



1           respect to written disclosure by a consumer  
2           reporting agency of procedures and consumer  
3           rights associated with a security freeze;  
4           providing an effective date.  
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6 Be It Enacted by the Legislature of the State of Florida:  
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8           Section 1. Section 501.005, Florida Statutes, is  
9 created to read:

10           501.005 Consumer report security freeze.--

11           (1) For purposes of this section, a "security freeze"  
12 means a notice placed in a consumer report which prohibits a  
13 consumer reporting agency, as defined in 15 U.S.C. s.  
14 1681a(f), from releasing the consumer report, credit score, or  
15 any information relating to the extension of credit which is  
16 contained within the consumer report to a third party without  
17 the express authorization of the consumer. This section does  
18 not prevent a consumer reporting agency from advising a third  
19 party that a security freeze is in effect with respect to the  
20 consumer report. For purposes of this part, the term "consumer  
21 report" has the same meaning set forth in 15 U.S.C. s.  
22 1681a(d).

23           (2) A consumer may place a security freeze on his or  
24 her consumer report by:

25           1. Making a request in writing by certified mail to a  
26 consumer reporting agency;

27           2. Including information that properly identifies the  
28 consumer; and

29           3. Paying a fee authorized under this section.  
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1           (3) A consumer reporting agency shall place a security  
2 freeze on a consumer report no later than 5 business days  
3 after receiving a request from the consumer.

4           (4) The consumer reporting agency shall send a written  
5 confirmation of the security freeze to the consumer within 10  
6 business days after instituting the security freeze and shall  
7 provide the consumer with a unique personal identification  
8 number or password to be used by the consumer when providing  
9 authorization for the removal of a security freeze on his or  
10 her consumer report pursuant to subsection (5) or subsection  
11 (11).

12           (5) A consumer may allow his or her consumer report to  
13 be accessed for a designated period of time while a security  
14 freeze is in effect by contacting the consumer reporting  
15 agency and requesting that the freeze be temporarily lifted.  
16 The consumer must provide the following information to the  
17 consumer reporting agency as part of the request:

18           (a) Proper identification as determined by the  
19 consumer reporting agency.

20           (b) The unique personal identification number or  
21 password provided by the consumer reporting agency pursuant to  
22 subsection (4).

23           (c) Information specifying the period of time for  
24 which the report shall be made available.

25           (d) Payment of a fee authorized by this section.

26           (6) A consumer reporting agency that receives a  
27 request from a consumer to temporarily lift a freeze on a  
28 consumer report pursuant to subsection (5) shall comply with  
29 the request no later than 3 business days after receiving the  
30 request.

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1           (7) A consumer reporting agency doing business in this  
2 state shall develop telephonic communication or any form of  
3 secure electronic media to receive and process a request from  
4 a consumer pursuant to subsection (5).

5           (8) A consumer reporting agency shall temporarily lift  
6 or remove a security freeze placed on a consumer report only  
7 in the following instances:

8           (a) Upon consumer request, pursuant to subsection (5)  
9 or subsection (11).

10           (b) If the consumer report was frozen due to a  
11 material misrepresentation of fact by the consumer. If a  
12 consumer reporting agency intends to remove a security freeze  
13 on a consumer report pursuant to this paragraph, the consumer  
14 reporting agency shall notify the consumer in writing prior to  
15 removing the security freeze.

16           (9) A third party requesting access to a consumer  
17 report on which a security freeze is in effect in connection  
18 with an application for credit or other permissible use may  
19 treat the application as incomplete if the consumer has not  
20 authorized a temporary lifting of the security freeze for the  
21 period of time during which the request is made.

22           (10) If a consumer requests a security freeze, the  
23 consumer reporting agency shall disclose to the consumer all  
24 information relevant to the process of instituting,  
25 temporarily lifting, and removing a security freeze and shall  
26 include the disclosure required by subsection (17).

27           (11) A security freeze shall remain in place until the  
28 consumer requests that it be removed. A consumer reporting  
29 agency shall remove a security freeze within 3 business days  
30 after receiving a request for removal from the consumer, who,  
31

1 upon making the request for removal, must provide the  
2 following:

3 (a) Proper identification as determined by the  
4 consumer reporting agency.

5 (b) The unique personal identification number or  
6 password provided by the consumer reporting agency pursuant to  
7 subsection (4).

8 (c) Payment of a fee authorized under this section.

9 (12) The provisions of this section do not apply to  
10 the use of a consumer report by the following persons or for  
11 the following reasons:

12 (a) A person to whom the consumer owes a financial  
13 obligation or a subsidiary, affiliate, or agent of the person,  
14 or an assignee of a financial obligation owed by the consumer  
15 to the person, or a prospective assignee of a financial  
16 obligation owed by the consumer to the person in conjunction  
17 with the proposed purchase of the financial obligation, with  
18 which the consumer has or had prior to assignment an account  
19 or contract, including a deposit account, or to whom the  
20 consumer issued a negotiable instrument, for the purposes of  
21 reviewing the account or collecting the financial obligation  
22 owed for the account, contract, or negotiable instrument. For  
23 purposes of this paragraph, the term "reviewing the account"  
24 includes activities related to account maintenance,  
25 monitoring, credit line increases, and account upgrades and  
26 enhancements.

