



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5094 (as passed by the House)
Sponsor: Representative Joseph N. Bellino, Jr.
House Committee: Financial Services
Senate Committee: Banking and Financial Institutions

Date Completed: 2-26-18

CONTENT

The bill would amend the Security Freeze Act to prohibit a consumer reporting agency from charging a fee for placing, temporarily lifting, or removing a security freeze for a consumer or a protected consumer.

The Act requires a consumer reporting agency to place a security freeze on the credit report of a consumer or protected consumer, at the request of the consumer or his or her authorized representative. While a freeze is in place, the consumer reporting agency may not release the consumer's credit report or any information from it without the consumer's permission. A consumer may have his or her security freeze temporarily lifted, and a consumer reporting agency must remove the freeze at the request of the consumer or his or her authorized representative.

The Act allows a consumer reporting agency to charge a fee of up to \$10 for placing, removing, or temporarily lifting a security freeze, unless a consumer or protected consumer has filed a police report of alleged identity theft. A consumer reporting agency also may not charge a fee to place or remove a security freeze for a protected consumer if he or she is under 16 years old and the agency has a credit report pertaining to the consumer. The bill would delete these provisions.

The bill would prohibit a consumer reporting agency from charging a fee for the placement, temporary lifting, or removal of a security freeze for a consumer or a protected consumer.

(The Act defines "consumer reporting agency" as a person that, for monetary fees or dues or on a cooperative nonprofit basis, engages in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing credit reports to third parties and that uses any means or facility of interstate commerce for the purpose of preparing or furnishing credit reports.

"Consumer" means an individual who resides in Michigan. "Protected consumer" means either 1) an individual who is under 16 years of age 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 the Estates and Protected Individuals Code.)

The bill would take effect 90 days after it was enacted.

MCL 445.2521 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.