

HOUSE BILL No. 1239

DIGEST OF INTRODUCED BILL

Citations Affected: IC 24-5-24; IC 24-5-24.5.

Synopsis: Security freezes for consumer reports. Amends the statute governing security freezes for consumer reports as follows: (1) Requires each consumer reporting agency that compiles and maintains files on consumers on a nationwide basis to, not later than January 1, 2019, develop and maintain procedures to do the following: (A) Enable a consumer who makes a security freeze request (defined as a request to place, release, temporarily lift, or remove a security freeze) to elect, at the time the security freeze request is made, to have the consumer reporting agency refer the security freeze request to one or more of the other nationwide consumer reporting agencies for fulfillment of the request. (B) Refer a security freeze request to each consumer reporting agency that a consumer has selected to receive the consumer's security freeze request. (C) Fulfill a consumer's security freeze request that is referred to the consumer reporting agency by one of the other consumer reporting agencies in accordance with the consumer's selection. (2) Provides that in developing the required procedures, the credit reporting agencies may coordinate with one another to: (A) make uniform the information and documentation required by each credit reporting agency to fulfill a security freeze request; and (B) otherwise streamline the process involved for consumers in making a security freeze request. (3) Authorizes the attorney general to collaborate with or assist the credit reporting agencies in developing and implementing the required procedures, including the development of an online portal to enable a consumer who elects to submit a security freeze request to each consumer reporting agency to submit a single request for
(Continued next page)

Effective: Upon passage.

Hamilton, Schaibley

January 16, 2018, read first time and referred to Committee on Financial Institutions.



simultaneous transmission to each consumer reporting agency. (4) Provides that after December 31, 2018, upon receiving a security freeze request, a consumer reporting agency shall do the following: (A) If the consumer reporting agency receives the security freeze request directly from the consumer: (i) fulfill the security freeze request if the consumer reporting agency maintains a file on the consumer and has received appropriate proof of the requester's identity; and (ii) refer the security freeze request to any of the other consumer reporting agencies that the consumer has selected to receive the security freeze request. (B) If the consumer reporting agency receives the security freeze request upon referral from another consumer reporting agency, fulfill the security freeze request if the consumer reporting agency maintains a file on the consumer and has received appropriate proof of the requester's identity. (C) If the consumer reporting agency receives the security freeze request through an online portal that enables a single security freeze request to be simultaneously transmitted to each consumer reporting agency, fulfill the security freeze request if the consumer reporting agency: (i) maintains a file on the consumer; and (ii) has received appropriate proof of the requester's identity. Makes conforming amendments to the statute governing security freezes for protected consumers.



Introduced

Second Regular Session of the 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1239

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

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

1 SECTION 1. IC 24-5-24-3.1 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 3.1. As used in this chapter, "consumer**
4 **reporting agency that compiles and maintains files on consumers**
5 **on a nationwide basis" means a consumer reporting agency that**
6 **regularly engages in the practice of assembling or evaluating, and**
7 **maintaining, for the purpose of furnishing to third parties,**
8 **consumer reports bearing on a consumer's creditworthiness, credit**
9 **standing, or credit capacity, each of the following regarding**
10 **consumers residing nationwide:**

11 (1) **Public record information.**
12 (2) **Credit account information from persons who furnish that**
13 **information regularly and in the ordinary course of business.**

14 SECTION 2. IC 24-5-24-3.5 IS ADDED TO THE INDIANA CODE
15 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE

2018

IN 1239—LS 7000/DI 101



1 UPON PASSAGE]: **Sec. 3.5.** As used in this chapter, "file", when
 2 used in connection with information on a consumer, means all the
 3 information on that consumer that is recorded and retained by a
 4 consumer reporting agency, regardless of how the information is
 5 stored.

6 SECTION 3.IC 24-5-24-9.5 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: **Sec. 9.5.** (a) This section applies to a consumer
 9 reporting agency that compiles and maintains files on consumers
 10 on a nationwide basis.

