

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Consumer Fraud and Deceptive Business
5 Practices Act is amended by changing Section 2MM as follows:

6 (815 ILCS 505/2MM)

7 Sec. 2MM. Verification of accuracy of consumer credit
8 reporting information used to extend consumers credit and
9 security freeze on credit reports ~~report for identity theft~~
10 ~~victims~~.

11 (a) A credit card issuer who mails an offer or solicitation
12 to apply for a credit card and who receives a completed
13 application in response to the offer or solicitation which
14 lists an address that is not substantially the same as the
15 address on the offer or solicitation may not issue a credit
16 card based on that application until reasonable steps have been
17 taken to verify the applicant's change of address.

18 (b) Any person who uses a consumer credit report in
19 connection with the approval of credit based on the application
20 for an extension of credit, and who has received notification
21 of a police report filed with a consumer reporting agency that
22 the applicant has been a victim of financial identity theft, as
23 defined in Section 16G-15 of the Criminal Code of 1961, may not
24 lend money or extend credit without taking reasonable steps to
25 verify the consumer's identity and confirm that the application
26 for an extension of credit is not the result of financial
27 identity theft.

28 (c) A consumer may request that a security freeze be placed
29 on his or her credit report by sending a request in writing by
30 certified mail to a consumer reporting agency at an address
31 designated by the consumer reporting agency to receive such
32 requests. This subsection (c) does not prevent a consumer

1 reporting agency from advising a third party that a security
2 freeze is in effect with respect to the consumer's credit
3 report. ~~A consumer who has been the victim of identity theft~~
4 ~~may place a security freeze on his or her credit report by~~
5 ~~making a request in writing by certified mail to a consumer~~
6 ~~credit reporting agency with a valid copy of a police report,~~
7 ~~investigative report, or complaint that the consumer has filed~~
8 ~~with a law enforcement agency about unlawful use of his or her~~
9 ~~personal information by another person. A credit reporting~~
10 ~~agency shall not charge a fee for placing, removing, or~~
11 ~~removing for a specific party or period of time a security~~
12 ~~freeze on a credit report. A security freeze shall prohibit,~~
13 ~~subject to the exceptions under subsection (i) of this Section,~~
14 ~~the credit reporting agency from releasing the consumer's~~
15 ~~credit report or any information from it without the express~~
16 ~~authorization of the consumer. When a security freeze is in~~
17 ~~place, information from a consumer's credit report shall not be~~
18 ~~released to a third party without prior express authorization~~
19 ~~from the consumer. This subsection does not prevent a credit~~
20 ~~reporting agency from advising a third party that a security~~
21 ~~freeze is in effect with respect to the consumer's credit~~
22 ~~report.~~

23 (d) A consumer ~~credit~~ reporting agency shall place a
24 security freeze on a consumer's credit report no later than 5
25 business days after receiving a written request from the
26 consumer: ~~=~~

27 (1) a written request described in subsection (c);

28 (2) proper identification; and

29 (3) payment of a fee, if applicable.

30 (e) Upon placing the security freeze on the consumer's
31 credit report, the consumer ~~The credit~~ reporting agency shall
32 send to the consumer within 10 business days a written
33 confirmation of the placement of the security freeze and ~~to the~~
34 ~~consumer within 10 business days and shall provide the consumer~~
35 ~~with~~ a unique personal identification number or password or
36 similar device, other than the consumer's Social Security

1 number, to be used by the consumer when providing authorization
2 for the release of his or her credit report for a specific
3 party or period of time.

4 (f) If the consumer wishes to allow his or her credit
5 report to be accessed for a specific party or period of time
6 while a freeze is in place, he or she shall contact the
7 consumer ~~credit~~ reporting agency using a point of contact
8 designated by the consumer reporting agency, request that the
9 freeze be temporarily lifted, and provide the following:

10 (1) Proper identification;

11 (2) The unique personal identification number or
12 password or similar device provided by the consumer credit
13 reporting agency; ~~and~~

14 (3) The proper information regarding the third party or
15 time period for which the report shall be available to
16 users of the credit report; and -

17 (4) A fee, if applicable.