27 (b) A subsidiary, affiliate, agent, assignee, or  
28 prospective assignee of a person to whom access has been  
29 granted under this section for purposes of facilitating the  
30 extension of credit or other permissible use.

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1           (c) A state agency acting within its lawful  
2 investigative or regulatory authority.

3           (d) A state or local law enforcement agency acting to  
4 investigate a crime or conducting a criminal background check.

5           (e) Any person administering a credit file monitoring  
6 subscription service to which the consumer has subscribed.

7           (f) Any person for the purpose of providing a consumer  
8 with a copy of the consumer report upon the consumer's  
9 request.

10           (g) Pursuant to a court order lawfully entered.

11           (h) The use of credit information for the purposes of  
12 prescreening as provided for by the federal Fair Credit  
13 Reporting Act.

14           (i) Any person in connection with the underwriting of  
15 insurance.

16           (13) A consumer reporting agency shall not charge any  
17 fee to a victim of identity theft who has submitted, at the  
18 time the security freeze is requested, a copy of a valid  
19 investigative or incident report or complaint with a law  
20 enforcement agency about the unlawful use of the victim's  
21 identifying information by another person. A consumer  
22 reporting agency may charge a reasonable fee, not to exceed  
23 \$10, to a consumer who elects to place, remove, or temporarily  
24 lift a security freeze on his or her consumer report. A  
25 consumer may be charged a reasonable fee, not to exceed \$10,  
26 if the consumer fails to retain the original personal  
27 identification number or password provided by the consumer  
28 reporting agency, and the agency must reissue the personal  
29 identification number or password or provide a new personal  
30 identification number or password to the consumer.

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1           (14) If a security freeze is in effect, a consumer  
2 reporting agency shall not change any of the following  
3 official information in a consumer report without sending a  
4 written confirmation of the change to the consumer within 30  
5 days after the change is posted to the consumer's file:

6           (a) Name.

7           (b) Address.

8           (c) Date of birth.

9           (d) Social security number.

10  
11 Written confirmation is not required for technical corrections  
12 of a consumer's official information, including name and  
13 street abbreviations, complete spellings, or transposition of  
14 numbers or letters. In the case of an address change, the  
15 written confirmation shall be sent to both the new address and  
16 the former address.

17           (15) The provisions of this section do not apply to  
18 the following entities:

19           (a) A check services company, which issues  
20 authorizations for the purpose of approving or processing  
21 negotiable instruments, electronic funds transfers, or similar  
22 methods of payment.

23           (b) A deposit account information service company,  
24 which issues reports regarding account closures due to fraud,  
25 substantial overdrafts, automatic teller machine abuse, or  
26 similar negative information regarding a consumer to inquiring  
27 banks or other financial institutions for use only in  
28 reviewing a consumer request for a deposit account at the  
29 inquiring bank or financial institution, as defined in s.  
30 655.005(1)(g) or (h), or in federal law.

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1           (c) A consumer reporting agency that acts only as a  
2 reseller of credit information by assembling and merging  
3 information contained in the database of another consumer  
4 reporting agency or multiple consumer reporting agencies and  
5 does not maintain a permanent database of credit information  
6 from which new consumer reports are produced. However, a  
7 consumer reporting agency shall honor any security freeze  
8 placed on a consumer report by another consumer reporting  
9 agency.

10           (d) A fraud prevention services company issuing  
11 reports to prevent or investigate fraud.

12           (16) In addition to any other penalties or remedies  
13 provided under law, a person who is aggrieved by a violation  
14 of the provisions of this section may bring a civil action as  
15 authorized by this subsection.

16           (a) Any person who willfully fails to comply with any  
17 requirement imposed under this section with respect to any  
18 consumer is liable to that consumer for actual damages  
19 sustained by the consumer as a result of the failure of not  
20 less than \$100 and not more than \$1,000, plus the cost of the  
21 action together with reasonable attorney's fees.

22           (b) Any individual who obtains a consumer report under  
23 false pretenses or knowingly without a permissible purpose is  
24 liable to the consumer for actual damages sustained by the  
25 consumer as a result of the failure or damages of not less  
26 than \$100 and not more than \$1,000, whichever is greater. Any  
27 person who obtains a consumer report from a consumer reporting  
28 agency under false pretenses or knowingly without a  
29 permissible purpose is liable to the consumer reporting agency  
30 for actual damages sustained by the consumer reporting agency  
31 or \$1,000, whichever is greater.

1           (c) Punitive damages may be assessed for willful  
2 violations of this section.

