



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

Lisa Madigan
ATTORNEY GENERAL

December 28, 2018

RE: Social Security Number Protection Task Force
Member/Designated Recipient

Dear Designated Task Force Report Recipient,

In accordance with 20 ILCS 4040/10, attached for your review is a copy of the Social Security Number Protection Task Force Report for 2018.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Matthew W. Van Hise".

Matthew W. Van Hise, CIPP/US
Chief, Privacy Unit
Assistant Attorney General
Consumer Fraud Bureau

Enclosure: 2018 Task Force Report

cc w/ enclosure: Social Security Number Protection Task Force - Members/Designated Recipients

Social Security Number Protection Task Force

Report to Governor Bruce Rauner, Attorney General Lisa Madigan,
Secretary of State Jesse White, and Illinois General Assembly
December 28, 2018

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TASK FORCE BACKGROUND

The Social Security Number (SSN) remains the key piece of sensitive personally identifiable information that identity thieves use to commit fraud. The SSN was intended to be used solely to distribute Social Security benefits, but in the years since its inception in 1935, it has been also used as a unique identification number. The SSN is therefore not only tied to an individual's credit report, financial records, and Social Security earnings with the federal government, but is also present in employment, educational, health, insurance, and criminal records. The wide dissemination of SSNs increases the likelihood that the numbers can be accessed and subsequently used for fraudulent purposes.

Consumers are therefore encouraged to limit their exposure to identity theft by protecting their SSNs. Businesses are also encouraged to do their part by taking necessary steps to limit the collection of SSNs, protect SSNs in their possession, and dispose of documents containing SSNs in a manner that renders them unusable. Local and state government agencies also have a role in protecting SSNs they maintain and reducing their continued widespread dissemination. Government agencies have the larger task of maintaining a system of open records for the public, while taking measures to reduce the amount of sensitive personally identifiable information in those records.

The General Assembly created the Social Security Number Protection Task Force (Task Force) through Public Act 93-0813 in 2004. The Task Force is charged with examining the procedures used by the State to protect an individual against the unauthorized disclosure of his or her SSN when the State requires the individual to provide that number to an officer or agency of the State. The Task Force also is required to explore the technical and procedural changes that are necessary to implement a unique identification system to replace the use of SSNs by State and local governments for identification and record-keeping purposes. In 2007, the General Assembly amended the law governing the Task Force by Public Act 95-0482. The Office of the Attorney General is charged with chairing and administering the activities of the Task Force.

MEMBERSHIP OF THE TASK FORCE

- Two members representing the House of Representatives, appointed by the Speaker of the House – **Representative Sara Feigenholtz, Representative Ann Williams**
- Two members representing the House of Representatives, appointed by the Minority Leader of the House – **Representative Mike Fortner, Representative Randy Frese**
- Two members representing the Senate, appointed by the President of the Senate – **Senator Jacqueline Collins, *Awaiting Additional Member Appointment Confirmation***
- Two members representing the Senate, appointed by the Minority Leader of the Senate - ***Awaiting Additional Member Appointment Confirmation, Awaiting Additional Member Appointment Confirmation***
- One member representing the Office of the Attorney General – **Deborah Hagan, Task Force Chair**
- One member representing the Office of the Secretary of State – **Micah Miller**

- One member representing the Office of the Governor – *Awaiting Member Appointment Confirmation*
- One member representing the Department of Natural Resources – **John “J.J.” Pohlman**
- One member representing the Department of Healthcare and Family Services – **Elizabeth Festa**
- One member representing the Department of Revenue – *Awaiting Member Appointment Confirmation*
- One member representing the Department of State Police – **Captain Steve Lyddon**
- One member representing the Department of Employment Security – **Joseph Mueller**
- One member representing the Illinois Courts – **James Morpew**
- One member representing the Department on Aging – *Awaiting Member Appointment Confirmation*
- One member representing Central Management Services – **Tim McDevitt**
- One member appointed by the Executive Director of the Board of Higher Education – **Dr. Eric Lichtenberger**
- One member appointed by the Secretary of Human Services – *Awaiting Member Appointment Confirmation*
- Three members representing local-governmental organizations – **Dorothy Brown, Larry Reinhardt, Virginia Hayden**
- One member representing the Office of the State Comptroller – **Ben Haley**
- One member representing school administrators, appointed by the State Superintendent of Education – **Sara Boucek**

PART I: PROTECTION OF SSNs IN THE PUBLIC RECORD

The first statutory requirement of the Social Security Number Protection Task Force Act is to examine the procedures used by the State to protect an individual against the unauthorized disclosure of his or her SSN.

IDENTITY PROTECTION ACT

One way to limit the unauthorized disclosure of SSNs is to limit their collection in the first place. If fewer entities collect and use SSNs, fewer entities are capable of disclosing those numbers improperly.

The Identity Protection Act, 5 ILCS 179/1 *et seq.*, prohibits certain collections, uses and disclosures of an individual’s SSN by any person, or State or local government agencies. Specifically, the Act, with several exceptions, prohibits a person, or State or local government agency from collecting, using, or disclosing a SSN unless: (1) required to do so under state or federal law or the collection, use, or disclosure of the Social Security number is otherwise necessary for the performance of the agency’s duties and responsibilities; (2) the need and purpose for the SSN is documented before the request; and (3) the SSN collected is relevant to the documented need and purpose. The need and purpose for the collection and use of SSNs must be documented in a written Identity-Protection Policy.

Each local government agency must file a written copy of its policy with the governing board of the unit of local government within 30 days after approval of the policy. Under Section 37(b), “each State agency must provide a copy of its identity-protection policy to the Social Security Number Protection Task Force within 30 days after the approval of the policy.” State agencies were reminded of this requirement on August 24, 2011. Policies can be submitted to the Task Force by mailing a copy to:

Illinois Attorney General
Social Security Number Protection Task Force
c/o: AAG Matthew W. Van Hise
500 S. Second Street
Springfield, IL 62706

As part of the implementation of the policies, local and state agencies will require that all employees identified as having access to SSNs in the course of performing their duties be trained to protect the confidentiality of SSNs. Training should include instructions on the proper handling of information that contains SSNs from the time of the collection of the information through its destruction.