18 (g) A consumer credit reporting agency shall ~~may~~ develop a
19 contact method ~~procedures involving the use of telephone, fax,~~
20 ~~the Internet, or other electronic media~~ to receive and process
21 a request from a consumer to temporarily lift a freeze on a
22 credit report pursuant to subsection (f) in an expedited
23 manner.

24 A contact method under this subsection shall include: (i) a
25 postal address; and (ii) an electronic contact method chosen by
26 the consumer reporting agency, which may include the use of
27 telephone, fax, Internet, or other electronic means.

28 (h) A consumer credit reporting agency that receives a
29 request from a consumer to temporarily lift a freeze on a
30 credit report pursuant to subsection (f), shall comply with the
31 request no later than 3 business days after receiving the
32 request.

33 (i) A consumer credit reporting agency shall remove or
34 temporarily lift a freeze placed on a consumer's credit report
35 only in the following cases:

36 (1) upon consumer request, pursuant to subsection (f)

1 or subsection (l) of this Section; or

2 (2) if the consumer's credit report was frozen due to a
3 material misrepresentation of fact by the consumer.

4 If a consumer ~~credit~~ reporting agency intends to remove a
5 freeze upon a consumer's credit report pursuant to this
6 subsection, the consumer ~~credit~~ reporting agency shall notify
7 the consumer in writing prior to removing the freeze on the
8 consumer's credit report.

9 (j) If a third party requests access to a credit report on
10 which a security freeze is in effect, and this request is in
11 connection with an application for credit or any other use, and
12 the consumer does not allow his or her credit report to be
13 accessed for that specific party or period of time, the third
14 party may treat the application as incomplete.

15 (k) If a consumer requests a security freeze, the credit
16 reporting agency shall disclose to the consumer the process of
17 placing and temporarily lifting a security freeze, and the
18 process for allowing access to information from the consumer's
19 credit report for a specific party or period of time while the
20 freeze is in place.

21 (l) A security freeze shall remain in place until the
22 consumer requests, using a point of contact designated by the
23 consumer reporting agency, that the security freeze be removed.
24 A credit reporting agency shall remove a security freeze within
25 3 business days of receiving a request for removal from the
26 consumer, who provides ~~both of the following:~~

27 (1) Proper identification; ~~and~~

28 (2) The unique personal identification number or
29 password or similar device provided by the consumer ~~credit~~
30 reporting agency; and -

31 (3) A fee, if applicable.

32 (m) A consumer ~~credit~~ reporting agency shall require proper
33 identification of the person making a request to place or
34 remove a security freeze.

35 (n) The provisions of subsections (c) through (m) of this
36 Section do not apply to the use of a consumer credit report by

1 any of the following:

2 (1) A person or entity, or a subsidiary, affiliate, or
3 agent of that person or entity, or an assignee of a
4 financial obligation owing by the consumer to that person
5 or entity, or a prospective assignee of a financial
6 obligation owing by the consumer to that person or entity
7 in conjunction with the proposed purchase of the financial
8 obligation, with which the consumer has or had prior to
9 assignment an account or contract, including a demand
10 deposit account, or to whom the consumer issued a
11 negotiable instrument, for the purposes of reviewing the
12 account or collecting the financial obligation owing for
13 the account, contract, or negotiable instrument. For
14 purposes of this subsection, "reviewing the account"
15 includes activities related to account maintenance,
16 monitoring, credit line increases, and account upgrades
17 and enhancements.

18 (2) A subsidiary, affiliate, agent, assignee, or
19 prospective assignee of a person to whom access has been
20 granted under subsection (f) of this Section for purposes
21 of facilitating the extension of credit or other
22 permissible use.

23 (3) Any state or local agency, law enforcement agency,
24 trial court, or private collection agency acting pursuant
25 to a court order, warrant, or subpoena.

26 (4) A child support agency acting pursuant to Title
27 IV-D of the Social Security Act.

28 (5) The State ~~relevant state agency~~ or its agents or
29 assigns acting to investigate ~~Medicaid~~ fraud.

30 (6) The Department of Revenue or its agents or assigns
31 acting to investigate or collect delinquent taxes or unpaid
32 court orders or to fulfill any of its other statutory
33 responsibilities.

34 (7) The use of credit information for the purposes of
35 prescreening as provided for by the federal Fair Credit
36 Reporting Act.

