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220

AN ACT

relating to a security freeze on a consumer file maintained by a consumer reporting agency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (a), Section 20.034, Business & Commerce Code, is amended to read as follows:

(a) On written request sent by certified mail that includes proper identification provided by a consumer [~~and a copy of a valid police report, investigative report, or complaint made under Section 32.51, Penal Code~~], a consumer reporting agency shall place a security freeze on a consumer's consumer file not later than the fifth business day after the date the agency receives the request.

SECTION 2. Section 20.0385, Business & Commerce Code, is amended to read as follows:

Sec. 20.0385. APPLICABILITY OF SECURITY ALERT AND SECURITY FREEZE. (a) The requirement under this chapter to place a security alert or security freeze on a consumer file does not apply to:

(1) a check service or fraud prevention service company that issues consumer reports:

(A) to prevent or investigate fraud; or

(B) for purposes of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payment; or

1 (2) a deposit account information service company that
2 issues consumer reports related to account closures caused by
3 fraud, substantial overdrafts, automated teller machine abuses, or
4 similar negative information regarding a consumer to an inquiring
5 financial institution for use by the financial institution only in
6 reviewing a consumer request for a deposit account with that
7 institution.

8 (b) The requirement under this chapter to place a security
9 freeze on a consumer file does not apply to a consumer reporting
10 agency that:

11 (1) acts only to resell credit information by
12 assembling and merging information contained in a database of
13 another consumer reporting agency or multiple consumer reporting
14 agencies; and

15 (2) does not maintain a permanent database of credit
16 information from which new consumer reports are produced.

17 (c) Notwithstanding Section 20.12, a violation of a
18 requirement under this chapter to place, temporarily lift, or
19 remove a security freeze on a consumer file is not a false,
20 misleading, or deceptive act or practice under Subchapter E,
21 Chapter 17.

22 SECTION 3. Section 20.04, Business & Commerce Code, is
23 amended to read as follows:

24 Sec. 20.04. CHARGES FOR CERTAIN DISCLOSURES OR SERVICES.

25 (a) Except as provided by Subsection (b), a consumer reporting
26 agency may impose a reasonable charge on a consumer for the
27 disclosure of information pertaining to the consumer or for placing
28 a security freeze on a consumer file, temporarily lifting a

1 security freeze for a designated period or for an identified
 2 requester, or removing a security freeze in accordance with this
 3 chapter. The amount of the charge for the disclosure of information
 4 pertaining to the consumer may not exceed \$8. The amount of the
 5 charge for placing a security freeze on a consumer file,
 6 temporarily lifting a security freeze for a designated period, or
 7 removing a security freeze may not exceed \$10 per request. The
 8 amount of the charge for temporarily lifting a security freeze for
 9 an identified requester may not exceed \$12 per request. On January
 10 1 of each year, a consumer reporting agency may increase the charge
 11 for disclosure to a consumer or for placing, temporarily lifting,
 12 or removing a security freeze. The increase, if any, must be based
 13 proportionally on changes to the Consumer Price Index for All Urban
 14 Consumers as determined by the United States Department of Labor
 15 with fractional changes rounded to the nearest 50 cents.

16 (b) A consumer reporting agency may not charge a fee for:

17 (1) a request by a consumer for a copy of the
 18 consumer's file:

19 (A) made not later than the 60th day after the
 20 date on which adverse action is taken against the consumer; or

21 (B) made on the expiration of a 45-day security
 22 alert;

23 (2) notification of the deletion of information that
 24 is found to be inaccurate or can no longer be verified sent to a
 25 person designated by the consumer, as prescribed by Section 611 of
 26 the Fair Credit Reporting Act (15 U.S.C. Section 1681i), as
 27 amended;

28 (3) a set of instructions for understanding the

1 information presented on the consumer report;

2 (4) a toll-free telephone number that consumers may
3 call to obtain additional assistance concerning the consumer report
4 or to request a security alert; [~~or~~]

5 (5) a request for a security alert made by a consumer;
6 or

7 (6) the placement, temporary lifting, or removal of a
8 security freeze at the request of a consumer who has submitted to
9 the consumer reporting agency a copy of a valid police report,
10 investigative report, or complaint involving the alleged
11 commission of an offense under Section 32.51, Penal Code.

12 SECTION 4. Subsection (e), Section 20.037, Business &
13 Commerce Code, is repealed.

14 SECTION 5. The change in law made by this Act applies only
15 to a request for placement, removal, or temporary lifting of a
16 security freeze on a consumer file that is made on or after the
17 effective date of this Act. A request for placement, removal, or
18 temporary lifting of a security freeze on a consumer file that is
19 made before the effective date of this Act is governed by the law in
20 effect on the date the request was made, and the former law is
21 continued in effect for that purpose.

22 SECTION 6. This Act takes effect September 1, 2007.

S.B. No. 222

David Newkumst
President of the Senate

Jim Caddick
Speaker of the House

I hereby certify that S.B. No. 222 passed the Senate on March 28, 2007, by the following vote: Yeas 30, Nays 0; May 21, 2007, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 24, 2007, House granted request of the Senate; May 25, 2007, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 0. _____

Daisy Spaw
Secretary of the Senate

I hereby certify that S.B. No. 222 passed the House, with amendments, on May 16, 2007, by the following vote: Yeas 146, Nays 0, one present not voting; May 24, 2007, House granted request of the Senate for appointment of Conference Committee; May 25, 2007, House adopted Conference Committee Report by the following vote: Yeas 142, Nays 0, one present not voting. _____

Robert Honey
Chief Clerk of the House

Approved:

15 JUN 07
Date

RICK PERRY
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
7 PM O'CLOCK

ROGER WILLIAMS
Secretary of State