Identity-Protection Policies were to have been implemented within 12 months of the date of approval and a copy was to have been sent to the Task Force no later than June 1, 2012. For reference, an Identity-Protection Policy and Statement of Purpose(s) template can be found in Appendixes A and B.

Updated and/or amended Identity-Protection Policies may be sent electronically to S3@atg.state.il.us. Submissions shall occur as soon as practicable or within the calendar year in which the updated amendment was implemented. An acknowledgement of receipt and record will be provided by a duly authorized representative of the Task Force chairperson.

(Template Identity-Protection Policy – Appendix A)
(Template Statement of Purpose(s) – Appendix B)

S. 2155 - CREDIT FREEZE – NO FEE ALLOWED

Under the new Economic Growth, Regulatory Relief, and Consumer Protection Act, consumers nationwide now have the right to freeze their credit free of charge.

In an effort to further protect against the unauthorized disclosure or confirmation of SSNs, as well as protect against the unauthorized use and disclosure of the other data elements of consumers’ personal information that were put at risk as a result of the Equifax, Inc., and other high-profile data breaches over the years, a new Federal law was passed to freeze and unfreeze your credit free of charge. In particular, S.2155 provides for free security freezes, also known as credit freezes. A credit freeze will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization.

Identity theft is harmful – once lost it is difficult to retroactively restore or to remedy with money. With that in mind, S. 2155 has produced significant efficiencies and will help safeguard consumers against identity theft and credit fraud. On that basis, it is a regulatory law intended to help protect consumers from future harm by restricting access to your credit file.

As background, a credit report includes information on where you live, how you pay your bills, and whether you've been sued or have filed for bankruptcy. Nationwide credit reporting companies sell the information in your report to creditors, insurers, employers, and other businesses that use it to evaluate your applications for credit, insurance, employment, or renting/buying a home. The method of using SSNs as internal identifiers has been followed for so long, that expectations and entire systems of lending have been built on it.

A security freeze is a tool that lets consumers restrict access to their credit report, which in turn makes it more difficult for identity thieves to open new accounts in their name. It is important for consumers to note that a security freeze, while in place, keeps everyone, including legitimate sources, from opening new accounts, buying or renting a home or apartment, and otherwise prevents a potential credit grantor from having access to ones' credit report in order to approve a new account.

Security freezes do not prevent access to existing accounts, nor do they prevent prescreened credit offers. Security freezes can be temporarily lifted, for a specific period of time, and security freezes can be permanently removed upon giving proper notice.

In order to place, temporarily lift, or remove a security freeze, a consumer must contact each of the nationwide credit reporting agencies – Equifax, Experian, and Transunion. Different credit issuers may use different credit bureaus; hence consumers should contact each of the nationwide credit reporting agencies to make sure a freeze is applied at each one. This can be done in writing, or via each of the nationwide credit reporting agencies' websites, or designated telephone number. When placing an initial freeze, a consumer needs to supply their name, address, date of birth, Social Security number, and other personal information:

Among the new, advanced features S.2155 offers is expediency. If a consumer requests a freeze online or by phone, the credit reporting agency must take that action within one business day of receiving the request. If consumers make the request via mail, the credit reporting agency must place the freeze within three business days of receiving the request.

Not only is it free to freeze your credit, but it is free to lift that freeze too. And so upon the direct request of a consumer, online or on the phone, a credit freeze must be removed within one hour of receiving the request. In like manner, if a consumer submits a request by mail, a credit freeze must be removed within three business days of receiving the request.

An alternative step consumers can take is to place an initial fraud alert on their credit file – at no cost. Under the new law, an initial fraud alert now lasts for one year, instead of ninety days. When a business sees a fraud alert on a consumer's credit file, they must take additional steps to verify the consumer's identity before extending new credit. Furthermore, identity theft victims are entitled to an extended fraud alert, which is a fraud alert lasting seven years.

(S.2155 - Economic Growth, Regulatory Relief, and Consumer Protection Act– Appendix C)

UPDATE ON HB4095

In order to assist Illinois consumers with avoiding the mounting costs associated with freeze placements, lifts, and removals, the Attorney General's Office, worked with key members of Illinois' 100th General Assembly, filed HB4095. It was passed by both chambers of the General Assembly and signed into law by the Governor. As a result, HB4095 amended the Consumer Fraud Act to guarantee that all fees associated with security freeze placements, lifts, and removals be waived for Illinois consumers.

HB4095 became effective June 8th, 2018. However, Federal law S. 2155 preempts and supersedes any conflicting State law, but only to the extent of such conflict.

(Illinois Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/1 *et seq.*) Section 2MM – Appendix D)

(HB4095 – *Credit Freeze – No Fee Allowed* – Appendix E)

PART II: SSNs AS INTERNAL IDENTIFIERS

The second requirement of the Task Force is to explore the technical and procedural changes that are necessary to implement a unique identification system to replace the use of SSNs for identification and record-keeping purposes by State and local governments. State and local government agencies continue to internally assess the collection and use of SSNs. Such an assessment was critical in drafting Identity-Protection Policies.

NO SIGNIFICANT UPDATES

At this time, no significant updates have occurred that aim to reduce or replace the use of SSNs for identification and record-keeping purposes by State and local governments.

