

**First Regular Session  
Sixty-fifth General Assembly  
STATE OF COLORADO**

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 05-0751.01 Michael Dohr

**SENATE BILL 05-137**

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**SENATE SPONSORSHIP**

**Grossman**

**HOUSE SPONSORSHIP**

**Paccione**, and Frangas

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**Senate Committees**

Business, Labor and Technology  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING IDENTITY THEFT.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Permits a consumer to put a security freeze on his or her credit report. Allows the consumer to temporarily lift the freeze to allow a particular entity access to the credit report for the purpose of issuing or extending credit to the consumer. Requires the freeze to be maintained until the consumer specifically requests its removal.

Requires that a consumer be notified of the right to place a security freeze on his or her credit report each time the consumer receives a summary of the rights relating to credit reports.

Compels a consumer reporting agency to notify the consumer

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

*Capital letters indicate new material to be added to existing statute.*

*Dashes through the words indicate deletions from existing statute.*

SENATE  
3rd Reading Unamended  
April 18, 2005

SENATE  
Amended 2nd Reading  
April 14, 2005

within 5 days after releasing credit information that was in violation of a security freeze.

Allows a consumer who had credit information released in violation of a security freeze to bring a private civil right of action against the consumer reporting agency that released the information in violation of the security freeze.

Prohibits a consumer reporting agency from furnishing a consumer's credit header to someone who does not have a permissible basis to obtain the consumer credit header.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Title 12, Colorado Revised Statutes, is amended  
3 **BY THE ADDITION OF THE FOLLOWING NEW ARTICLE to read:**

4 **ARTICLE 14.7**

5 **Credit Report Security Freeze Act**

6 **12-14.7-101. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "SECURITY FREEZE" OR "FREEZE" MEANS A NOTICE PLACED IN  
9 A CONSUMER'S CREDIT REPORT, AT THE REQUEST OF THE CONSUMER AND  
10 SUBJECT TO CERTAIN EXCEPTIONS, THAT PROHIBITS THE CONSUMER CREDIT  
11 REPORTING AGENCY FROM RELEASING THE CONSUMER'S CREDIT REPORT OR  
12 ANY INFORMATION FROM IT WITHOUT THE EXPRESS AUTHORIZATION OF THE  
13 CONSUMER.

14 (2) "PROPER IDENTIFICATION" MEANS INFORMATION GENERALLY  
15 DEEMED SUFFICIENT TO IDENTIFY A PERSON. IF THE CONSUMER IS UNABLE  
16 TO REASONABLY IDENTIFY HIMSELF OR HERSELF WITH THE INFORMATION  
17 DESCRIBED ABOVE, A CONSUMER CREDIT REPORTING AGENCY MAY  
18 REQUIRE ADDITIONAL INFORMATION CONCERNING THE CONSUMER'S  
19 EMPLOYMENT AND PERSONAL OR FAMILY HISTORY IN ORDER TO VERIFY HIS  
20 OR HER IDENTITY.

1           (3) "REVIEWING THE ACCOUNT" MEANS ACTIVITIES RELATED TO  
2           ACCOUNT MAINTENANCE, MONITORING, CREDIT LINE INCREASES, AND  
3           ACCOUNT UPGRADES AND ENHANCEMENTS.

4           **12-14.7-102. Security freeze - timing - covered entities - cost.**

5           (1) (a) A CONSUMER MAY ELECT TO PLACE A SECURITY FREEZE ON HIS OR  
6           HER CREDIT REPORT BY:

7           (I) MAKING A REQUEST IN WRITING BY CERTIFIED MAIL TO A  
8           CONSUMER CREDIT REPORTING AGENCY;

9           (II) MAKING A REQUEST BY TELEPHONE TO A CONSUMER CREDIT  
10           REPORTING AGENCY AND PROVIDING PROPER IDENTIFICATION; OR

11           (III) MAKING A REQUEST DIRECTLY TO A CONSUMER CREDIT  
12           REPORTING AGENCY THROUGH A SECURE ELECTRONIC MAIL CONNECTION  
13           IF SUCH CONNECTION IS MADE AVAILABLE BY THE AGENCY.

