

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 607

Short Title: Allow Protected Consumer Security Freezes. (Public)

Sponsors: Representatives Meyer and Hardister (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Banking, if favorable, Judiciary I.

April 13, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE PLACEMENT OF A PROTECTED CONSUMER
3 SECURITY FREEZE ON A PROTECTED CONSUMER'S CREDIT REPORT.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 75-61 reads as rewritten:

6 "§ 75-61. Definitions.

7 The following definitions apply in this Article:

8 ...

9 (11a) "Protected Consumer". – An individual (i) who is under the age of 16 at the
10 time a request for the placement of a security freeze is made pursuant to
11 G.S. 75-63.1 or (ii) who is incapacitated or for whom a guardian or guardian
12 ad litem has been appointed.

13 (11b) "Protected Consumer Security Freeze". – A security freeze placed on a
14 protected consumer's credit report or on a protected consumer's file pursuant
15 to G.S. 75-63.1.

16 (11c) "Protected Consumer's File". – A record that (i) identifies a protected
17 consumer; (ii) is created by a consumer reporting agency solely for the
18 purpose of complying with the requirements of G.S. 75-63.1; and (iii) may
19 not be created or used to consider the protected consumer's credit
20 worthiness, credit standing, credit capacity, character, general reputation,
21 personal characteristics, or mode of living.

22 ...

23 (13a) "Representative". – A person who provides to a consumer reporting agency
24 sufficient proof of authority to act on behalf of a protected consumer.

25 ...

26 (16) "Sufficient Proof of Authority". – Either of the following:

27 a. A certified or official copy of the protected consumer's birth
28 certificate, if the representative is a parent of the protected consumer.

29 b. Documentation that shows that a representative has authority to act
30 on behalf of a protected consumer, including:

31 1. An order issued by a court of law.

32 2. A valid power of attorney.

33 3. A written, notarized statement signed by the person that
34 expressly describes the authority of the representative to act
35 on behalf of a protected consumer.



- 1 (17) "Sufficient Proof of Identification". – Information or documentation that
2 identifies a protected consumer or representative, including:
3 a. A Social Security number or a copy of a Social Security card issued
4 by the Social Security Administration.
5 b. A certified or official copy of a birth certificate issued by the entity
6 authorized to issue the birth certificate.
7 c. A copy of a drivers license, an identification card issued by the
8 Division of Motor Vehicles, or any other government-issued
9 identification.
10 d. A copy of a bill, including a bill for telephone, sewer, septic tank,
11 water, electric, oil, or natural gas services, that shows a name and
12 home address."

13 **SECTION 2.** Article 2A of Chapter 75 of the General Statutes is amended by
14 adding a new section to read:

15 **"§ 75-63.1. Security freeze for protected consumers.**

16 (a) Obligation to Place Security Freeze. – A consumer reporting agency shall place a
17 protected consumer security freeze on the protected consumer's credit report or on the protected
18 consumer's file in accordance with subsection (b) of this section within 30 days of all of the
19 following conditions being satisfied:

- 20 (1) The consumer reporting agency receives a request under this section from
21 the protected consumer's representative for the placement of the protected
22 consumer security freeze.
23 (2) The protected consumer's representative does all of the following:
24 a. Submits the request to the consumer reporting agency at the address
25 or other point of contact and in the manner specified by the consumer
26 reporting agency.
27 b. Provides to the consumer reporting agency sufficient proof of
28 identification for both the protected consumer and the representative.
29 c. Provides to the consumer reporting agency sufficient proof of
30 authority to act on behalf of the protected consumer.
31 d. Pays to the consumer reporting agency a fee as provided in
32 subsection (d) of this section.

33 (b) Action Required. – If the placement of a protected consumer security freeze is
34 required under subsection (a) of this section, a consumer reporting agency shall do one of the
35 following, as applicable:

- 36 (1) If no consumer report exists. – If the consumer reporting agency does not
37 have a consumer report pertaining to the protected consumer, the consumer
38 reporting agency shall create a protected consumer's file and place a
39 restriction in the protected consumer's file that prohibits the release of the
40 protected consumer's file, any consumer report subsequently created for the
41 consumer, and any information contained in either document except as
42 provided in this section.
43 (2) If a consumer report exists. – If the consumer reporting agency has a
44 consumer report pertaining to the protected consumer, the consumer
45 reporting agency shall place a restriction on the report that prohibits the
46 release of the consumer report and any information contained in the report
47 except as provided in this section.