3           (d) Any person who is negligent in failing to comply  
4 with any requirement imposed under this section with respect  
5 to any consumer is liable to that consumer for any actual  
6 damages sustained by the consumer as a result of the failure  
7 of not less than \$100 and not more than \$1,000.

8           (e) Upon a finding by the court that an unsuccessful  
9 pleading, motion, or other paper filed in connection with an  
10 action under this subsection was filed in bad faith or for  
11 purposes of harassment, the court shall award to the  
12 prevailing party attorney's fees that are reasonable in  
13 relation to the work performed in responding to the pleading,  
14 motion, or other paper.

15           (17) Any written disclosure by a consumer reporting  
16 agency, pursuant to 15 U.S.C. s. 1681g, to any consumer  
17 residing in this state shall include a written summary of all  
18 rights the consumer has under this section, and, in the case  
19 of a consumer reporting agency which compiles and maintains  
20 consumer reports on a nationwide basis, a toll-free telephone  
21 number that the consumer can use to communicate with the  
22 consumer reporting agency. The information set forth in  
23 paragraph (b) of the written summary of rights must be in at  
24 least 14-point boldface type in capital letters. The written  
25 summary of rights required under this section is sufficient if  
26 it is substantially in the following form:

27           (a) You have a right to place a "security freeze" on  
28 your consumer report, which will prohibit a consumer reporting  
29 agency from releasing any information in your consumer report  
30 without your express authorization. A security freeze must be  
31 requested in writing by certified mail to a consumer reporting

1 agency. The security freeze is designed to prevent credit,  
2 loans, and services from being approved in your name without  
3 your consent.

4 (b) YOU SHOULD BE AWARE THAT USING A SECURITY FREEZE  
5 TO CONTROL ACCESS TO THE PERSONAL AND FINANCIAL INFORMATION IN  
6 YOUR CONSUMER REPORT MAY DELAY, INTERFERE WITH, OR PROHIBIT  
7 THE TIMELY APPROVAL OF ANY SUBSEQUENT REQUEST OR APPLICATION  
8 YOU MAKE REGARDING A NEW LOAN, CREDIT, MORTGAGE, INSURANCE,  
9 GOVERNMENT SERVICES OR PAYMENTS, RENTAL HOUSING, EMPLOYMENT,  
10 INVESTMENT, LICENSE, CELLULAR PHONE, UTILITIES, DIGITAL  
11 SIGNATURE, INTERNET CREDIT CARD TRANSACTION, OR OTHER  
12 SERVICES, INCLUDING AN EXTENSION OF CREDIT AT POINT OF SALE.

13 (c) When you place a security freeze on your consumer  
14 report, you will be provided a personal identification number  
15 or password to use if you choose to remove the freeze on your  
16 consumer report or authorize the release of your consumer  
17 report for a designated period of time after the security  
18 freeze is in place. To provide that authorization, you must  
19 contact the consumer reporting agency and provide all of the  
20 following:

- 21 1. The personal identification number or password.
- 22 2. Proper identification to verify your identity.
- 23 3. Information specifying the period of time for which  
24 the report shall be made available.
- 25 4. Payment of a fee authorized under this section.

26 (d) A consumer reporting agency must authorize the  
27 release of your consumer report no later than 3 business days  
28 after receiving the above information.

29 (e) A security freeze does not apply to a person or  
30 entity, or its affiliates, or collection agencies acting on  
31 behalf of the person or entity, with which you have an

1 existing account, which requests information in your consumer  
2 report for the purposes of reviewing or collecting the  
3 account. Reviewing the account includes activities related to  
4 account maintenance, monitoring, credit line increases, and  
5 account upgrades and enhancements.

6 (f) You have the right to bring a civil action against  
7 anyone, including a consumer reporting agency, who fails to  
8 comply with the provisions of s. 501.005, Florida Statutes,  
9 which governs the placing of a consumer report security freeze  
10 on your consumer report.

11 Section 2. This act shall take effect July 1, 2006.

12  
13 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
14 COMMITTEE SUBSTITUTE FOR  
15 Senate Bill 656

16 This committee substitute differs from the bill as filed in  
17 that it:

- 18 - Increases the time that a consumer reporting agency has  
19 to provide written notice that a security freeze is in  
20 effect from 5 to 10 business days;
- 21 - Confirms the definition of consumer report to that used  
22 in the Fair Credit Reporting Act;
- 23 - Clarifies that a consumer must provide proper  
24 identification of him or herself to the consumer  
25 reporting agency when requesting a security freeze;
- 26 - Requires that consumers must pay the authorized fee when  
27 requesting to start or terminate a security freeze and  
28 increases that fee limit from \$5 to \$10;
- 29 - Includes within the exemptions from the law the use of a  
30 consumer report by a person for the purposes of  
31 underwriting insurance; and
- Makes technical and clarifying changes.