TASK FORCE APPOINTMENTS & UPDATES

The Task Force received the following appointment and confirmations for calendar year 2018:

- Tim McDevitt – Illinois Department of Central Management Services
- Ben Haley – Illinois Comptroller's Office

The Task Force awaits calendar year 2018 appointment and confirmations for the following currently vacant membership seats:

- One of the two members representing the Senate, appointed by the President of the Senate
- Two of the two members representing the Senate, appointed by the Minority Leader of the Senate
- One member representing the Office of the Governor
- One member representing the Department of Revenue
- One member representing the Department on Aging
- One member appointed by the Secretary of Human Services

CONCLUSION

Identity-Protection Policies at local and state government agencies throughout Illinois continue to be implemented according to the requirements of the Identity Protection Act. Additionally, recently passed legislation, S. 2155, expanded the security and safeguards of SSNs as well as other sensitive Personal Information by allowing for a complete waiver of fees associated with the placement, temporary lift, and removal of a credit reporting security freeze. Over the course of the last year the Task Force has continued to monitor state-level discussions regarding further contemplated protections for Illinois individuals' Social Security numbers, and has also monitored federal bills involving the protections and restrictions associated with using Social Security numbers as individual identifiers. Overall, the Task Force will continue to monitor state and federal activities, recommending updates as needed and will continue to work together with all stakeholders to identify the best ways to protect SSNs in public records and limit the use of SSNs as internal identifiers.

APPENDIX A – Template Identity-Protection Policy

[AGENCY] IDENTITY-PROTECTION POLICY

The [AGENCY] adopts this Identity-Protection Policy pursuant to the Identity Protection Act. 5 ILCS 179/1 *et seq.* The Identity Protection Act requires each local and State government agency to draft, approve, and implement an Identity-Protection Policy to ensure the confidentiality and integrity of Social Security numbers agencies collect, maintain, and use. It is important to safeguard Social Security numbers (SSNs) against unauthorized access because SSNs can be used to facilitate identity theft. One way to better protect SSNs is to limit the widespread dissemination of those numbers. The Identity Protection Act was passed in part to require local and State government agencies to assess their personal information collection practices, and make necessary changes to those practices to ensure confidentiality.

Social Security Number Protections Pursuant to Law

Whenever an individual is asked to provide this Office with a SSN, [AGENCY] shall provide that individual with a statement of the purpose or purposes for which the [AGENCY] is collecting and using the Social Security number. The [AGENCY] shall also provide the statement of purpose upon request. That Statement of Purpose is attached to this Policy.

The [AGENCY] shall not:

- 1) Publicly post or publicly display in any manner an individual's Social Security number. "Publicly post" or "publicly display" means to intentionally communicate or otherwise intentionally make available to the general public.
- 2) Print an individual's Social Security number on any card required for the individual to access products or services provided by the person or entity.
- 3) Require an individual to transmit a Social Security number over the Internet, unless the connection is secure or the Social Security number is encrypted.
- 4) Print an individual's Social Security number on any materials that are mailed to the individual, through the U.S. Postal Service, any private mail service, electronic mail, or any similar method of delivery, unless State or federal law requires the Social Security number to be on the document to be mailed. SSNs may be included in applications and forms sent by mail, including, but not limited to, any material mailed in connection with the administration of the Unemployment Insurance Act, any material mailed in connection with any tax administered by the Department of Revenue, and documents sent as part of an application or enrollment process or to establish, amend, or terminate an account, contract, or policy or to confirm the accuracy of the Social Security number. A Social Security number that is permissibly mailed will not be printed, in whole or in part, on a postcard or other mailer that does not require an envelope or be visible on an envelope without the envelope having been opened.

In addition, the [AGENCY] shall not¹:

¹ These prohibitions do not apply in the following circumstances:

(1) The disclosure of Social Security numbers to agents, employees, contractors, or subcontractors of a governmental entity or disclosure by a governmental entity to another governmental entity or its agents, employees, contractors, or subcontractors if disclosure is necessary in order for the entity to perform its duties and

- 1) Collect, use, or disclose a Social Security number from an individual, unless:
 - i. required to do so under State or federal law, rules, or regulations, or the collection, use, or disclosure of the Social Security number is otherwise necessary for the performance of the [AGENCY]'s duties and responsibilities;
 - ii. the need and purpose for the Social Security number is documented before collection of the Social Security number; and
 - iii. the Social Security number collected is relevant to the documented need and purpose.
- 2) Require an individual to use his or her Social Security number to access an Internet website.
- 3) Use the Social Security number for any purpose other than the purpose for which it was collected.

Requirement to Redact Social Security Numbers

The [AGENCY] shall comply with the provisions of any other State law with respect to allowing the public inspection and copying of information or documents containing all or any portion of an individual's Social Security number. The [AGENCY] shall redact social security numbers from the information or documents before allowing the public inspection or copying of the information or documents.

When collecting Social Security numbers, the [AGENCY] shall request each SSN in a manner that makes the SSN easily redacted if required to be released as part of a public records request. "Redact" means to alter or truncate data so that no more than five sequential digits of a Social Security number are accessible as part of personal information.

Employee Access to Social Security Numbers

Only employees who are required to use or handle information or documents that contain SSNs will have access. All employees who have access to SSNs are trained to protect the confidentiality of SSNs.

responsibilities; and, if disclosing to a contractor or subcontractor, prior to such disclosure, the governmental entity must first receive from the contractor or subcontractor a copy of the contractor's or subcontractor's policy that sets forth how the requirements imposed under this Act on a governmental entity to protect an individual's Social Security number will be achieved.

(2) The disclosure of Social Security numbers pursuant to a court order, warrant, or subpoena.

(3) The collection, use, or disclosure of Social Security numbers in order to ensure the safety of: State and local government employees; persons committed to correctional facilities, local jails, and other law-enforcement facilities or retention centers; wards of the State; and all persons working in or visiting a State or local government agency facility.

(4) The collection, use, or disclosure of Social Security numbers for internal verification or administrative purposes.

(5) The disclosure of Social Security numbers by a State agency to any entity for the collection of delinquent child support or of any State debt or to a governmental agency to assist with an investigation or the prevention of fraud.

(6) The collection or use of Social Security numbers to investigate or prevent fraud, to conduct background checks, to collect a debt, to obtain a credit report from a consumer reporting agency under the federal Fair Credit Reporting Act, to undertake any permissible purpose that is enumerated under the federal Gramm Leach Bliley Act, or to locate a missing person, a lost relative, or a person who is due a benefit, such as a pension benefit or an unclaimed property benefit.