48 (c) Duration of Freeze. – A protected consumer security freeze shall remain in effect
49 until one of the following occurs, in which case the protected consumer security freeze shall be
50 removed within 30 days:

- 1 (1) The protected consumer or the protected consumer's representative requests
2 the consumer reporting agency to remove the protected consumer security
3 freeze by doing all of the following:
4 a. Submitting a request for the removal of the protected consumer
5 security freeze to the consumer reporting agency at the address or
6 other point of contact and in the manner specified by the consumer
7 reporting agency.
8 b. If the request is being made by the protected consumer, providing to
9 the consumer reporting agency (i) proof that the sufficient proof of
10 authority for the protected consumer's representative is no longer
11 valid and (ii) sufficient proof of identification for the protected
12 consumer.
13 c. If the request is being made by the representative of a protected
14 consumer, providing to the consumer reporting agency (i) sufficient
15 proof of identification of the protected consumer and the
16 representative and (ii) sufficient proof of authority to act on behalf of
17 the protected consumer.
18 d. Providing to the consumer reporting agency a fee as provided in
19 subsection (d) of this section.
20 (2) The consumer reporting agency determines that the protected consumer
21 security freeze was placed based on a material misrepresentation of fact by
22 the protected consumer or the protected consumer's representative.
23 (d) Fees. – A consumer reporting agency may charge a reasonable fee for each
24 placement or removal of a protected consumer security freeze in accordance with the following:
25 (1) Fee allowed in certain cases. – If a request for placement or removal of a
26 protected consumer security freeze is made by telephone or by mail, a
27 consumer reporting agency may charge a fee to a consumer not to exceed
28 three dollars (\$3.00).
29 (2) No fee allowed in certain cases. – A fee may not be charged for the
30 placement or removal of a protected consumer security freeze under this
31 section if any of the following conditions are satisfied:
32 a. The protected consumer's representative has obtained a report of
33 alleged identity theft or identity fraud against the protected consumer
34 and provides a copy of the report to the consumer reporting agency.
35 b. A request for placement or removal of a protected consumer security
36 freeze is for a protected consumer who is under the age of 16 at the
37 time of the request and the consumer reporting agency has a
38 consumer report pertaining to the protected consumer.
39 c. A request for placement or removal of a protected consumer security
40 freeze is made electronically.
41 d. The protected consumer is over the age of 62.
42 (3) No other fees allowed. – No fee other than those authorized under this
43 subsection may be charged for placement or removal of a protected
44 consumer security freeze.
45 (e) Exceptions. – Notwithstanding subsection (b) of this section, the placement of a
46 protected consumer security freeze shall not prohibit the release of a protected consumer's
47 consumer report, protected consumer's file, or any information contained in these documents to
48 any of the following:
49 (1) The protected consumer when the protected consumer has subscribed to a
50 credit reporting service, as that term is defined in G.S. 75-134.

1 (2) A representative of the protected consumer when the representative has
2 subscribed on behalf of the consumer to a credit reporting service, as that
3 term is defined in G.S. 75-134.

4 (3) A person providing the protected consumer or the protected consumer's
5 representative with a copy of the protected consumer's consumer report or
6 protected consumer's file at the request of the protected consumer or the
7 protected consumer's representative.

8 (f) Violation. – A violation of this section is a violation of G.S. 75-1.1."

9 **SECTION 3.** G.S. 130A-101 is amended by adding a new subsection to read:

10 "(h) When a birth occurs, the person responsible for preparing the birth certificate under
11 this section shall provide the mother with information about how to request a protected
12 consumer security freeze for the child under G.S. 75-63.1 and the potential benefits of doing
13 so."

14 **SECTION 4.** This act becomes effective October 1, 2015.