

March 26, 2009

S 1017. ENHANCE PROTECTIONS AGAINST IDENTITY THEFT. Filed 3/25/09. *TO ENHANCE PROTECTIONS AGAINST IDENTITY THEFT; AND TO PROTECT THE CREDIT OF CRIME VICTIMS DURING THE PENDENCY OF CRIME VICTIMS COMPENSATION FUND APPLICATIONS AND APPEALS.*

Amends GS 75-63 (security freeze), subsection (a), by expanding the methods by which a consumer may request a security freeze and providing that although a consumer reporting agency may report a security freeze to a third party, the agency may not state or imply that the freeze reflects a negative credit score, history, report, or rating. Enacts subsection (a1) requiring consumer reporting agencies to create and maintain a shared Web site and toll-free number for use by consumers to request security freezes and actions related to security freezes. Makes other changes and additions to GS 75-63, including shortening the time in which a reporting agency must place a surety freeze on a consumer's credit report and send confirmation of securities freezes to consumers, changing the provision on fees applicable to imposing or lifting security freezes, and allowing a parent or guardian to request a credit report for their minor, modifying the notice summarizing rights that must be provided to consumers. Amends GS 75-65 (protection from security breaches) modifying the requirements for notice of security breaches and adding a requirement that when a business provides notice under the section, it shall also provide specified notice to the Consumer Protection Division. Amends GS 132-1.10 (Social Security numbers and other personal identifying information), adding a new subsection (e1) providing that registers of deeds and clerks of court must apply optical character recognition technology and other reasonably available technology to official records placed on Internet Web sites available to the general public in order to identify and redact Social Security and driver's license numbers. Amends subsection (h) to provide that the limitation of liability does not apply to failures to comply with subsection (e1). Amends and creates new definitions in GS 15B-2. Enacts GS 15B-26 to provide that a creditor that is owed money for services provided to a victim as a result of the criminally injurious conduct inflicted on the victim may not communicate any information about the debt to a consumer reporting agency during the pendency of an application for an award under GS 15B-7 or during the pendency of an appeal from a decision related to such an application. Enacts a new Article 6, entitled Credit Monitoring Services Act, in GS Chapter 75. Requires credit monitoring services to provide specified disclosure to consumers before charging or collecting any fee or compensation from a consumer for the obtaining, providing, or monitoring of the consumer's credit report on behalf of the consumer. Violations constitute violations of GS 75-1.1 (unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce). Defines relevant terms. Effective October 1, 2009.

Intro. by Stein.

GS 15B, 75, 132

May 12, 2009

S 1017. ENHANCE PROTECTIONS AGAINST IDENTITY THEFT. Filed 3/25/09. Senate committee substitute makes the following changes to 1st edition. Modifies and adds provisions in GS 75-63 pertaining to a consumer's request to allow temporary access to the consumer's credit report during a credit freeze. Makes conforming and clarifying changes. Adds a provision to GS 132-1.10, effective when the bill becomes law, allowing registers of deeds and clerks of court to remove information providing an individual's social security number, employer taxpayer identification, drivers license, state identification, passport, checking account, savings account, credit card, debit card number, date of birth, or PIN code or passwords contained in records being posted to the Internet. Effective July 1, 2011, modifies the provision in that section pertaining to use of optical character recognition and other technology by registers of deeds and clerks of court and limits the liability of registers of deeds and clerks when they comply with the provision. Modifies definitions of *consumer reporting agency* and *credit report* in GS 15B-2, and of *consumer report* in GS 75-124. Provides that certain entities are deemed in compliance with the statute if they provide to the consumer a description of the right to a free credit report and how to obtain the report in proposed GS 75-124(d). Makes technical changes.

July 8, 2009

S 1017. ENHANCE PROTECTIONS AGAINST IDENTITY THEFT. Filed 3/25/09. House committee substitute makes the following changes to 2nd edition.

Security freeze request to multiple consumer reporting agencies. Previous versions of the bill required that consumer reporting agencies create a joint system whereby a request to one agency for the placement of a freeze would be communicated to all agencies and the freeze request provisions of the bill would be equally applicable to all agencies. Committee substitute provides instead that when a consumer makes a security freeze request to one agency, that agency must send a notice to the consumer informing the consumer that the request is applicable only to that agency and providing the consumer with contact information for requesting other agencies to institute a freeze.

Instituting the freeze. Previous versions of the bill required that consumer reporting agencies institute a freeze within 15 minutes of receiving a request electronically or by telephone. Committee substitute changes that time to 24 hours.

Temporary lifting of freeze. Deletes the provision that required each agency to communicate to other agencies a request received for a temporary lifting of a freeze.

