other use and the consumer does not allow his or her credit report
7 to be accessed for that specific party or period of time, the third party may treat
8 the application as incomplete.

9 (i) If a consumer requests a security freeze pursuant to this section, the
10 credit reporting agency shall disclose to the consumer the process ~~of~~ for
11 placing and temporarily lifting a security freeze and the process for allowing
12 access to information from the consumer's credit report for a specific party,
13 parties, or period of time while the security freeze is in place.

14 (j) A security freeze shall remain in place until the consumer requests that
15 the security freeze be removed. A credit reporting agency shall remove a
16 security freeze within three business days of receiving a request for removal
17 from the consumer who provides both of the following:

18 (1) ~~Proper~~ proper identification; and

19 (2) ~~The~~ the unique personal identification number ~~or~~, password, or other
20 method of authentication provided by the credit reporting agency pursuant to
21 subsection (c) of this section.

1 (k) A credit reporting agency shall require proper identification of the
2 person making a request to place or remove a security freeze.

3 (l) The provisions of this section, including the security freeze, ~~do~~ shall not
4 apply to the use of a consumer report by the following:

5 (1) A person, or the person's subsidiary, affiliate, agent, or assignee with
6 which the consumer has or, prior to assignment, had an account, contract, or
7 debtor-creditor relationship, for the purposes of reviewing the account or
8 collecting the financial obligation owing for the account, contract, or debt, or
9 extending credit to a consumer with a prior or existing account, contract, or
10 debtor-creditor relationship, subject to the requirements of section 2480e of
11 this title. For purposes of this subdivision, "reviewing the account" includes
12 activities related to account maintenance, account monitoring, credit line
13 increases, and account upgrades and enhancements.

14 (2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a
15 person to whom access has been granted under subsection (d) of this section
16 for purposes of facilitating the extension of credit or ~~other~~ for another
17 permissible use.

18 (3) Any person acting pursuant to a court order, warrant, or subpoena.

19 (4) The Office of Child Support when investigating a child support case
20 pursuant to Title IV-D of the Social Security Act (42 U.S.C. et seq.) and
21 33 V.S.A. § 4102.

1 (5) The Economic Services Division of the Department for Children and
2 Families or the Department of Vermont Health Access or its agents or assignee
3 acting to investigate welfare fraud or Medicaid fraud.

4 (6) The Department of Taxes, municipal taxing authorities, ~~or~~ the
5 Department of Motor Vehicles, or any of their agents or assignees, acting to
6 investigate or collect delinquent taxes or assessments, including interest and
7 penalties, to investigate or collect unpaid court orders, or to fulfill any of their
8 other statutory or charter responsibilities.

9 (7) A person's use of credit information for the purposes of prescreening
10 as provided by the federal Fair Credit Reporting Act.

11 (8) Any person for the sole purpose of providing a credit file monitoring
12 subscription service to which the consumer has subscribed.

13 (9) A credit reporting agency for the sole purpose of providing a
14 consumer with a copy of his or her credit report upon the consumer's request.

15 (10) Any property and casualty insurance company for use in setting or
16 adjusting a rate or underwriting for property and casualty insurance purposes.

17 Sec. 3. REPORT

18 On or before January 15, 2019, the Attorney General and the Department of
19 Financial Regulation shall consider and report to the House Committee on
20 Commerce and Economic Development and the Senate Committee on
21 Economic Development, Housing and General Affairs on whether and how the

1 State of Vermont may authorize Vermont consumers to place or remove a
2 credit security freeze with all nationwide credit reporting agencies by making a
3 single request to one agency.

4 Sec. 4. EFFECTIVE DATE

5 This act shall take effect on passage.

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12 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE