

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

ENGROSSED

This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction

LLS NO. 05-0751.01 Michael Dohr

SENATE BILL 05-137

SENATE SPONSORSHIP

Grossman

HOUSE SPONSORSHIP

Paccione, and Frangas

Senate Committees

Business, Labor and Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING IDENTITY THEFT.**

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
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.

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

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

ARTICLE 14.7

Credit Report Security Freeze Act

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

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

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