11 (b) As used in this section, "security freeze request" means a
 12 request made by a consumer, or by an individual acting on behalf
 13 of or as a personal representative of a consumer, to a consumer
 14 reporting agency to do any of the following:

15 (1) Place a security freeze on the consumer's consumer report,
 16 in accordance with section 5 of this chapter.

17 (2) In the case of a consumer who has previously placed a
 18 security freeze on the consumer's consumer report:

19 (A) release the consumer's consumer report to one (1) or
 20 more specified third parties, in accordance with section 7
 21 of this chapter;

22 (B) temporarily lift the security freeze for a specified
 23 period, in accordance with section 7 of this chapter; or

24 (C) remove the security freeze, in accordance with section
 25 9 of this chapter.

26 (c) Not later than January 1, 2019, each consumer reporting
 27 agency subject to this section shall develop and maintain
 28 procedures to do the following:

29 (1) Enable a consumer who makes a security freeze request to
 30 the consumer reporting agency to elect, at the time the
 31 security freeze request is made, to have the consumer
 32 reporting agency refer the consumer's security freeze request
 33 to one (1) or more of the other consumer reporting agencies
 34 that are subject to this section, for fulfillment of the security
 35 freeze request by those other consumer reporting agencies.

36 (2) Refer a security freeze request to each consumer reporting
 37 agency that a consumer has selected, under the procedures
 38 developed under subdivision (1), to receive the consumer's
 39 security freeze request.

40 (3) Fulfill a consumer's security freeze request that is referred
 41 to the consumer reporting agency by one (1) of the other
 42 consumer reporting agencies in accordance with the selection



- 1 made by the consumer.
- 2 **(d) The procedures developed under subsection (c) may require**
 3 **the requesting consumer to provide a valid:**
- 4 **(1) mailing address;**
 5 **(2) electronic mail address; or**
 6 **(3) telephone number;**
 7 **that may be used, by any consumer reporting agency selected by**
 8 **the consumer to receive the consumer's security freeze request, to**
 9 **contact the consumer concerning any information or**
 10 **documentation needed to fulfill the security freeze request.**
- 11 **(e) In developing the procedures required by subsection (c), the**
 12 **credit reporting agencies subject to this section may coordinate**
 13 **with one another to:**
- 14 **(1) make uniform the:**
 15 **(A) information;**
 16 **(B) forms of documentation; and**
 17 **(C) methods of submission of information and**
 18 **documentation;**
 19 **required by each credit reporting agency to fulfill a**
 20 **consumer's security freeze request; and**
 21 **(2) otherwise streamline the process involved for consumers**
 22 **in making a security freeze request.**
- 23 **(f) The attorney general may collaborate with or assist the**
 24 **credit reporting agencies subject to this section in developing and**
 25 **implementing the procedures required by subsection (c), including**
 26 **the development and implementation of an online portal to enable**
 27 **a consumer who elects to submit a security freeze request to each**
 28 **consumer reporting agency subject to this section to submit a**
 29 **single request for simultaneous transmission to each consumer**
 30 **reporting agency that is subject to this section.**
- 31 **(g) After December 31, 2018, upon receiving a security freeze**
 32 **request with respect to a consumer, a consumer reporting agency**
 33 **that is subject to this section shall do the following:**
- 34 **(1) If the consumer reporting agency receives the security**
 35 **freeze request directly from the consumer, or from an**
 36 **individual acting on behalf of or as a personal representative**
 37 **of the consumer:**
- 38 **(A) fulfill the consumer's security freeze request if the**
 39 **consumer reporting agency:**
 40 **(i) maintains a file on the consumer; and**
 41 **(ii) has received appropriate proof of the identity of the**
 42 **requester; and**



