

House Bill 38

By: Representatives Teilhet of the 40th, Benton of the 31st, Reese of the 98th, Barnard of the 166th, Manning of the 32nd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling
2 and other trade practices, so as to provide that a person may place a security freeze on his or
3 her credit report by notifying the credit reporting agencies; to define certain terms; to provide
4 for procedures; to provide for a temporary or permanent lifting of such freeze; to provide for
5 related matters; to provide for an effective date; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other
10 trade practices, is amended by inserting a new Code Section 10-1-913 as follows:

11 "10-1-913.

12 (a) As used in this Code section, the term:

13 (1) 'Consumer reporting agency' means any person that, for monetary fees, dues, or on
14 a cooperative nonprofit basis, regularly engages in whole or in part in the practice of
15 assembling or evaluating consumer credit information or other information on consumers
16 for the purpose of furnishing consumer reports to third parties.

17 (2) 'Credit information' shall mean any credit related information derived from a credit
18 report or found on a credit report utilized by an insurer or used by an insurer to calculate
19 an insurance score for personal insurance. Information that is not credit related shall not
20 be considered credit information, regardless of whether it is contained in a credit report
21 or in an application or is used to calculate an insurance score.

22 (3) 'Credit report' shall mean any written, oral, or other communication of information
23 by a consumer reporting agency bearing on a consumer's credit worthiness, credit
24 standing, or credit capacity which is used or expected to be used or collected in whole or

1 in part for the purpose of serving as a factor to determine personal insurance premiums,
2 eligibility for coverage, or tier placement.

3 (4) 'Security freeze' means a notice placed in a consumer's credit report that prohibits the
4 consumer credit reporting agency from releasing the consumer's credit report or any
5 information from it without the express authorization of the consumer.

6 (b) A consumer may elect to place a security freeze on his or her credit report by making
7 a request in writing by certified mail to a consumer credit reporting agency. A consumer
8 credit reporting agency shall place a security freeze on a consumer's credit report no later
9 than five business days after receiving a written request from the consumer. The consumer
10 credit reporting agency shall send a written confirmation of the security freeze to the
11 consumer within ten business days and shall provide the consumer with a unique personal
12 identification number or password to be used by the consumer when providing
13 authorization for the release of his or her credit for a specific party or period of time.

14 (c) If a security freeze is in place, a consumer reporting agency shall not release credit
15 information from a consumer's credit report to a third party without prior express
16 authorization from the consumer; provided, however, that a consumer credit reporting
17 agency may advise a third party that a security freeze is in effect with respect to the
18 consumer's credit report.

19 (d) If the consumer wishes to allow his or her credit report to be accessed for a specific
20 party or period of time while a freeze is in place, he or she shall contact the consumer credit
21 reporting agency, request that the freeze be temporarily lifted, and provide the following:

22 (1) Proper identification;

23 (2) The unique personal identification number or password provided by the credit
24 reporting agency pursuant to subsection (b) of this Code section; and

25 (3) The proper information regarding the third party who is to receive the credit report
26 or the time period for which the report shall be available to users of the credit report.

27 (e) A consumer credit reporting agency that receives a request from a consumer to
28 temporarily lift a freeze on a credit report pursuant to subsection (d) of this Code section
29 shall comply with the request no later than three business days after receiving the request.

30 (f) A consumer credit reporting agency may develop procedures involving the use of
31 telephone, fax, the Internet, or other electronic media to receive and process a request from
32 a consumer to temporarily lift a freeze on a credit report pursuant to subsection (d) of this
33 Code section in an expedited manner.

34 (g) A consumer credit reporting agency shall remove or temporarily lift a freeze placed on
35 a consumer's credit report only in the following cases:

36 (1) Upon consumer request, pursuant to subsection (d) of this Code section; or

1 (2) If the consumer's credit report was frozen due to a material misrepresentation of fact
2 by the consumer. If a consumer credit reporting agency intends to remove a freeze upon
3 a consumer's credit report pursuant to this paragraph, the consumer credit reporting
4 agency shall notify the consumer in writing prior to removing the freeze on the
5 consumer's credit report.

6 (h) If a third party requests access to a consumer credit report on which a security freeze
7 is in effect and this request is in connection with an application for credit or any other use
8 and the consumer does not allow his or her credit report to be accessed for that specific
9 party or period of time, the third party may treat the application as incomplete.

10 (i) If a consumer requests a security freeze, the consumer credit reporting agency shall
11 disclose the process of placing and temporarily lifting a freeze and the process for allowing
12 access to information from the consumer's credit report for a specific party or period of
13 time while the freeze is in place.

14 (j) A security freeze shall remain in place until the consumer requests that the security
15 freeze be removed. A consumer credit reporting agency shall remove a security freeze
16 within three business days of receiving a request for removal from the consumer who
17 provides both of the following:

18 (1) Proper identification; and

19 (2) The unique personal identification number or password provided by the credit
20 reporting agency pursuant to subsection (d) of this Code section.

21 (k) A consumer reporting agency shall not charge a fee to a consumer for any freeze,
22 removal of the freeze, or temporary lift of the freeze."

23 SECTION 2.

24 This Act shall become effective on July 1, 2007.

25 SECTION 3.

26 All laws and parts of laws in conflict with this Act are repealed.