

# HB0586



## 102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0586

Introduced 2/8/2021, by Rep. Janet Yang Rohr

### SYNOPSIS AS INTRODUCED:

815 ILCS 505/2MM

Amends the Consumer Fraud and Deceptive Business Practices Act. Permits a minor's parent or guardian to request that a security freeze be placed on the minor's credit file. Requires the security freeze request to be in writing and include (i) certain information about the parent or guardian making the request and (ii) certain information on the minor who is the subject of the security freeze request. Provides that a security freeze on a credit file for a minor may not be temporarily lifted. Defines "credit file".

LRB102 03845 KTG 13859 b

A BILL FOR

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  
9 freeze on credit reports.

10 (a) A credit card issuer who mails an offer or  
11 solicitation to apply for a credit card and who receives a  
12 completed application in response to the offer or solicitation  
13 which lists an address that is not substantially the same as  
14 the address on the offer or solicitation may not issue a credit  
15 card based on that application until reasonable steps have  
16 been 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  
19 application for an extension of credit, and who has received  
20 notification of a police report filed with a consumer  
21 reporting agency that the applicant has been a victim of  
22 financial identity theft, as defined in Section 16-30 or  
23 16G-15 of the Criminal Code of 1961 or the Criminal Code of

1 2012, may not lend money or extend credit without taking  
2 reasonable steps to verify the consumer's identity and confirm  
3 that the application for an extension of credit is not the  
4 result of financial identity theft.

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

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

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

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

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

22 (1) a guardian of the minor who is the subject of the  
23 request, appointed under Article XI of the Probate Act of  
24 1975;

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

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

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

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

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

14                 (2) proper identification.

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  
20          than the consumer's Social Security number, to be used by the  
21          consumer when providing authorization for the release of his  
22          or 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  
8 or time period for which the report shall be available to  
9 users of the credit report.

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

18 (f-5) The following persons may request that a security  
19 freeze be placed on the credit file of a minor:

20 (1) a parent of the minor who is the subject of the  
21 request;

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

25 (3) a guardian, appointed under the Juvenile Court Act  
26 of 1987, of a minor under the age of 18 who is the subject

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

5 (f-10) A request under subsection (f-5) must be in writing  
6 and must contain:

7 (1) The following information with respect to the  
8 parent or guardian:

9 (A) complete name, including any suffix;

10 (B) a complete address;

11 (C) a copy of the person's social security card or  
12 a certified or official copy of the person's birth  
13 certificate; and

14 (D) a copy of the person's driver's license,  
15 identification card issued by the Secretary of State  
16 or any other government-issued identification, or a  
17 copy of a utility bill that shows name and home  
18 address.

19 (2) The following information with respect to the  
20 protected consumer or minor who is the subject of the  
21 freeze:

22 (A) complete name, including any suffix;

23 (B) a complete address;

24 (C) a copy of a social security card;

25 (D) for a minor, a certified or official copy of  
26 the minor's birth certificate; and

1           (E) for a person under guardianship or power of  
2           attorney, an order issued by a court of law, a lawfully  
3           executed and valid power of attorney, or a written,  
4           signed, and notarized statement that expressly  
5           describes the authority of the person making the  
6           request to act on behalf of the protected consumer.

7           A security freeze on a credit file for a minor may not be  
8           temporarily lifted.

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

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

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

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

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

26                 (2) if the consumer's credit report was frozen due to

1 a material misrepresentation of fact by the consumer.

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

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

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

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



1 (1) proper identification; and

2 (2) the unique personal identification number or  
3 password or similar device provided by the consumer  
4 reporting agency.

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

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

14 (1) A person or entity, or a subsidiary, affiliate, or  
15 agent of that person or entity, or an assignee of a  
16 financial obligation owing by the consumer to that person  
17 or entity, or a prospective assignee of a financial  
18 obligation owing by the consumer to that person or entity  
19 in conjunction with the proposed purchase of the financial  
20 obligation, with which the consumer has or had prior to  
21 assignment an account or contract, including a demand  
22 deposit account, or to whom the consumer issued a  
23 negotiable instrument, for the purposes of reviewing the  
24 account or collecting the financial obligation owing for  
25 the account, contract, or negotiable instrument. For  
26 purposes of this subsection, "reviewing the account"

1 includes activities related to account maintenance,  
2 monitoring, credit line increases, and account upgrades  
3 and enhancements.

4 (2) A subsidiary, affiliate, agent, assignee, or  
5 prospective assignee of a person to whom access has been  
6 granted under subsection (f) of this Section for purposes  
7 of facilitating the extension of credit or other  
8 permissible use.

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

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

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

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

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

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

26 (9) Any person or entity for the purpose of providing

1 a consumer with a copy of his or her credit report or score  
2 upon the consumer's request.

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

5 (n-5) A consumer reporting agency may not impose a charge  
6 on a consumer for placing a freeze, removing a freeze, or  
7 temporarily lifting a freeze.

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 file" has the same meaning as provided for "file"  
21 in 15 U.S.C. 1681a(g).

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

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

26 "Security freeze" means a notice placed in a consumer's

1 credit report, at the request of the consumer and subject to  
2 certain exceptions, that prohibits the consumer reporting  
3 agency from releasing the consumer's credit report or score  
4 relating to an extension of credit, without the express  
5 authorization of the consumer.

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

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

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

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

3           (Source: P.A. 99-143, eff. 7-27-15; 99-373, eff. 1-1-16;  
4 99-642, eff. 7-28-16; 100-589, eff. 6-8-18.)