APPENDIX B – Template Statement of Purpose(s)

What does the [AGENCY] do with your Social Security Number?

Statement of Purpose for Collection of Social Security Numbers Identity-Protection Policy

The Identity Protection Act, 5 ILCS 179/1 *et seq.*, requires each local and State government agency to draft, approve, and implement an Identity-Protection Policy that includes a statement of the purpose or purposes for which the agency is collecting and using an individual's Social Security number (SSN). This statement of purpose is being provided to you because you have been asked by the [AGENCY] to provide your SSN or because you requested a copy of this statement.

Why do we collect your Social Security number?

You are being asked for your SSN for one or more of the following reasons:

[THE FOLLOWING PURPOSES MAY NOT APPLY; IDENTIFY PURPOSES
APPROPRIATE FOR YOUR AGENCY]

- Complaint mediation or investigation;
- Crime victim compensation;
- Vendor services, such as executing contracts and/or billing;
- Law enforcement investigation;
- Child support collection;
- Internal verification;
- Administrative services; and/or
- Other: _____

What do we do with your Social Security number?

- We will only use your SSN for the purpose for which it was collected.
- We will not:
 - Sell, lease, loan, trade, or rent your SSN to a third party for any purpose;
 - Publicly post or publicly display your SSN;
 - Print your SSN on any card required for you to access our services;
 - Require you to transmit your SSN over the Internet, unless the connection is secure or your SSN is encrypted; or
 - Print your SSN on any materials that are mailed to you, unless State or Federal law requires that number to be on documents mailed to you, or unless we are confirming the accuracy of your SSN.

Questions or Complaints about this Statement of Purpose

Write to the [AGENCY]:

[CONTACT INFORMATION]

APPENDIX C – S.2155 - Economic Growth, Regulatory Relief, and Consumer Protection Act - SEC. 301. PROTECTING CONSUMERS' CREDIT

SEC. 301. PROTECTING CONSUMERS' CREDIT.

(a) In General.—Section 605A of the Fair Credit Reporting Act (15 U.S.C. 1681c–1) is amended—

(1) in subsection (a)(1)(A), by striking “90 days” and inserting “1 year”; and

(2) by adding at the end the following:

“(i) National Security Freeze.—

“(1) DEFINITIONS.—For purposes of this subsection:

“(A) The term ‘consumer reporting agency’ means a consumer reporting agency described in section 603(p).

“(B) The term ‘proper identification’ has the meaning of such term as used under section 610.

“(C) The term ‘security freeze’ means a restriction that prohibits a consumer reporting agency from disclosing the contents of a consumer report that is subject to such security freeze to any person requesting the consumer report.

“(2) PLACEMENT OF SECURITY FREEZE.—

“(A) IN GENERAL.—Upon receiving a direct request from a consumer that a consumer reporting agency place a security freeze, and upon receiving proper identification from the consumer, the consumer reporting agency shall, free of charge, place the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 business day after receiving the request directly from the consumer; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request directly from the consumer.

“(B) CONFIRMATION AND ADDITIONAL INFORMATION.—Not later than 5 business days after placing a security freeze under subparagraph (A), a consumer reporting agency shall—

“(i) send confirmation of the placement to the consumer; and

“(ii) inform the consumer of—

“(I) the process by which the consumer may remove the security freeze, including a mechanism to authenticate the consumer; and

“(II) the consumer’s right described in section 615(d)(1)(D).

“(C) NOTICE TO THIRD PARTIES.—A consumer reporting agency may advise a third party that a security freeze has been placed with respect to a consumer under subparagraph (A).

“(3) REMOVAL OF SECURITY FREEZE.—

“(A) IN GENERAL.—A consumer reporting agency shall remove a security freeze placed on the consumer report of a consumer only in the following cases:

“(i) Upon the direct request of the consumer.

“(ii) The security freeze was placed due to a material misrepresentation of fact by the consumer.

“(B) NOTICE IF REMOVAL NOT BY REQUEST.—If a consumer reporting agency removes a security freeze under subparagraph (A)(ii), the consumer reporting agency shall notify the consumer in writing prior to removing the security freeze.

“(C) REMOVAL OF SECURITY FREEZE BY CONSUMER REQUEST.—Except as provided in subparagraph (A)(ii), a security freeze shall remain in place until the consumer directly requests that the security freeze be removed. Upon receiving a direct request from a consumer that a consumer reporting agency remove a security freeze, and upon receiving proper identification from the consumer, the consumer reporting agency shall, free of charge, remove the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 hour after receiving the request for removal; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request for removal.

“(D) THIRD-PARTY REQUESTS.—If a third party requests access to a consumer report of a consumer with respect to which a security freeze is in effect, where such request is in connection with an application for credit, and the consumer does not allow such consumer report to be accessed, the third party may treat the application as incomplete.

“(E) TEMPORARY REMOVAL OF SECURITY FREEZE.—Upon receiving a direct request from a consumer under subparagraph (A)(i), if the consumer requests a temporary removal of a security freeze, the consumer reporting agency shall, in accordance with subparagraph (C), remove the security freeze for the period of time specified by the consumer.

“(4) EXCEPTIONS.—A security freeze shall not apply to the making of a consumer report for use of the following:

“(A) A person or entity, or a subsidiary, affiliate, or agent of that person or entity, or an assignee of a financial obligation owed by the consumer to that person or entity, or a prospective assignee of a financial obligation owed by the consumer to that person or entity in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owed for the account, contract, or negotiable instrument. For purposes of this subparagraph, ‘reviewing the account’ includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

“(B) Any Federal, State, or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, or subpoena.

“(C) A child support agency acting pursuant to part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

“(D) A Federal agency or a State or its agents or assigns acting to investigate fraud or acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities, provided such responsibilities are consistent with a permissible purpose under section 604.

