

New law requires for credit reporting agencies to place a security freeze on protected persons' credit reports.

New law provides that "credit report" has the same meaning as the definition of credit report in existing law, which is any written, oral, or other communication of any credit information by a credit reporting agency, as defined in the federal Fair Credit Reporting Act, which operates or maintains a database of consumer credit information bearing on a consumer's credit worthiness, credit standing, or credit capacity.

New law provides that "credit reporting agency" has the same meaning as the definition of credit reporting agency in existing law, which is any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and who uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports. Further provides that "credit reporting agency" does not mean a check acceptance service that provides check approval and guarantees services to merchants.

New law defines "protected person" as an individual who is either 16 years or less at the time a request for the placement of a security freeze is made, an interdicted person for whom a curator has been appointed, or an incapacitated person or a protected person for whom a guardian or conservator has been appointed.

New law provides that a "protected person security freeze" is a restriction that may have two different meanings:

- (1) If a credit reporting agency does not have a credit report pertaining to a protected person, a restriction that meets each of the following criteria:
 - (a) Is placed on the protected person's record in accordance with the provisions of new law.
 - (b) Prohibits the credit reporting agency from releasing the protected person's record, except as provided in new law.
- (2) If a credit reporting agency has a credit report pertaining to the protected person, a restriction that meets each of the following criteria:
 - (a) Is placed on the protected person's record in accordance with the provisions of new law.
 - (b) Prohibits the credit reporting agency from releasing the protected person's credit report or any information derived from the protected person's credit report, except as provided in new law.

New law defines "record" as a compilation of information that meets all of the following criteria: (i) identifies a protected consumer, (ii) is created by a credit reporting agency solely for the purpose of complying with new law, and (iii) is not created or used to consider the protected consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

New law defines "representative" as a person who provides to a credit reporting agency sufficient proof of authority to act on behalf of a protected person.

New law defines "sufficient proof of authority" as documentation that shows a representative's authority to act on behalf of a protected person. Each of the following meets the definition: (i) an order issued by a court of law, (ii) a lawfully executed and valid power of attorney, or (iii) a written, notarized statement signed by a representative that expressly describes the authority of the representative to act on behalf of a protected person.

New law defines "sufficient proof of identification" as information or documentation that identifies a protected person or a representative of a protected person. Each of the following

meets the definition: (i) a social security number or a copy of a social security card issued by the Social Security Administration, (ii) a certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate, (iii) a copy of a driver's license, an identification card issued by the office of motor vehicles, or any other government-issued identification, or (iv) a copy of a bill, including a bill for telephone, sewer, septic tank, water, electric, oil, or natural gas services, that shows a name and home address.

New law does not apply to the use of a protected person's credit report or record by a person administering a credit report monitoring subscription to which the protected person has subscribed, or to which the representative of the protected person has subscribed on behalf of the protected person.

New law does not apply to the use of a protected person's credit or record by a person providing the protected person or the protected person's representative with a copy of the protected person's credit report on request of the protected person or the protected person's representative.

New law does not apply to entities or persons, such as banks, fraud detection services, and databases listed under existing law.

New law requires a credit reporting agency to place a protected person security freeze for a protected person if the credit reporting agency receives a request from the protected person's representative for the placement of the security freeze. To place the security freeze, the protected person's representative is required to do all of the following:

- (1) Submit the request to the credit reporting agency at the address or other point of contact in the manner specified by the credit reporting agency.
- (2) Provide the credit reporting agency sufficient proof of identification of the protected person and the representative.
- (3) Provide the credit reporting agency sufficient proof of authority to act on behalf of the protected person.
- (4) Pay to the credit reporting agency a \$10 fee as required under new law.

New law requires a credit reporting agency to create a record for the protected person, if the credit reporting agency does not have a credit report pertaining to a person when the credit reporting agency receives a request as described in new law.

New law further requires a protected person security freeze to be made by the credit reporting agency within 30 days of receipt of the request.

New law provides that unless a protected person security freeze is removed, a credit reporting agency may not release the protected person's credit report, any information derived from the protected person's credit report, or any record created for the protected person.

New law requires for a protected person security freeze to remain in effect until the protected person or the protected person's representative requests the credit reporting agency to remove the protected person security freeze as required.

New law provides that if a protected person or a protected person's representative wishes to remove a protected person security freeze, the protected person or representative is required to do the following:

- (1) Submit a request of removal to the credit reporting agency at the address or other point of contact in the manner specified by the credit reporting agency and provide the following to the credit reporting agency, in the case of the request made by the protected person:
 - (a) Documentation that the sufficient proof of authority for the protected person's representative to act on behalf of the protected person is no longer valid, including documentation that the protected person has reached the age of 16 years or is no longer incapacitated.

- (b) Sufficient proof of identification of the protected person.
- (2) In case the request is made by the representative of the protected person, the representative is required to provide all of the following:
- (a) Sufficient proof of identification of the protected person and representative.
 - (b) Sufficient proof of authority to act on behalf of the protected person.
 - (c) Payment to the credit reporting agency a \$10 fee as required under new law.

New law requires a protected person security freeze to be removed within 30 days of receipt of the request that meets the requirements specified in new law.

New law provides that a credit reporting agency may charge a reasonable fee, not to exceed \$10, for each placement or removal of a protected person security freeze. New law prohibits any other fee applicable to the placement or removal of a protected person security freeze. Further provides that a credit reporting agency may not charge a fee if the protected person's representative does both of the following:

- (1) Obtains a report of alleged identity fraud against the protected person.
- (2) Provides a copy of the report to the credit reporting agency.

New law provides that a credit reporting agency may not charge a fee if a request for the placement or removal of a protected person security freeze is for a protected person aged 16 years or less at the time of the request and the credit reporting agency has a credit report pertaining to the protected person.

New law provides that a credit report agency may remove a protected person security freeze or delete a record of a protected person, if the protected person security freeze was placed or the record was created based on a material misrepresentation of fact by the protected person or the protected person's representative.

Any consumer damaged by an intentional or negligent violation of new law may bring an action for and is entitled to recovery of actual damages, in addition to reasonable attorney fees, court costs, and other reasonable costs of prosecuting the suit.

Effective Jan. 1, 2015.

(Adds R.S. 9:3571.3)