14           (b) IF A SECURITY FREEZE IS IN PLACE, INFORMATION FROM A  
15           CONSUMER'S CREDIT REPORT MAY NOT BE RELEASED TO A THIRD PARTY  
16           WITHOUT PRIOR, EXPRESS AUTHORIZATION FROM THE CONSUMER.

17           (c) THIS SECTION DOES NOT PREVENT A CONSUMER CREDIT  
18           REPORTING AGENCY FROM ADVISING A THIRD PARTY THAT A SECURITY  
19           FREEZE IS IN EFFECT WITH RESPECT TO THE CONSUMER'S CREDIT REPORT.

20           (2) (a) A CONSUMER CREDIT REPORTING AGENCY SHALL PLACE A  
21           SECURITY FREEZE ON A CONSUMER'S CREDIT REPORT NO LATER THAN FIVE  
22           BUSINESS DAYS AFTER RECEIVING THE REQUEST FROM THE CONSUMER.

23           (b) THE CONSUMER CREDIT REPORTING AGENCY SHALL SEND A  
24           WRITTEN CONFIRMATION OF THE SECURITY FREEZE TO THE CONSUMER  
25           WITHIN TEN BUSINESS DAYS AND, WITH THE CONFIRMATION, SHALL  
26           PROVIDE THE CONSUMER WITH A UNIQUE PERSONAL IDENTIFICATION  
27           NUMBER OR PASSWORD TO BE USED BY THE CONSUMER WHEN PROVIDING

1 AUTHORIZATION FOR THE RELEASE OF HIS OR HER CREDIT TO A SPECIFIC  
2 PARTY OR FOR A SPECIFIC PERIOD OF TIME.

3 (3) IF A CONSUMER WISHES TO ALLOW HIS OR HER CREDIT REPORT  
4 TO BE ACCESSED BY A SPECIFIC PARTY OR FOR A SPECIFIC PERIOD OF TIME  
5 WHILE A FREEZE IS IN PLACE, HE OR SHE SHALL CONTACT THE CONSUMER  
6 CREDIT REPORTING AGENCY, REQUEST THAT THE FREEZE BE TEMPORARILY  
7 LIFTED, AND PROVIDE THE FOLLOWING:

8 (a) PROPER IDENTIFICATION;

9 (b) THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD  
10 PROVIDED BY THE CONSUMER CREDIT REPORTING AGENCY PURSUANT TO  
11 PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION; AND

12 (c) THE PROPER INFORMATION REGARDING THE THIRD PARTY WHO  
13 IS TO RECEIVE THE CREDIT REPORT OR THE TIME PERIOD THAT THE REPORT  
14 SHALL BE AVAILABLE TO USERS OF THE CREDIT REPORT.

15 (4) A CONSUMER CREDIT REPORTING AGENCY THAT RECEIVES A  
16 REQUEST FROM A CONSUMER TO TEMPORARILY LIFT A FREEZE ON A CREDIT  
17 REPORT PURSUANT TO SUBSECTION (3) OF THIS SECTION, SHALL COMPLY  
18 WITH THE REQUEST NO LATER THAN THREE BUSINESS DAYS AFTER  
19 RECEIVING THE REQUEST.

20 (5) A CONSUMER CREDIT REPORTING AGENCY SHALL DEVELOP  
21 PROCEDURES INVOLVING THE USE OF TELEPHONE, FAX, INTERNET, OR  
22 OTHER ELECTRONIC MEDIA TO RECEIVE AND PROCESS A REQUEST FROM A  
23 CONSUMER TO TEMPORARILY LIFT A FREEZE ON A CREDIT REPORT  
24 PURSUANT TO SUBSECTION (3) OF THIS SECTION IN AN EXPEDITED MANNER.

25 (6) A CONSUMER CREDIT REPORTING AGENCY SHALL REMOVE OR  
26 TEMPORARILY LIFT A FREEZE PLACED ON A CONSUMER'S CREDIT REPORT  
27 ONLY IN THE FOLLOWING CASES:

1           (a) UPON CONSUMER REQUEST, PURSUANT TO SUBSECTION (3) OR  
2           (9) OF THIS SECTION; OR

3           (b) IF THE CONSUMER'S CREDIT REPORT WAS FROZEN DUE TO A  
4           MATERIAL MISREPRESENTATION OF FACT BY THE CONSUMER. IF A  
5           CONSUMER CREDIT REPORTING AGENCY INTENDS TO REMOVE A FREEZE ON  
6           A CONSUMER'S CREDIT REPORT PURSUANT TO THIS PARAGRAPH (b), THE  
7           CONSUMER CREDIT REPORTING AGENCY SHALL NOTIFY THE CONSUMER IN  
8           WRITING PRIOR TO REMOVING THE FREEZE PLACED ON THE CONSUMER'S  
9           CREDIT REPORT.

10           (7) IF A THIRD PARTY REQUESTS ACCESS TO A CONSUMER CREDIT  
11           REPORT ON WHICH A SECURITY FREEZE IS IN EFFECT, AND THE REQUEST IS  
12           IN CONNECTION WITH AN APPLICATION FOR CREDIT OR OTHER USE, AND  
13           THE CONSUMER DOES NOT ALLOW HIS OR HER CREDIT REPORT TO BE  
14           ACCESSED BY THAT SPECIFIC PARTY OR DURING THAT PERIOD OF TIME, THE  
15           THIRD PARTY MAY TREAT THE APPLICATION AS INCOMPLETE.

16           (8) IF A CONSUMER REQUESTS A SECURITY FREEZE, THE CONSUMER  
17           CREDIT REPORTING AGENCY SHALL DISCLOSE THE PROCESS OF PLACING  
18           AND TEMPORARILY LIFTING A FREEZE AND THE PROCESS FOR ALLOWING  
19           ACCESS TO INFORMATION FROM THE CONSUMER'S CREDIT REPORT TO A  
20           SPECIFIC PARTY OR FOR A SPECIFIC PERIOD OF TIME WHILE THE FREEZE IS  
21           IN PLACE.

22           (9) A SECURITY FREEZE SHALL REMAIN IN PLACE UNTIL THE  
23           CONSUMER REQUESTS THAT THE SECURITY FREEZE BE REMOVED. A  
24           CONSUMER CREDIT REPORTING AGENCY SHALL REMOVE A SECURITY  
25           FREEZE WITHIN THREE BUSINESS DAYS OF RECEIVING A REQUEST FOR  
26           REMOVAL FROM THE CONSUMER, WHO PROVIDES BOTH OF THE FOLLOWING:

27           (a) PROPER IDENTIFICATION; AND

1           (b) THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD  
2           PROVIDED BY THE CREDIT REPORTING AGENCY PURSUANT TO PARAGRAPH  
3           (b) OF SUBSECTION (2) OF THIS SECTION.

4           (10) A CONSUMER CREDIT REPORTING AGENCY SHALL REQUIRE  
5           PROPER IDENTIFICATION OF THE PERSON MAKING A REQUEST TO PLACE OR  
6           REMOVE A SECURITY FREEZE.