- 1 **(B) in accordance with the procedures developed under**
 2 **subsection (c)(2), refer the security freeze request to each**
 3 **of the other consumer reporting agencies, if any, that the**
 4 **consumer has selected, under the procedures developed**
 5 **under subsection (c)(1), to receive the security freeze**
 6 **request.**
- 7 **(2) If the consumer reporting agency receives the security**
 8 **freeze request from another consumer reporting agency that**
 9 **has referred the security freeze request to the consumer**
 10 **reporting agency under the procedures developed under**
 11 **subsection (c)(2), fulfill the consumer's security freeze request**
 12 **if the consumer reporting agency:**
- 13 **(A) maintains a file on the consumer; and**
 14 **(B) has received appropriate proof of the identity of the**
 15 **requester:**
- 16 **(i) from the referring credit reporting agency; or**
 17 **(ii) after contacting the consumer through any means**
 18 **described in subsection (d) that have been provided by**
 19 **the consumer in connection with the security freeze**
 20 **request.**
- 21 **(3) If the consumer reporting agency receives the security**
 22 **freeze request through an online portal described in**
 23 **subsection (f), fulfill the consumer's security freeze request if**
 24 **the consumer reporting agency:**
- 25 **(A) maintains a file on the consumer; and**
 26 **(B) has received appropriate proof of the identity of the**
 27 **requester:**
- 28 **(i) as provided by the requester through the online**
 29 **portal; or**
 30 **(ii) after contacting the consumer through any means**
 31 **described in subsection (d) that have been provided by**
 32 **the consumer in connection with the security freeze**
 33 **request.**
- 34 **(h) The federal Fair Credit Reporting Act (15 U.S.C. 1681 et**
 35 **seq.) does not annul, alter, affect, or exempt a consumer reporting**
 36 **agency subject to this section from complying with this section,**
 37 **except to the extent that this section is inconsistent with any**
 38 **provision of the federal Fair Credit Reporting Act (15 U.S.C. 1681**
 39 **et seq.), and then only to the extent of the inconsistency, as**
 40 **provided in 15 U.S.C. 1681t(a).**
- 41 SECTION 4. IC 24-5-24.5-3.1 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: Sec. 3.1. As used in this chapter,
 2 "consumer reporting agency that compiles and maintains files on
 3 consumers on a nationwide basis" means a consumer reporting
 4 agency that regularly engages in the practice of assembling or
 5 evaluating, and maintaining, for the purpose of furnishing to third
 6 parties, consumer reports bearing on a consumer's
 7 creditworthiness, credit standing, or credit capacity, each of the
 8 following regarding consumers residing nationwide:

9 (1) Public record information.

10 (2) Credit account information from persons who furnish that
 11 information regularly and in the ordinary course of business.

12 SECTION 5. IC 24-5-24.5-16.5 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE UPON PASSAGE]: Sec. 16.5. (a) This section applies
 15 to a consumer reporting agency that compiles and maintains files
 16 on consumers on a nationwide basis.

17 (b) As used in this section, "security freeze request" means a
 18 request made by:

19 (1) a protected consumer's representative for the placement
 20 of a security freeze on the protected consumer's consumer
 21 report, in accordance with section 11 of this chapter; or

22 (2) a protected consumer or a protected consumer's
 23 representative to remove a security freeze for the protected
 24 consumer, in accordance with section 15 of this chapter.

25 (c) Not later than January 1, 2019, each consumer reporting
 26 agency subject to this section shall develop and maintain
 27 procedures to do the following:

28 (1) Enable a:

29 (A) protected consumer; or

30 (B) a protected consumer's representative;

31 who makes a security freeze request to the consumer
 32 reporting agency to elect, at the time the security freeze
 33 request is made, to have the consumer reporting agency refer
 34 the security freeze request to one (1) or more of the other
 35 consumer reporting agencies that are subject to this section,
 36 for fulfillment of the security freeze request by those other
 37 consumer reporting agencies.

38 (2) Refer a security freeze request to each consumer reporting
 39 agency that a protected consumer or a protected consumer's
 40 representative has selected, under the procedures developed
 41 under subdivision (1), to receive the security freeze request.

42 (3) Fulfill a security freeze request that is referred to the



1 consumer reporting agency by one (1) of the other consumer
2 reporting agencies in accordance with the selection made by
3 the protected consumer or the protected consumer's
4 representative.

