

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

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

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

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.

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

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

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.

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~~



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

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.