7           (11) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO THE  
8           USE OF A CONSUMER CREDIT REPORT BY OR FOR ANY OF THE FOLLOWING:

9           (a) A PERSON OR ENTITY, OR A SUBSIDIARY, AFFILIATE, OR AGENT  
10          OF THAT PERSON OR ENTITY, OR AN ASSIGNEE OF A FINANCIAL OBLIGATION  
11          OWING BY THE CONSUMER TO THAT PERSON OR ENTITY, OR A PROSPECTIVE  
12          ASSIGNEE OF A FINANCIAL OBLIGATION OWING BY THE CONSUMER TO THAT  
13          PERSON OR ENTITY IN CONJUNCTION WITH THE PROPOSED PURCHASE OF  
14          THE FINANCIAL OBLIGATION, WITH WHICH THE CONSUMER HAS OR HAD  
15          PRIOR TO ASSIGNMENT AN ACCOUNT OR CONTRACT, INCLUDING A DEMAND  
16          DEPOSIT ACCOUNT, OR TO WHOM THE CONSUMER ISSUED A NEGOTIABLE  
17          INSTRUMENT, FOR THE PURPOSES OF REVIEWING THE ACCOUNT OR  
18          COLLECTING THE FINANCIAL OBLIGATION OWING FOR THE ACCOUNT,  
19          CONTRACT, OR NEGOTIABLE INSTRUMENT;

20          (b) A SUBSIDIARY, AFFILIATE, AGENT, ASSIGNEE, OR PROSPECTIVE  
21          ASSIGNEE OF A PERSON TO WHOM ACCESS HAS BEEN GRANTED UNDER  
22          SUBSECTION (3) OF THIS SECTION FOR PURPOSES OF FACILITATING THE  
23          EXTENSION OF CREDIT OR OTHER PERMISSIBLE USE;

24          (c) A STATE OR LOCAL AGENCY, LAW ENFORCEMENT AGENCY,  
25          TRIAL COURT, OR PRIVATE COLLECTION AGENCY ACTING PURSUANT TO A  
26          COURT ORDER, WARRANT, OR SUBPOENA;

27          (d) A CHILD SUPPORT ENFORCEMENT AGENCY ACTING TO ENFORCE

1 CHILD SUPPORT OBLIGATIONS;

2 (e) THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING OR  
3 ITS AGENTS OR ASSIGNS ACTING TO INVESTIGATE FRAUD;

4 (f) THE DEPARTMENT OF REVENUE OR ITS AGENTS OR ASSIGNS  
5 ACTING TO INVESTIGATE OR COLLECT DELINQUENT TAXES OR UNPAID  
6 COURT ORDERS OR TO FULFILL ANY OF ITS OTHER STATUTORY  
7 RESPONSIBILITIES;

8 (g) THE USE OF CREDIT INFORMATION FOR THE PURPOSES OF  
9 PRESCREENING AS PROVIDED FOR BY THE "FAIR CREDIT REPORTING ACT",  
10 15 U.S.C. 1681, ET SEQ.;

11 (h) ANY PERSON OR ENTITY ADMINISTERING A CREDIT FILE  
12 MONITORING SUBSCRIPTION SERVICE TO WHICH THE CONSUMER HAS  
13 SUBSCRIBED;

14 (i) ANY PERSON OR ENTITY FOR THE PURPOSE OF PROVIDING A  
15 CONSUMER WITH A COPY OF HIS OR HER CREDIT REPORT UPON THE  
16 CONSUMER'S REQUEST;

17 (j) A PERSON REQUESTING THE CONSUMER'S CREDIT REPORT FOR  
18 USE BY AN INSURANCE BUSINESS TO SET A RATE, ADJUST A RATE, OR  
19 UNDERWRITE FOR INSURANCE PURPOSES PURSUANT TO SECTION  
20 12-14.3-103;

21 (k) A PUBLIC PENSION PLAN ACTING TO DETERMINE THE  
22 CONSUMER'S ELIGIBILITY FOR PLAN BENEFITS OR PAYMENTS AUTHORIZED  
23 BY LAW OR TO INVESTIGATE FRAUD;

24 (l) A PERSON CONDUCTING A PRE-SENTENCE INVESTIGATION IN A  
25 CRIMINAL MATTER OR A PROBATION OFFICER USING THIS INFORMATION FOR  
26 SUPERVISION OF AN OFFENDER;

27 (m) A COLLECTIONS INVESTIGATOR OR OTHER PERSON ENGAGED

1 IN THE COLLECTING OF FEES, FINES, OR RESTITUTION ASSESSED IN A COURT  
2 PROCEEDING; OR

3 (n) A LAW ENFORCEMENT AGENCY OR ITS AGENTS ACTING TO  
4 INVESTIGATE A CRIME OR CONDUCTING A CRIMINAL BACKGROUND CHECK.