“(E) By a person using credit information for the purposes described under section 604(c).

“(F) Any person or entity administering a credit file monitoring subscription or similar service to which the consumer has subscribed.

“(G) Any person or entity for the purpose of providing a consumer with a copy of the consumer’s consumer report or credit score, upon the request of the consumer.

“(H) Any person using the information in connection with the underwriting of insurance.

“(I) Any person using the information for employment, tenant, or background screening purposes.

“(J) Any person using the information for assessing, verifying, or authenticating a consumer’s identity for purposes other than the granting of credit, or for investigating or preventing actual or potential fraud.

“(5) NOTICE OF RIGHTS.—At any time a consumer is required to receive a summary of rights required under section 609, the following notice shall be included:

Consumers Have The Right To Obtain A Security Freeze

‘ You have a right to place a ‘security freeze’ on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

‘As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

‘ A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.’ .

“(6) WEBPAGE.—

“(A) CONSUMER REPORTING AGENCIES.—A consumer reporting agency shall establish a webpage that—

“(i) allows a consumer to request a security freeze;

“(ii) allows a consumer to request an initial fraud alert;

“(iii) allows a consumer to request an extended fraud alert;

“(iv) allows a consumer to request an active duty fraud alert;

“(v) allows a consumer to opt-out of the use of information in a consumer report to send the consumer a solicitation of credit or insurance, in accordance with section 615(d); and

“(vi) shall not be the only mechanism by which a consumer may request a security freeze.

“(B) FTC.—The Federal Trade Commission shall establish a single webpage that includes a link to each webpage established under subparagraph (A) within the Federal Trade Commission’s website www.Identitytheft.gov, or a successor website.

“(j) National Protection For Files And Credit Records Of Protected Consumers.—

“(1) DEFINITIONS.—As used in this subsection:

“(A) The term ‘consumer reporting agency’ means a consumer reporting agency described in section 603(p).

“(B) The term ‘protected consumer’ means an individual who is—

“(i) under the age of 16 years at the time a request for the placement of a security freeze is made; or

“(ii) an incapacitated person or a protected person for whom a guardian or conservator has been appointed.

“(C) The term ‘protected consumer's representative’ means a person who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected consumer.

“(D) The term ‘record’ means a compilation of information that—

“(i) identifies a protected consumer;

“(ii) is created by a consumer reporting agency solely for the purpose of complying with this subsection; and

“(iii) may not be created or used to consider the protected consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

“(E) The term ‘security freeze’ means a restriction that prohibits a consumer reporting agency from disclosing the contents of a consumer report that is the subject of such security freeze or, in the case of a protected consumer for whom the consumer reporting agency does not have a file, a record that is subject to such security freeze to any person requesting the consumer report for the purpose of opening a new account involving the extension of credit.

“(F) The term ‘sufficient proof of authority’ means documentation that shows a protected consumer's representative has authority to act on behalf of a protected consumer and includes—

“(i) an order issued by a court of law;

“(ii) a lawfully executed and valid power of attorney;

“(iii) a document issued by a Federal, State, or local government agency in the United States showing proof of parentage, including a birth certificate; or

“(iv) with respect to a protected consumer who has been placed in a foster care setting, a written communication from a county welfare department or its agent or designee, or a county probation department or its agent or designee, certifying that the protected consumer is in a foster care setting under its jurisdiction.

“(G) The term ‘sufficient proof of identification’ means information or documentation that identifies a protected consumer and a protected consumer's representative and includes—

“(i) a social security number or a copy of a social security card issued by the Social Security Administration;

“(ii) a certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate; or

“(iii) a copy of a driver's license, an identification card issued by the motor vehicle administration, or any other government issued identification.

“(2) PLACEMENT OF SECURITY FREEZE FOR A PROTECTED CONSUMER.—

“(A) IN GENERAL.—Upon receiving a direct request from a protected consumer’s representative that a consumer reporting agency place a security freeze, and upon receiving sufficient proof of identification and sufficient proof of authority, the consumer reporting agency shall, free of charge, place the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 business day after receiving the request directly from the protected consumer’s representative; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request directly from the protected consumer’s representative.

“(B) CONFIRMATION AND ADDITIONAL INFORMATION.—Not later than 5 business days after placing a security freeze under subparagraph (A), a consumer reporting agency shall—

“(i) send confirmation of the placement to the protected consumer’s representative; and

“(ii) inform the protected consumer’s representative of the process by which the protected consumer may remove the security freeze, including a mechanism to authenticate the protected consumer’s representative.

“(C) CREATION OF FILE.—If a consumer reporting agency does not have a file pertaining to a protected consumer when the consumer reporting agency receives a direct request under subparagraph (A), the consumer reporting agency shall create a record for the protected consumer.

“(3) PROHIBITION ON RELEASE OF RECORD OR FILE OF PROTECTED

CONSUMER.—After a security freeze has been placed under paragraph (2)(A), and unless the security freeze is removed in accordance with this subsection, a consumer reporting agency may not release the protected consumer’s consumer report, any information derived from the protected consumer’s consumer report, or any record created for the protected consumer.

“(4) REMOVAL OF A PROTECTED CONSUMER SECURITY FREEZE.—

“(A) IN GENERAL.—A consumer reporting agency shall remove a security freeze placed on the consumer report of a protected consumer only in the following cases:

“(i) Upon the direct request of the protected consumer’s representative.

“(ii) Upon the direct request of the protected consumer, if the protected consumer is not under the age of 16 years at the time of the request.

“(iii) The security freeze was placed due to a material misrepresentation of fact by the protected consumer’s representative.

“(B) NOTICE IF REMOVAL NOT BY REQUEST.—If a consumer reporting agency removes a security freeze under subparagraph (A)(iii), the consumer reporting agency shall notify the protected consumer’s representative in writing prior to removing the security freeze.

