



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 340 (Substitute S-4 as reported by the Committee of the Whole)

Sponsor: Senator Cameron S. Brown

Committee: Banking and Financial Institutions

CONTENT

The bill would create the "Consumer Credit Protection Act" to require a consumer reporting agency to place a security freeze on the credit reports of the following consumers:

- Beginning 90 days after the bill was enacted, a consumer who was a victim of identity theft, if that consumer submitted a written request to the agency and included a copy of a police report alleging that he or she had been a victim of identity theft.
- Beginning September 1, 2008, a consumer who was a victim of identity theft, if that consumer submitted an electronic or written request to the agency and included a copy of a police report alleging that he or she had been a victim of identity theft; and a consumer who was at least 65 years old, if he or she submitted an electronic or written request to the agency.
- Beginning January 1, 2009, any consumer who submitted a written or electronic request with payment of an applicable fee not to exceed \$10.

The bill also would do the following:

- Prohibit a consumer reporting agency from releasing information from a credit report to a third party without prior express authorization from the consumer.
- Prohibit a consumer reporting agency from changing certain information on a credit report without sending written confirmation of the change to the consumer.
- Establish deadlines for an agency to comply with the proposed requirements.
- Require a consumer reporting agency to establish and provide to a consumer a process for placing, removing, and temporarily lifting a security freeze and for obtaining a replacement or specific PIN or password.
- Allow a consumer reporting agency to charge a fee of up to \$10 in certain circumstances.
- Provide that the Act would not apply to the use of a credit report by certain entities.

The bill is tie-barred to Senate Bill 75, which would create the "Consumer Credit Protection Remedies Act".

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bill would require the Office of Financial and Insurance Services to provide information on the process as well as educational information on how the security freeze could help reduce identity theft on the internet. There would be a one time cost for the creation of this internet site that would be covered with existing revenue. There would be no fiscal impact on the general fund or on local government.

Date Completed: 5-23-07

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Analysis available @ <http://www.michiganlegislature.org>

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