5 **12-14.7-103. Notice of rights.** (1) AT ANY TIME THAT A  
6 CONSUMER IS REQUIRED TO RECEIVE A SUMMARY OF RIGHTS REQUIRED  
7 UNDER SECTION 609 OF THE "FAIR CREDIT REPORTING ACT" OR UNDER  
8 STATE LAW, THE FOLLOWING NOTICE SHALL BE INCLUDED:

9 STATE CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE.

10 YOU MAY OBTAIN A SECURITY FREEZE ON YOUR  
11 CREDIT REPORT AT NO CHARGE TO PROTECT YOUR PRIVACY  
12 AND ENSURE THAT CREDIT IS NOT GRANTED IN YOUR NAME  
13 WITHOUT YOUR KNOWLEDGE. YOU HAVE A RIGHT TO PLACE  
14 A SECURITY FREEZE ON YOUR CREDIT REPORT PURSUANT TO  
15 STATE LAW.

16 THE SECURITY FREEZE WILL PROHIBIT A CONSUMER  
17 REPORTING AGENCY FROM RELEASING ANY INFORMATION IN  
18 YOUR CREDIT REPORT WITHOUT YOUR EXPRESS  
19 AUTHORIZATION OR APPROVAL.

20 THE SECURITY FREEZE IS DESIGNED TO PREVENT  
21 CREDIT, LOANS, AND SERVICES FROM BEING APPROVED IN  
22 YOUR NAME WITHOUT YOUR CONSENT. WHEN YOU PLACE A  
23 SECURITY FREEZE ON YOUR CREDIT REPORT, WITHIN FIVE  
24 BUSINESS DAYS YOU WILL BE PROVIDED A PERSONAL  
25 IDENTIFICATION NUMBER OR PASSWORD TO USE IF YOU  
26 CHOOSE TO REMOVE THE SECURITY FREEZE ON YOUR CREDIT  
27 REPORT OR TO TEMPORARILY AUTHORIZE THE RELEASE OF



1 YOUR CREDIT REPORT TO A SPECIFIC PARTY OR PARTIES OR  
2 FOR A PERIOD OF TIME AFTER THE SECURITY FREEZE IS IN  
3 PLACE. TO PROVIDE THAT AUTHORIZATION, YOU MUST  
4 CONTACT THE CONSUMER REPORTING AGENCY AND PROVIDE  
5 ALL OF THE FOLLOWING: THE UNIQUE PERSONAL  
6 IDENTIFICATION NUMBER OR PASSWORD PROVIDED BY THE  
7 CONSUMER REPORTING AGENCY; PROPER IDENTIFICATION TO  
8 VERIFY YOUR IDENTITY; AND THE PROPER INFORMATION  
9 REGARDING THE THIRD PARTY OR PARTIES WHO ARE TO  
10 RECEIVE THE CREDIT REPORT OR THE PERIOD OF TIME FOR  
11 WHICH THE REPORT SHALL BE AVAILABLE TO USERS OF THE  
12 CREDIT REPORT.

13 A CONSUMER REPORTING AGENCY THAT RECEIVES A  
14 REQUEST FROM A CONSUMER TO TEMPORARILY LIFT A  
15 SECURITY FREEZE ON A CREDIT REPORT SHALL COMPLY WITH  
16 THE REQUEST NO LATER THAN THREE BUSINESS DAYS AFTER  
17 RECEIVING THE REQUEST.