“(C) REMOVAL OF FREEZE BY REQUEST.—Except as provided in subparagraph (A)(iii), a security freeze shall remain in place until a protected consumer’s representative or protected consumer described in subparagraph (A)(ii) directly requests that the security freeze be removed. Upon receiving a direct request from the protected consumer’s representative or protected consumer described in subparagraph (A)(ii) that a consumer reporting agency remove a security freeze, and upon receiving sufficient proof of identification and sufficient proof of authority, the consumer reporting agency shall, free of charge, remove the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 hour after receiving the request for removal; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request for removal.

“(D) TEMPORARY REMOVAL OF SECURITY FREEZE.—Upon receiving a direct request from a protected consumer or a protected consumer’s representative under subparagraph (A)(i), if the protected consumer or protected consumer’s representative requests a temporary removal of a security freeze, the consumer reporting agency shall, in accordance with subparagraph (C), remove the security freeze for the period of time specified by the protected consumer or protected consumer’s representative.”.

(b) Conforming Amendment.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1)) is amended—

(1) in subparagraph (H), by striking “or” at the end; and

(2) by adding at the end the following:

“(J) subsections (i) and (j) of section 605A relating to security freezes; or”.

(c) Effective Date.—The amendments made by this section shall take effect on the date that is 120 days after the date of enactment of this Act.

APPENDIX D – Illinois Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/1 et seq.) Section 2MM

(815 ILCS 505/2MM)

Sec. 2MM. Verification of accuracy of consumer reporting information used to extend consumers credit and security freeze on credit reports.

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

(b) Any person who uses a consumer credit report in connection with the approval of credit based on the application for an extension of credit, and who has received notification of a police report filed with a consumer reporting agency that the applicant has been a victim of financial identity theft, as defined in Section 16-30 or 16G-15 of the Criminal Code of 1961 or the Criminal Code of 2012, may not lend money or extend credit without taking reasonable steps to verify the consumer's identity and confirm that the application for an extension of credit is not the result of financial identity theft.

(c) A consumer may request that a security freeze be placed on his or her credit report by sending a request in writing by certified mail to a consumer reporting agency at an address designated by the consumer reporting agency to receive such requests.

The following persons may request that a security freeze be placed on the credit report of a person with a disability:

- (1) a guardian of the person with a disability who is the subject of the request, appointed under Article XIa of the Probate Act of 1975; and
- (2) an agent of the person with a disability who is the subject of the request, under a written durable power of attorney that complies with the Illinois Power of Attorney Act.

The following persons may request that a security freeze be placed on the credit report of a minor:

- (1) a guardian of the minor who is the subject of the request, appointed under Article XI of the Probate Act of 1975;
- (2) a parent of the minor who is the subject of the request; and
- (3) a guardian appointed under the Juvenile Court Act of 1987 for a minor under the age of 18 who is the subject of the request or, with a court order authorizing the guardian consent power, for a youth who is the subject of the request who has attained the age of 18, but who is under the age of 21.

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

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

- (1) a written request described in subsection (c);
- (2) proper identification; and
- (3) payment of a fee, if applicable.

(e) Upon placing the security freeze on the consumer's credit report, the consumer reporting agency shall send to the consumer within 10 business days a written confirmation of the placement of the security freeze and a unique personal identification number or password or similar device, other than the consumer's Social Security number, to be used by the consumer when providing authorization for the release of his or her credit report for a specific party or period of time.

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

- (1) Proper identification;
- (2) The unique personal identification number or password or similar device provided by the consumer reporting agency;
- (3) The proper information regarding the third party or time period for which the report shall be available to users of the credit report; and
- (4) A fee, if applicable.

A security freeze for a minor may not be temporarily lifted. This Section does not require a consumer reporting agency to provide to a minor or a parent or guardian of a minor on behalf of the minor a unique personal identification number, password, or similar device provided by the consumer reporting agency for the minor, or parent or guardian of the minor, to use to authorize the consumer reporting agency to release information from a minor.

(g) A consumer reporting agency shall develop a contact method to receive and process a request from a consumer to temporarily lift a freeze on a credit report pursuant to subsection (f) in an expedited manner.

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

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

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

- (1) upon consumer request, pursuant to subsection (f) or subsection (1) of this Section; or
- (2) if the consumer's credit report was frozen due to a material misrepresentation of fact by the consumer.

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

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

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

(l) A security freeze shall remain in place until the consumer or person authorized under subsection (c) to act on behalf of the minor or person with a disability who is the subject of the security freeze requests, using a point of contact designated by the consumer reporting agency, that the security freeze be removed. A credit reporting agency shall remove a security freeze within 3 business days of receiving a request for removal from the consumer, who provides:

(1) Proper identification;

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

(3) A fee, if applicable.

(m) A consumer reporting agency shall require proper identification of the person making a request to place or remove a security freeze and may require proper identification and proper authority from the person making the request to place or remove a freeze on behalf of the person with a disability or minor.

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

(1) A person or entity, or a subsidiary, affiliate, or agent of that person or entity, or an assignee of a financial obligation owing by the consumer to that person or entity, or a prospective assignee of a financial obligation owing by the consumer to that person or entity in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract, including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or negotiable instrument. For purposes of this subsection, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

(2) A subsidiary, affiliate, agent, assignee, or

prospective assignee of a person to whom access has been granted under subsection (f) of this Section for purposes of facilitating the extension of credit or other permissible use.

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

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

(5) The State or its agents or assigns acting to investigate fraud.

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

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

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

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

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

(n-5) This Section does not prevent a consumer reporting agency from charging a fee of no more than \$10 to a consumer for each freeze, removal, or temporary lift of the freeze, regarding access to a consumer credit report, except that a consumer reporting agency may not charge a fee to: (i) a consumer 65 years of age or over for placement and removal of a freeze; (ii) a victim of identity theft who has submitted to the consumer reporting agency a valid copy of a police report, investigative report, or complaint that the consumer has filed with a law enforcement agency about unlawful use of his or her personal information by another person; or (iii) an active duty military service member who has submitted to the consumer reporting agency a copy of his or her orders calling the service member to military service and any orders further extending the service member's period of service if currently active.

