



State of Wisconsin
2017 - 2018 LEGISLATURE

LRBs0220/1
KP:klm

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 565**

January 8, 2018 - Offered by Representative OTT.

1 **AN ACT to amend** 100.54 (9) (a), 100.54 (11) and 100.545 (5) (b); and **to create**
2 100.54 (1) (f), 100.54 (9) (am), 100.545 (1) (em) and 100.545 (5) (bm) of the
3 statutes; **relating to:** fees related to security freezes on consumer credit
4 reports.

Analysis by the Legislative Reference Bureau

This bill allows a person, or the authorized representative of an individual who is under 16 or for whom a guardian or conservator is appointed, to request a security freeze action on a consumer credit report 12 times per year for each credit reporting agency without paying a fee. Specifically, under the bill, a security freeze action is any of the following: 1) placing a security freeze on a person's or protected individual's consumer credit report; 2) authorizing the release of a person's own consumer credit report despite a security freeze; or 3) removing a security freeze from a person's or protected individual's consumer credit report. Under current law, a security freeze on a person's consumer credit report prohibits a credit reporting agency from releasing the consumer credit report for any purpose related to the extension of credit without prior authorization.

Current law generally allows a credit reporting agency to charge a fee of up to \$10 for each request for a security freeze action, except that no fee may be charged for requests concerning the consumer credit report of a person who is the victim of

alleged unauthorized use of personal identifying information or documents. Under the bill, a credit reporting agency may charge a fee of up to \$10 for each request for a security freeze action beyond the 12th request in a year.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 100.54 (1) (f) of the statutes is created to read:

2 100.54 (1) (f) “Security freeze action” means any of the following:

3 1. Placing a security freeze under sub. (2).

4 2. Authorizing the release of a consumer report under sub. (4).

5 3. Removing a security freeze under sub. (6).

6 **SECTION 1.** 100.54 (9) (a) of the statutes is amended to read:

7 100.54 (9) (a) Except as provided in ~~par.~~ pars. (am) and (b), a consumer
8 reporting agency may charge an individual a fee of no more than \$10 each time that
9 the individual requests a security freeze under sub. (2), authorizes release of a
10 consumer report under sub. (4), or requests removal of a security freeze under sub.
11 (6).

12 **SECTION 2.** 100.54 (9) (am) of the statutes is created to read:

13 100.54 (9) (am) An individual is entitled to 12 security freeze actions during
14 a calendar year for each credit reporting agency without being charged a fee under
15 par. (a).

16 **SECTION 3.** 100.54 (11) of the statutes is amended to read:

17 100.54 (11) NOTICES. Whenever a consumer reporting agency is required to
18 provide an individual with a notice under 15 USC 1681g regarding consumer rights
19 under the federal credit reporting law, the consumer reporting agency shall also
20 provide the individual with the following notice:

1 “Wisconsin Consumers Have the Right to Obtain a Security Freeze.

2 You have a right to include a “security freeze” with your credit report, which will
3 prohibit a consumer reporting agency from releasing information in your credit
4 report in connection with a credit transaction without your express authorization.
5 A security freeze must be requested in writing by certified mail or by any other means
6 provided by a consumer reporting agency, and except as provided below, a consumer
7 reporting agency may not charge a fee for requesting the placement or removal of a
8 security freeze. The security freeze is designed to prevent an extension of credit, such
9 as a loan, from being approved in your name without your consent. However, you
10 should be aware that using a security freeze to take control over who gets access to
11 the personal and financial information in your credit report may delay, interfere
12 with, or prohibit the timely approval of any subsequent request or application you
13 make regarding a loan, credit, mortgage, or Internet credit card transaction,
14 including an extension of credit at point of sale.

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

- 20 (1) The personal identification number or password.
21 (2) Proper identification to verify your identity.
22 (3) The period of time for which the report shall be made available.
23 (4) Payment If applicable, payment of the appropriate fee.

24 A security freeze does not apply to a person or its affiliates, or collection
25 agencies acting on behalf of a person, with which you have an existing account, that

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

5 Unless You are entitled to place a security freeze on your credit report,
6 authorize the release of a report that includes a security freeze, or remove a security
7 freeze from your report for a combination of 12 times per year for each credit
8 reporting agency without charge. After that, unless you are a victim of identity theft
9 with a police report to verify the crime, a consumer reporting agency has the right
10 to charge you no more than \$10 to include a security freeze with your credit report,
11 no more than \$10 to authorize release of a report that includes a security freeze, and
12 no more than \$10 to remove a security freeze from your credit report.”

13 **SECTION 2.** 100.545 (1) (em) of the statutes is created to read:

14 100.545 (1) (em) “Security freeze action” means any of the following:

- 15 1. Placing a security freeze under sub. (3).
- 16 2. Removing a security freeze under sub. (4).

17 **SECTION 4.** 100.545 (5) (b) of the statutes is amended to read:

18 100.545 (5) (b) ~~A If par. (bm) does not apply, a~~ consumer reporting agency may
19 charge a reasonable fee, not exceeding \$10, for each placement or removal of a
20 security freeze for a protected consumer.

21 **SECTION 5.** 100.545 (5) (bm) of the statutes is created to read:

22 100.545 (5) (bm) A protected consumer is entitled, through the protected
23 consumer’s representative, to 12 security freeze actions during a calendar year for
24 each credit reporting agency without charge.

25 (END)