

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 to a consumer reporting agency at an address  
7 designated by the consumer reporting agency to receive such  
8 requests.

9 The following persons may request that a security freeze be  
10 placed on the credit report of a disabled person:

11 (1) a guardian of the disabled person that is the  
12 subject of the request, appointed under Article XIa of the  
13 Probate Act of 1975; and

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

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

19 (1) a guardian of the minor that is the subject of the  
20 request, appointed under Article XI of the Probate Act of  
21 1975; and

22 (2) a parent of the minor that is the subject of the  
23 request.

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

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

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

5 (2) proper identification; and

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

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

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

21 (1) Proper identification;

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

25 (3) The proper information regarding the third party or  
26 time period for which the report shall be available to

1 users of the credit report; and

2 (4) A fee, if applicable.

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

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

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

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

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

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

1 or subsection (1) of this Section; or

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

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

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

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

21 (l) A security freeze shall remain in place until the  
22 consumer or person authorized under subsection (c) to act on  
23 behalf of the minor or disabled person that is the subject of  
24 the security freeze requests, using a point of contact  
25 designated by the consumer reporting agency, that the security  
26 freeze be removed. A credit reporting agency shall remove a

1 security freeze within 3 business days of receiving a request  
2 for removal from the consumer, who provides:

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) A fee, if applicable.

8 (m) A consumer reporting agency shall require proper  
9 identification of the person making a request to place or  
10 remove a security freeze and may require proper identification  
11 and proper authority from the person making the request to  
12 place or remove a freeze on behalf of the disabled person or  
13 minor.

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

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

1 account or collecting the financial obligation owing for  
2 the account, contract, or negotiable instrument. For  
3 purposes of this subsection, "reviewing the account"  
4 includes activities related to account maintenance,  
5 monitoring, credit line increases, and account upgrades  
6 and enhancements.

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

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

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

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

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

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

26 (8) Any person or entity administering a credit file

1 monitoring subscription or similar service to which the  
2 consumer has subscribed.

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

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

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

19 (o) If a security freeze is in place, a consumer reporting  
20 agency shall not change any of the following official  
21 information in a credit report without sending a written  
22 confirmation of the change to the consumer within 30 days of  
23 the change being posted to the consumer's file: (i) name, (ii)  
24 date of birth, (iii) Social Security number, and (iv) address.  
25 Written confirmation is not required for technical  
26 modifications of a consumer's official information, including



1 name and street abbreviations, complete spellings, or  
2 transposition of numbers or letters. In the case of an address  
3 change, the written confirmation shall be sent to both the new  
4 address and to the former address.

5 (p) The following entities are not required to place a  
6 security freeze in a consumer report, however, pursuant to  
7 paragraph (3) of this subsection, a consumer reporting agency  
8 acting as a reseller shall honor any security freeze placed on  
9 a consumer credit report by another consumer reporting agency:

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

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

22 (3) A consumer reporting agency that:

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

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

4 (q) For purposes of this Section:

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

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

9 "Security freeze" means a notice placed in a consumer's  
10 credit report, at the request of the consumer and subject to  
11 certain exceptions, that prohibits the consumer reporting  
12 agency from releasing the consumer's credit report or score  
13 relating to an extension of credit, without the express  
14 authorization of the consumer.

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

19 "Proper authority" means documentation that shows that a  
20 parent, guardian, or agent has authority to act on behalf of a  
21 minor or disabled person. "Proper authority" includes (1) an  
22 order issued by a court of law that shows that a guardian has  
23 authority to act on behalf of a minor or disabled person, (2) a  
24 written, notarized statement signed by a parent that expressly  
25 describes the authority of the parent to act on behalf of the  
26 minor, or (3) a durable power of attorney that complies with

1 the Illinois Power of Attorney Act.

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

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

11 (Source: P.A. 97-597, eff. 1-1-12; 97-1150, eff. 1-25-13.)