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

(p) The following entities are not required to place a security freeze in a consumer report, however, pursuant to paragraph (3) of this subsection, a consumer reporting agency

acting as a reseller shall honor any security freeze placed on a consumer credit report by another consumer reporting agency:

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

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

(3) A consumer reporting agency that:

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

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

(q) For purposes of this Section:

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

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

"Security 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 reporting agency from releasing the consumer's credit report or score relating to an extension of credit, without the express authorization of the consumer.

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

"Proper authority" means documentation that shows that a parent, guardian, or agent has authority to act on behalf of a minor or person with a disability. "Proper authority" includes (1) an order issued by a court of law that shows that a guardian has authority to act on behalf of a minor or person with a disability, (2) a written, notarized statement signed by a parent that expressly describes the authority of the parent to act on behalf of the minor, or (3) a durable power of attorney that complies with the Illinois Power of Attorney Act.

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

"Military service member" means a resident of Illinois who is a member of any component of the U.S. Armed Forces or the National Guard of any state, the District of Columbia, a

commonwealth, or a territory of the United States who has entered any full-time training or duty for which the service member was ordered to report by the President, the governor of a state, commonwealth, or territory of the United States, or another appropriate military authority.

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

(Source: P.A. 98-486, eff. 1-1-14; 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-373, eff. 1-1-16; 99-642, eff. 7-28-16.)

APPENDIX E – HB4095 – Credit Freeze – No Fee Allowed

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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 reporting
8 information used to extend consumers credit and security freeze
9 on credit reports.

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

17 (b) Any person who uses a consumer credit report in
18 connection with the approval of credit based on the application
19 for an extension of credit, and who has received notification
20 of a police report filed with a consumer reporting agency that
21 the applicant has been a victim of financial identity theft, as
22 defined in Section 16-30 or 16G-15 of the Criminal Code of 1961
23 or the Criminal Code of 2012, may not lend money or extend

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1 credit without taking reasonable steps to verify the consumer's
2 identity and confirm that the application for an extension of
3 credit is not the result of financial identity theft.

4 (c) A consumer may request that a security freeze be placed
5 on his or her credit report by sending a request in writing by
6 certified mail or by at least one of telephone or electronic
7 means to a consumer reporting agency at an address or telephone
8 or electronic location designated by the consumer reporting
9 agency to receive such requests.

10 The following persons may request that a security freeze be
11 placed on the credit report of a person with a disability:

12 (1) a guardian of the person with a disability who is
13 the subject of the request, appointed under Article XIa of
14 the Probate Act of 1975; and

15 (2) an agent of the person with a disability who is the
16 subject of the request, under a written durable power of
17 attorney that complies with the Illinois Power of Attorney
18 Act.

19 The following persons may request that a security freeze be
20 placed on the credit report of a minor:

21 (1) a guardian of the minor who is the subject of the
22 request, appointed under Article XI of the Probate Act of
23 1975;

24 (2) a parent of the minor who is the subject of the
25 request; and

26 (3) a guardian appointed under the Juvenile Court Act

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1 of 1987 for a minor under the age of 18 who is the subject
2 of the request or, with a court order authorizing the
3 guardian consent power, for a youth who is the subject of
4 the request who has attained the age of 18, but who is
5 under the age of 21.

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

9 (d) A consumer reporting agency shall place a security
10 freeze on a consumer's credit report no later than 5 business
11 days after receiving a written request from the consumer:

12 (1) a written request described in subsection (c); and

13 (2) proper identification. ~~and~~

14 ~~(3) payment of a fee, if applicable.~~

15 (e) Upon placing the security freeze on the consumer's
16 credit report, the consumer reporting agency shall send to the
17 consumer within 10 business days a written confirmation of the
18 placement of the security freeze and a unique personal
19 identification number or password or similar device, other than
20 the consumer's Social Security number, to be used by the
21 consumer when providing authorization for the release of his or
22 her credit report for a specific party or period of time.

23 (f) If the consumer wishes to allow his or her credit
24 report to be accessed for a specific party or period of time
25 while a freeze is in place, he or she shall contact the
26 consumer reporting agency using a point of contact designated

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1 by the consumer reporting agency, request that the freeze be
2 temporarily lifted, and provide the following:
3 (1) proper identification;
4 (2) the unique personal identification number or
5 password or similar device provided by the consumer
6 reporting agency; and
7 (3) the proper information regarding the third party or
8 time period for which the report shall be available to
9 users of the credit report, ~~and~~
10 ~~(4) A fee, if applicable.~~

11 A security freeze for a minor may not be temporarily
12 lifted. This Section does not require a consumer reporting
13 agency to provide to a minor or a parent or guardian of a minor
14 on behalf of the minor a unique personal identification number,
15 password, or similar device provided by the consumer reporting
16 agency for the minor, or parent or guardian of the minor, to
17 use to authorize the consumer reporting agency to release
18 information from a minor.

19 (g) A consumer reporting agency shall develop a contact
20 method to receive and process a request from a consumer to
21 temporarily lift a freeze on a credit report pursuant to
22 subsection (f) in an expedited manner.

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

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

5 (i) A consumer reporting agency shall remove or temporarily

6 lift a freeze placed on a consumer's credit report only in the
7 following cases:

8 (1) upon consumer request, pursuant to subsection (f)
9 or subsection (1) of this Section; or

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

12 If a consumer reporting agency intends to remove a freeze
13 upon a consumer's credit report pursuant to this subsection,
14 the consumer reporting agency shall notify the consumer in
15 writing prior to removing the freeze on the consumer's credit
16 report.

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

23 (k) If a consumer requests a security freeze, the credit
24 reporting agency shall disclose to the consumer the process of
25 placing and temporarily lifting a security freeze, and the
26 process for allowing access to information from the consumer's

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1 credit report for a specific party or period of time while the
2 freeze is in place.