1 (8) Any person or entity administering a credit file
2 monitoring subscription or similar service to which the
3 consumer has subscribed.

4 (9) Any person or entity for the purpose of providing a
5 consumer with a copy of his or her credit report or score
6 upon the consumer's request.

7 (10) Any person using the information in connection
8 with the underwriting of insurance.

9 (n-5) This Section does not prevent a consumer reporting
10 agency from charging a fee of no more than \$10 to a consumer
11 for each freeze, removal, or temporary lift of the freeze,
12 regarding access to a consumer credit report, except that a
13 consumer reporting agency may not charge a fee to (i) a
14 consumer 65 years of age or over for placement and removal of a
15 freeze, or (ii) a victim of identity theft who has submitted to
16 the consumer reporting agency a valid copy of a police report,
17 investigative report, or complaint that the consumer has filed
18 with a law enforcement agency about unlawful use of his or her
19 personal information by another person.

20 (o) If a security freeze is in place, a consumer ~~credit~~
21 reporting agency shall not change any of the following official
22 information in a credit report without sending a written
23 confirmation of the change to the consumer within 30 days of
24 the change being posted to the consumer's file: (i) name, (ii)
25 date of birth, (iii) Social Security number, and (iv) address.
26 Written confirmation is not required for technical
27 modifications of a consumer's official information, including
28 name and street abbreviations, complete spellings, or
29 transposition of numbers or letters. In the case of an address
30 change, the written confirmation shall be sent to both the new
31 address and to the former address.

32 (p) The following entities are not required to place a
33 security freeze in a consumer ~~credit~~ report, however, pursuant
34 to paragraph (3) of this subsection, a consumer reporting
35 agency acting as a reseller shall honor any security freeze
36 placed on a consumer credit report by another consumer

1 ~~reporting agency: provided, however, that any person that is~~
2 ~~not required to place a security freeze on a credit report~~
3 ~~under paragraph (3) of this subsection, shall be subject to any~~
4 ~~security freeze placed on a credit report by another credit~~
5 ~~reporting agency from which it obtains information:~~

6 (1) A check services or fraud prevention services
7 company, which issues reports on incidents of fraud or
8 authorizations for the purpose of approving or processing
9 negotiable instruments, electronic funds transfers, or
10 similar methods of payment.

11 (2) A deposit account information service company,
12 which issues reports regarding account closures due to
13 fraud, substantial overdrafts, ATM abuse, or similar
14 negative information regarding a consumer to inquiring
15 banks or other financial institutions for use only in
16 reviewing a consumer request for a deposit account at the
17 inquiring bank or financial institution.

18 (3) A consumer ~~credit~~ reporting agency that:

19 (A) acts only to resell credit information by
20 assembling and merging information contained in a
21 database of one or more consumer ~~credit~~ reporting
22 agencies; and

23 (B) does not maintain a permanent database of
24 credit information from which new credit reports are
25 produced.

26 (q) For purposes of this Section:

27 "Credit report" has the same meaning as "consumer report",
28 as ascribed to it in 15 U.S.C. Sec. 1681a(d).

29 "Consumer reporting agency" has the meaning ascribed to it
30 in 15 U.S.C. Sec. 1681a(f).

31 "Security freeze" means a notice placed in a consumer's
32 credit report, at the request of the consumer and subject to
33 certain exceptions, that prohibits the consumer reporting
34 agency from releasing the consumer's credit report or score
35 relating to an extension of credit, without the express
36 authorization of the consumer.

1 "Extension of credit" does not include an increase in an
2 existing open-end credit plan, as defined in Regulation Z of
3 the Federal Reserve System (12 C.F.R. 226.2), or any change to
4 or review of an existing credit account.

5 "Proper identification" means information generally deemed
6 sufficient to identify a person. Only if the consumer is unable
7 to reasonably identify himself or herself with the information
8 described above, may a consumer ~~credit~~ reporting agency require
9 additional information concerning the consumer's employment
10 and personal or family history in order to verify his or her
11 identity.

12 (r) Any person who violates this Section commits an
13 unlawful practice within the meaning of this Act.

14 (Source: P.A. 93-195, eff. 1-1-04; 94-74, eff. 1-1-06.)