18 A SECURITY FREEZE DOES NOT APPLY TO  
19 CIRCUMSTANCES WHERE YOU HAVE AN EXISTING ACCOUNT  
20 RELATIONSHIP, AND A COPY OF YOUR REPORT IS REQUESTED  
21 BY YOUR EXISTING CREDITOR OR ITS AGENTS OR AFFILIATES  
22 FOR CERTAIN TYPES OF ACCOUNT REVIEW, COLLECTION,  
23 FRAUD CONTROL OR SIMILAR ACTIVITIES.

24 YOU SHOULD BE AWARE THAT USING A SECURITY  
25 FREEZE TO TAKE CONTROL OVER WHO GAINS ACCESS TO THE  
26 PERSONAL AND FINANCIAL INFORMATION IN YOUR CREDIT  
27 REPORT MAY DELAY, INTERFERE WITH, OR PROHIBIT THE

1 TIMELY APPROVAL OF ANY SUBSEQUENT REQUEST OR  
2 APPLICATION YOU MAKE REGARDING NEW LOANS, CREDIT,  
3 MORTGAGE, INSURANCE, GOVERNMENT SERVICES OR  
4 PAYMENTS, RENTAL HOUSING, EMPLOYMENT, INVESTMENT,  
5 LICENSE, CELLULAR PHONE, UTILITIES, DIGITAL SIGNATURE,  
6 INTERNET CREDIT CARD TRANSACTION, OR OTHER SERVICES,  
7 INCLUDING AN EXTENSION OF CREDIT AT THE POINT OF SALE.  
8 YOU SHOULD PLAN AHEAD AND LIFT A SECURITY FREEZE  
9 EITHER COMPLETELY IF YOU ARE SHOPPING AROUND, OR  
10 SPECIFICALLY FOR A CERTAIN CREDITOR A FEW DAYS  
11 BEFORE ACTUALLY APPLYING FOR NEW CREDIT.

12 YOU HAVE A RIGHT TO BRING A CIVIL ACTION  
13 AGAINST A PERSON OR AGENCY WHO VIOLATES YOUR  
14 RIGHTS UNDER THE CREDIT REPORTING LAWS. THE ACTION  
15 CAN BE BROUGHT AGAINST A CONSUMER REPORTING  
16 AGENCY OR A USER OF YOUR CREDIT REPORT.

17 **12-14.7-104. Security freeze - prohibition of changing official**  
18 **information in credit report.** IF A SECURITY FREEZE IS IN PLACE, A  
19 CONSUMER CREDIT REPORTING AGENCY SHALL NOT CHANGE ANY OF THE  
20 FOLLOWING OFFICIAL INFORMATION IN A CONSUMER CREDIT REPORT  
21 WITHOUT SENDING A WRITTEN NOTICE OF THE CHANGE TO THE CONSUMER  
22 WITHIN THIRTY DAYS OF THE CHANGE BEING POSTED TO THE CONSUMER'S  
23 FILE: NAME, DATE OF BIRTH, SOCIAL SECURITY NUMBER, AND ADDRESS.  
24 WRITTEN NOTICE IS NOT REQUIRED FOR TECHNICAL MODIFICATIONS OF A  
25 CONSUMER'S OFFICIAL INFORMATION, INCLUDING NAME AND STREET  
26 ABBREVIATIONS, COMPLETE SPELLINGS, OR TRANSPOSITION OF NUMBERS  
27 OR LETTERS. IN THE CASE OF AN ADDRESS CHANGE, THE WRITTEN NOTICE