3 (1) A security freeze shall remain in place until the
4 consumer or person authorized under subsection (c) to act on
5 behalf of the minor or person with a disability who is the
6 subject of the security freeze requests, using a point of
7 contact designated by the consumer reporting agency, that the
8 security freeze be removed. A credit reporting agency shall
9 remove a security freeze within 3 business days of receiving a
10 request for removal from the consumer, who provides:

11 (1) proper identification; and

12 (2) the unique personal identification number or
13 password or similar device provided by the consumer
14 reporting agency. ~~and~~

15 ~~(3) A fee, if applicable.~~

16 (m) A consumer reporting agency shall require proper
17 identification of the person making a request to place or
18 remove a security freeze and may require proper identification
19 and proper authority from the person making the request to

20 place or remove a freeze on behalf of the person with a
21 disability or minor.

22 (n) The provisions of subsections (c) through (m) of this
23 Section do not apply to the use of a consumer credit report by
24 any of the following:

25 (1) A person or entity, or a subsidiary, affiliate, or
26 agent of that person or entity, or an assignee of a

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

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

20 (3) Any state or local agency, law enforcement agency,
21 trial court, or private collection agency acting pursuant
22 to a court order, warrant, or subpoena.

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

25 (5) The State or its agents or assigns acting to
26 investigate fraud.

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1 (6) The Department of Revenue or its agents or assigns

2 acting to investigate or collect delinquent taxes or unpaid
3 court orders or to fulfill any of its other statutory
4 responsibilities.

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

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

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

14 (10) Any person using the information in connection
15 with the underwriting of insurance.

16 (n-5) A consumer reporting agency may not impose a charge
17 on a consumer for placing a freeze, removing a freeze, or
18 temporarily lifting a freeze. This Section does not prevent a
19 consumer reporting agency from charging a fee of no more than
20 \$10 to a consumer for each freeze, removal, or temporary lift
21 of the freeze, regarding access to a consumer credit report,
22 except that a consumer reporting agency may not charge a fee
23 to: (i) a consumer 65 years of age or over for placement and
24 removal of a freeze; (ii) a victim of identity theft who has
25 submitted to the consumer reporting agency a valid copy of a
26 police report, investigative report, or complaint that the

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1 ~~consumer has filed with a law enforcement agency about unlawful~~
2 ~~use of his or her personal information by another person; or~~
3 ~~(iii) an active duty military service member who has submitted~~
4 ~~to the consumer reporting agency a copy of his or her orders~~
5 ~~calling the service member to military service and any orders~~
6 ~~further extending the service member's period of service if~~
7 ~~currently active.~~

8 (o) If a security freeze is in place, a consumer reporting
9 agency shall not change any of the following official
10 information in a credit report without sending a written
11 confirmation of the change to the consumer within 30 days of
12 the change being posted to the consumer's file: (i) name, (ii)
13 date of birth, (iii) Social Security number, and (iv) address.
14 Written confirmation is not required for technical

15 modifications of a consumer's official information, including
16 name and street abbreviations, complete spellings, or
17 transposition of numbers or letters. In the case of an address
18 change, the written confirmation shall be sent to both the new
19 address and to the former address.

20 (p) The following entities are not required to place a
21 security freeze in a consumer report, however, pursuant to
22 paragraph (3) of this subsection, a consumer reporting agency
23 acting as a reseller shall honor any security freeze placed on
24 a consumer credit report by another consumer reporting agency:

25 (1) A check services or fraud prevention services
26 company, which issues reports on incidents of fraud or

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1 authorizations for the purpose of approving or processing
2 negotiable instruments, electronic funds transfers, or
3 similar methods of payment.

4 (2) A deposit account information service company,
5 which issues reports regarding account closures due to
6 fraud, substantial overdrafts, ATM abuse, or similar
7 negative information regarding a consumer to inquiring
8 banks or other financial institutions for use only in
9 reviewing a consumer request for a deposit account at the
10 inquiring bank or financial institution.

11 (3) A consumer reporting agency that:

12 (A) acts only to resell credit information by
13 assembling and merging information contained in a
14 database of one or more consumer reporting agencies;
15 and

16 (B) does not maintain a permanent database of
17 credit information from which new credit reports are
18 produced.

19 (q) For purposes of this Section:

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

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

24 "Security freeze" means a notice placed in a consumer's
25 credit report, at the request of the consumer and subject to
26 certain exceptions, that prohibits the consumer reporting

1 agency from releasing the consumer's credit report or score
2 relating to an extension of credit, without the express
3 authorization of the consumer.

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

8 "Proper authority" means documentation that shows that a
9 parent, guardian, or agent has authority to act on behalf of a
10 minor or person with a disability. "Proper authority" includes
11 (1) an order issued by a court of law that shows that a
12 guardian has authority to act on behalf of a minor or person
13 with a disability, (2) a written, notarized statement signed by
14 a parent that expressly describes the authority of the parent
15 to act on behalf of the minor, or (3) a durable power of
16 attorney that complies with the Illinois Power of Attorney Act.

17 "Proper identification" means information generally deemed
18 sufficient to identify a person. Only if the consumer is unable
19 to reasonably identify himself or herself with the information
20 described above, may a consumer reporting agency require
21 additional information concerning the consumer's employment
22 and personal or family history in order to verify his or her
23 identity.

24 ~~"Military service member" means a resident of Illinois who~~
25 ~~is a member of any component of the U.S. Armed Forces or the~~
26 ~~National Guard of any state, the District of Columbia, a~~

1 ~~commonwealth, or a territory of the United States who has~~
2 ~~entered any full time training or duty for which the service~~
3 ~~member was ordered to report by the President, the governor of~~
4 ~~a state, commonwealth, or territory of the United States, or~~
5 ~~another appropriate military authority.~~

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

8 (Source: P.A. 98-486, eff. 1-1-14; 98-756, eff. 7-16-14;
9 99-143, eff. 7-27-15; 99-373, eff. 1-1-16; 99-642, eff.

10 7-28-16.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.