Removing of freeze. Prior versions specified that a request for removal of a freeze must be met within three days of receipt by mail and 15 minutes of receipt electronically or by mail, but removed from the statute a statement of required information that must be provided with the request for removal. Committee substitute reinstates the requirement for information but provides that all requests meeting that information requirement must be met within 15 minutes.

Exceptions. Adds new GS 75-63(g1), setting out a set of circumstances under which agencies need not meet the requirements of the act, including failure by consumer to provide required information in the request or inability of the agency to meet the request due to (1) an act of God; (2) unauthorized or illegal acts by third parties, including terrorism; (3) operational interruption due to hardware or software failure or unanticipated delay in equipment or part delivery or similar disruption; (4) governmental orders or regulations or judicial or law enforcement action; (5) regularly scheduled maintenance outside of normal business hours or updates to the system; (6) commercially reasonable maintenance or repair that is unexpected or unscheduled; and (7) requests that come outside normal business hours.

Exemptions. Adds a provision exempting from the act's provisions the furnishing of information for tenant screening pursuant to a cited federal statute or for criminal background record information.

Minors. Previous versions of the bill provided that parents could inquire of the existence of credit reports on minors and request security freezes. Committee substitute (1) specifies that the minor must be a North Carolina resident; (2) requires that the parents provide proof of identity and of their relationship to the minor; and (3) provides that upon a parental request, the agency is to make reasonable efforts to prevent providing a credit report on the minor until the minor reaches the age of majority.

Clerks of Court/Registers of Deeds. Previous versions of the bill provided that the clerk of court or register of deeds could remove from official records a person's Social Security number, drivers license number, employer taxpayer identification number, state identification number, checking account number, savings account number, credit card number, debit card number, date of birth, personal identification numbers, or passwords. Committee substitute limits the provision to Social Security and driver's license numbers. Also removes special effective dates applicable to these provisions and adds a provision directing the Conference of Clerks of Superior Court, in consultation with the registers of deeds, to report on the implementation of these provisions.

Credit monitoring services. Previous versions of the bill required that credit monitoring services must provide to consumers a notice whose specific wording was set out in the bill. Deletes the specific wording and specifies that such services must provide a clear and conspicuous written description of the consumer's right under federal law to receive a free credit report and how to obtain a report.

July 9, 2009

S 1017. ENHANCE PROTECTIONS AGAINST IDENTITY THEFT. Filed 3/25/09. House committee substitute makes the following changes to 3rd edition. Amends GS 75-63 to: (1)

specify that a consumer reporting agency must remove a security freeze within 3 business days if it receives a written or telephonic request for removal from the consumer, (2) require a consumer reporting agency to *place* a freeze on a consumer's credit report in specified circumstances, and (3) make technical changes.

Amends proposed new GS 75-124 to specify that the definition of credit monitoring service does not include certain activities of a consumer reporting agency. Provides that none of the excluded activities exempts a consumer reporting agency from the duty to provide the notice required under proposed GS 75-125 where the sale of a credit monitoring service occurs as a result of an offer for the credit monitoring service made at a time during communications involving certain specified activities.

Amends proposed new GS 75-125 to: (1) specify that notice of a consumer's rights under the federal Fair Credit Reporting Act to receive one free credit report per year must be provided if the credit monitoring service is offered and fees are collected during a telephone call, (2) provide that the Attorney General has exclusive enforcement authority with respect to ensuring compliance with the requirement that the notice be clear and conspicuous, and (3) make technical changes.

July 13, 2009

S 1017. ENHANCE PROTECTIONS AGAINST IDENTITY THEFT. Filed 3/25/09. House amendments make the following changes to 4th edition. Amendment #1 renumbers proposed new Article 6 of GS Chapter 75 as new Article 7 (Credit Monitoring Services Act), which includes proposed GS 75-133 through GS 75-135 (was, GS 75-123 through GS 75-125).

Amendment #2 makes a technical correction to proposed amended GS 75-63(g). Also adds in proposed GS 75-63(g1) that a consumer reporting agency need not meet the time requirements in the statute, only for such time as the occurrences prevent compliance, if the consumer reporting agency's ability to place a security freeze is prevented by any of the specified occurrences.

July 27, 2009

SL 2009-355 (S 1017). ENHANCE PROTECTIONS AGAINST IDENTITY THEFT. AN ACT TO ENHANCE PROTECTIONS AGAINST IDENTITY THEFT AND TO PROTECT THE CREDIT OF CRIME VICTIMS DURING THE PENDENCY OF CRIME VICTIMS COMPENSATION FUND APPLICATIONS AND APPEALS. Summarized in *Daily Bulletin* 3/26/09, 5/12/09, 7/8/09, 7/9/09, and 7/13/09. Enacted July 27, 2009. Effective October 1, 2009.