1 SHALL BE SENT TO BOTH THE NEW ADDRESS AND THE FORMER ADDRESS.

2 **12-14.7-105. No application to reseller.** THIS ARTICLE SHALL  
3 NOT APPLY TO A CONSUMER CREDIT REPORTING AGENCY THAT ACTS ONLY  
4 AS A RESELLER OF CREDIT INFORMATION BY ASSEMBLING AND MERGING  
5 INFORMATION CONTAINED IN THE DATABASE OF ANOTHER CONSUMER  
6 CREDIT REPORTING AGENCY OR MULTIPLE CONSUMER CREDIT REPORTING  
7 AGENCIES, AND THAT DOES NOT MAINTAIN A PERMANENT DATABASE OF  
8 CREDIT INFORMATION FROM WHICH NEW CONSUMER CREDIT REPORTS ARE  
9 PRODUCED. HOWEVER, A CONSUMER CREDIT REPORTING AGENCY SHALL  
10 HONOR ANY SECURITY FREEZE PLACED ON A CONSUMER CREDIT REPORT BY  
11 ANOTHER CONSUMER CREDIT REPORTING AGENCY.

12 **12-14.7-107. No security freezes.** (1) THE FOLLOWING ENTITIES  
13 ARE NOT REQUIRED TO PLACE IN A CREDIT REPORT A SECURITY FREEZE:

14 (a) A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY  
15 THAT ISSUES REPORTS ON INCIDENTS OF FRAUD OR AUTHORIZATIONS FOR  
16 THE PURPOSE OF APPROVING OR PROCESSING NEGOTIABLE INSTRUMENTS,  
17 ELECTRONIC FUNDS TRANSFERS, OR SIMILAR METHODS OF PAYMENTS;

18 (b) A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT  
19 ISSUES REPORTS REGARDING ACCOUNT CLOSURES DUE TO FRAUD,  
20 SUBSTANTIAL OVERDRAFTS, OR AUTOMATIC TELLER MACHINE ABUSE OR  
21 SIMILAR NEGATIVE INFORMATION REGARDING A CONSUMER TO INQUIRING  
22 BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING  
23 A CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK  
24 OR FINANCIAL INSTITUTION;

25 (c) A FRAUD PREVENTION SERVICES COMPANY ISSUING REPORTS TO  
26 PREVENT OR INVESTIGATE FRAUD.

27 **12-14.7-108. Violations - penalties.** (1) IF A CONSUMER

1 REPORTING AGENCY \_\_\_\_\_ NEGLIGENTLY VIOLATES THE SECURITY FREEZE  
2 BY RELEASING CREDIT INFORMATION THAT HAS BEEN PLACED UNDER A  
3 SECURITY FREEZE, THE AFFECTED CONSUMER IS ENTITLED TO:

4 (a) NOTIFICATION FROM THE CONSUMER REPORTING AGENCY  
5 WITHIN FIVE BUSINESS DAYS AFTER RELEASE OF THE INFORMATION,  
6 INCLUDING SPECIFICITY AS TO THE INFORMATION RELEASED AND THE  
7 THIRD-PARTY RECIPIENT OF THE INFORMATION;

8 (b) FILE A COMPLAINT WITH THE FEDERAL TRADE COMMISSION AND  
9 THE STATE ATTORNEY GENERAL; AND

10 (c) FILE A CIVIL ACTION AGAINST THE CONSUMER REPORTING  
11 AGENCY AND RECOVER:

12 (I) INJUNCTIVE RELIEF TO PREVENT OR RESTRAIN FURTHER  
13 VIOLATIONS OF THE SECURITY FREEZE; AND

14 (II) DAMAGES IN AN AMOUNT NOT TO EXCEED TEN THOUSAND  
15 DOLLARS FOR EACH VIOLATION PLUS ANY DAMAGES AVAILABLE UNDER  
16 OTHER CIVIL LAWS AND REASONABLE EXPENSES, COURT COSTS,  
17 INVESTIGATIVE COSTS, AND ATTORNEY FEES.

18 (2) EACH VIOLATION OF A SECURITY FREEZE SHALL BE COUNTED AS  
19 A SEPARATE INCIDENT FOR PURPOSES OF IMPOSING PENALTIES UNDER THIS  
20 SECTION.

21 **SECTION 2. Safety clause.** The general assembly hereby finds,  
22 determines, and declares that this act is necessary for the immediate  
23 preservation of the public peace, health, and safety.