



Senate Fiscal Agency
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Senate Bill 174 (Substitute S-2 as reported)
Sponsor: Senator John Proos
Committee: Banking and Financial Institutions

CONTENT

The bill would create the "Security Freeze Act", which generally would require a consumer reporting agency to place or remove a security freeze on a consumer's credit report at his or her request, or at the request of a protected consumer's authorized representative, if the request met certain conditions.

A protected consumer would be a person who was either: 1) under the age of 16 years at the time a request for the placement of a security freeze is made; or 2) an incapacitated person or a protected person for whom a guardian or conservator has been appointed under Article V of the Estates and Protected Individuals Code. The authorized representative who made the request would have to provide proof of authority and identification.

A security freeze would prohibit a consumer reporting agency from releasing a credit report or any information derived from it, unless the consumer authorized the release. A security freeze generally would have to remain in effect until the consumer, or his or her authorized representative, requested the security freeze to be removed. The bill would provide for both temporary and permanent removal if certain conditions were met.

The security freeze restrictions generally would not apply to various state or local government officials in the course of their duties, an insurance adjuster, a company or person involved in fraud prevention services, or a consumer reporting agency database that was used for certain purposes.

A consumer reporting agency could charge a \$10 fee for each placement, temporary lifting or removal of a security freeze.

The bill would take effect on January 1, 2014.

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-9-13

Fiscal Analyst: Josh Sefton