

Chapter: 158

Session: 2018 Regular Session

Topic: Security freezes for people under 16

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Overview

A “security freeze” is a notice placed on a consumer report that stops information about the consumer from being released by a credit reporting agency (“CRA”) in connection with a new account opening or extension of credit. This act prohibits a CRA from charging a fee to place or remove a security freeze and allows a person under 16 to have a security freeze placed on their account by a representative, if certain requirements are met.

Section

1 Fees. Prohibits a CRA from charging a fee to place, temporarily lift, or remove a security freeze.

Effective date. This section became effective May 19, 2018.

2 [13C.10] Protected persons security freeze.

Subd. 1. Definitions. Provides definitions for this section, including “protected person” meaning an individual under the age of 16 and “representative” meaning a person who provides sufficient proof of authority to act on behalf of a protected person.

Subd. 2. Security freeze for protected person. Requires a CRA to place a security freeze for a protected person if they received certain documentation from a representative.

Subd. 3. Timing. Requires a CRA to place the security freeze for a protected person within 30 days of receiving a request if there is no file for the protected person. Requires a CRA to place a security freeze for a protected person within three business days of receiving a request if there is a file for the protected person.

Section

Subd. 4. Release of consumer report prohibited. Prohibits a CRA from releasing the protected person's consumer report, or any other information, unless the security freeze is removed.

Subd. 5. Period of security freeze for a protected person. Requires a security freeze for a protected person to remain in place until it is requested that it be removed or there was a material misrepresentation in placing the freeze.

Subd. 6. Removal of security freeze for a protected person. Allows a protected person or a representative to remove a security freeze if certain documentation is provided.

Subd. 7. Removal of security freeze; timing. Requires a CRA to remove a security freeze for a protected person within 30 days of receiving a request.

Subd. 8. Fees. Prohibits a CRA from charging a fee to place or remove a security freeze for a protected person under certain circumstances.

Subd. 9. Effect of material misrepresentation of fact. Allows a CRA to remove a security freeze or delete the record of a protected person if there was a material misrepresentation of fact by the protected person or representative

Subd. 10. Remedy for violation of this section. Limits a CRA's liability under this section to actual damages as a result of the violation.

Subd. 11. Exceptions. Provides exceptions to the application of this section.

Effective Date. This section is effective January 1, 2019.