



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 140
[2005 Assembly Bill 912]

**Security Freezes for Consumer
Reports**

2005 Wisconsin Act 140 requires a consumer reporting agency to include a security freeze with an individual's consumer report if the individual requests the security freeze, provides the consumer reporting agency with proper identification, and, if applicable, pays a fee charged by the consumer reporting agency. The fee may not exceed \$10. An individual whose consumer report includes a security freeze must be given a unique personal identification number, password, or other device for the individual to authorize release of the consumer report.

This requirement does not apply to certain consumer reporting agencies that offer more limited services. For example, it does not apply to a consumer reporting agency that is a check services company which issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers, or similar methods of payment.

If an individual's consumer report includes a security freeze, a consumer reporting agency may not release the consumer report to any person for any purpose related to the extension of credit unless the individual gives prior authorization for the release. An individual may authorize a consumer reporting agency to release the report by: (a) contacting the consumer reporting agency using a point of contact designated by the consumer reporting agency; (b) providing proper identification and the personal identification number, password, or other device for the release of the consumer report; (c) specifying the time period for which the release is authorized; and (d) if applicable, paying a fee of not more than \$10. A consumer reporting agency must release the individual consumer report during the time period specified, except that a consumer reporting agency is not required to release a consumer report sooner than three business days after the individual contacts the consumer reporting agency.

A consumer reporting agency may release an individual's consumer report that includes a security freeze if the individual authorizes the release, the individual requests removal of the security freeze, or the consumer reporting agency included a security freeze with the consumer report due to a material misrepresentation of fact by the individual, if the consumer reporting agency notifies the

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

individual in writing about the misrepresentation before the consumer reporting agency releases the consumer report.

If a third party requests access to an individual's consumer report that includes a security freeze, the request is made in connection with the individual's application for an extension of credit, and the consumer reporting agency is prohibited from releasing the report to the third party, the third party may treat the individual's application as incomplete. The consumer reporting agency may advise the third party that an individual's consumer report includes a security freeze and that the consumer reporting agency must obtain the individual's authorization before releasing the individual's consumer report.

The provisions relating to security freezes do not apply to releases to certain entities, such as a person with whom the individual has, or had prior to assignment, an account or contract; a person to whom the individual issued a negotiable instrument; or a person who otherwise has a legitimate business need for the information in connection with a business transaction initiated by the individual.

Effective Date: Act 140 takes effect on January 1, 2007.

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April 12, 2006

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