5 (d) The procedures developed under subsection (c) may require
6 the protected consumer or representative making the security
7 freeze request to provide a valid:

- 8 (1) mailing address;
9 (2) electronic mail address; or
10 (3) telephone number;

11 that may be used, by any consumer reporting agency selected by
12 the requesting protected consumer or representative to receive the
13 security freeze request, to contact the protected consumer or the
14 protected consumer's representative, as appropriate, concerning
15 any information or documentation needed to fulfill the security
16 freeze request.

17 (e) In developing the procedures required by subsection (c), the
18 credit reporting agencies subject to this section may coordinate
19 with one another to:

- 20 (1) make uniform the:
21 (A) information;
22 (B) forms of documentation; and
23 (C) methods of submission of information and
24 documentation;

25 required by each credit reporting agency to fulfill a security
26 freeze request; and

- 27 (2) otherwise streamline the process involved for protected
28 consumers and representatives in making a security freeze
29 request.

30 (f) The attorney general may collaborate with or assist the
31 credit reporting agencies subject to this section in developing and
32 implementing the procedures required by subsection (c), including
33 the development and implementation of an online portal to enable
34 a protected consumer's representative or a protected consumer
35 who elects to submit a security freeze request to each consumer
36 reporting agency subject to this section to submit a single request
37 for simultaneous transmission to each consumer reporting agency
38 that is subject to this section.

39 (g) After December 31, 2018, upon receiving a security freeze
40 request with respect to a protected consumer, a consumer
41 reporting agency that is subject to this section shall do the
42 following:



- 1 (1) If the consumer reporting agency receives the security
2 freeze request directly from the protected consumer or the
3 protected consumer's representative:
4 (A) fulfill the security freeze request if the consumer
5 reporting agency has received the proof of identification
6 and proof of authority required under section 11 or 15 of
7 this chapter, as applicable; and
8 (B) in accordance with the procedures developed under
9 subsection (c)(2), refer the security freeze request to each
10 of the other consumer reporting agencies, if any, that the
11 protected consumer or the protected consumer's
12 representative has selected, under the procedures
13 developed under subsection (c)(1), to receive the security
14 freeze request.
- 15 (2) If the consumer reporting agency receives the security
16 freeze request from another consumer reporting agency that
17 has referred the security freeze request to the consumer
18 reporting agency under the procedures developed under
19 subsection (c)(2), fulfill the security freeze request if the
20 consumer reporting agency has received the proof of
21 identification and proof of authority required under section
22 11 or 15 of this chapter, as applicable:
23 (A) from the referring credit reporting agency; or
24 (B) after contacting the protected consumer or the
25 protected consumer's representative, as appropriate,
26 through any means described in subsection (d) that have
27 been provided by the protected consumer or the protected
28 consumer's representative in connection with the security
29 freeze request.
- 30 (3) If the consumer reporting agency receives the security
31 freeze request through an online portal described in
32 subsection (f), fulfill the security freeze request if the
33 consumer reporting agency has received the proof of
34 identification and proof of authority required under section
35 11 or 15 of this chapter, as applicable:
36 (A) as provided by the protected consumer or the
37 protected consumer's representative through the online
38 portal; or
39 (B) after contacting the protected consumer or the
40 protected consumer's representative, as appropriate,
41 through any means described in subsection (d) that have
42 been provided by the protected consumer or the protected



1 **consumer's representative in connection with the security**
2 **freeze request.**

3 **(h) The federal Fair Credit Reporting Act (15 U.S.C. 1681 et**
4 **seq.) does not annul, alter, affect, or exempt a consumer reporting**
5 **agency subject to this section from complying with this section,**
6 **except to the extent that this section is inconsistent with any**
7 **provision of the federal Fair Credit Reporting Act (15 U.S.C. 1681**
8 **et seq.), and then only to the extent of the inconsistency, as**
9 **provided in 15 U.S.C. 1681t(a).**

10 **SECTION 6. An emergency is declared for this act.**

