

## **Alaska Statutes**

Title 45 – Trade and Commerce

Chapter 48 – Personal Information Protection Act

Article 2 – Credit Report and Credit Score Security Freeze

### **Sec. 45.48.100. Security freeze authorized**

A consumer may prohibit a consumer credit reporting agency from releasing the consumer's credit report or credit score without the express authorization of the consumer by placing a security freeze on the consumer's credit report.

### **Sec. 45.48.110. Placement of security freeze**

(a) To place a security freeze, a consumer shall make the request to the consumer credit reporting agency

(1) by mail to the address designated by the consumer credit reporting agency to receive security freeze requests; or

(2) as allowed by (b) of this section.

(b) A consumer may make a request under (a) of this section by telephone or by facsimile, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

(c) A consumer credit reporting agency shall place a security freeze within five business days after receiving a request under (a) or (b) of this section and proper identification from the consumer.

### **Sec. 45.48.120. Confirmation of security freeze**

(a) Within 10 business days after a consumer makes the request under *AS 45.48.110*, a consumer credit reporting agency shall send a written confirmation of the placement of the security freeze to the consumer. The confirmation must also inform the consumer that the consumer credit reporting agency may charge, as allowed by *AS 45.48.160*, a fee for third-party access during the security freeze.

(b) At the same time that the consumer credit reporting agency sends a confirmation under (a) of this section, the consumer credit reporting agency shall provide the consumer with a unique personal identification number, password, or similar device to be used by the consumer when the consumer authorizes the release of the consumer's credit report or credit score under *AS 45.48.130*.

### **Sec. 45.48.130. Access and actions during security freeze**

(a) While a security freeze is in place, a consumer credit reporting agency shall allow a third party access to a consumer's credit report or credit score if the consumer requests that the consumer credit reporting agency allow the access.

(b) To make a request under (a) of this section, the consumer shall contact the consumer credit reporting agency by mail at the address designated by the consumer credit reporting agency to receive security freeze requests or as allowed by (c) of this section, authorize the consumer credit reporting agency to allow the access, and provide the consumer credit reporting agency with

(1) proper identification to verify the consumer's identity;

(2) the unique personal identification number, password, or similar device provided under AS 45.48.120(b); and

(3) the proper information necessary to identify the third party to whom the consumer credit reporting agency may allow the access or the time period during which the consumer credit reporting agency may allow the access to third parties who request the access.

(c) In addition to making the request by mail, a consumer may make a request under (a) of this section by telephone or by facsimile, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

(d) Except as provided by (e) of this section, a consumer credit reporting agency that receives a request from a consumer under (b) or (c) of this section shall comply with the request within 15 minutes after receiving the request by telephone or by an electronic medium or within three business days after receiving the request by mail.

(e) A consumer credit reporting agency is not required to comply with a request under (a) of this section within the 15 minutes required by (d) of this section if

(1) the consumer fails to satisfy the requirements of (b) of this section;

(2) one of the following events prevents the consumer credit reporting agency from removing the security freeze within 15 minutes:

(A) an act of God, including a fire, earthquake, hurricane, storm, or similar natural disaster or phenomenon;

(B) an unauthorized or illegal act by another person, including terrorism, sabotage, riot, vandalism, labor strike, labor dispute disrupting operations, or similar occurrence;

(C) an operational interruption, including an electrical failure, unanticipated delay in equipment or replacement part delivery, computer hardware or software failure inhibiting response time, or similar disruption;

(D) governmental action, including an emergency order or regulation, a judicial law enforcement action, or a similar directive;

(E) regularly scheduled maintenance during other than normal business hours of the consumer credit reporting agency's systems, or updates to the consumer credit reporting agency's systems;

(F) commercially reasonable maintenance of, or repair to, the consumer credit reporting agency's systems that is unexpected or unscheduled; or

(3) the request is received outside of normal business hours.

(f) If a security freeze is in place, a consumer credit reporting agency may not release the credit report or credit score to a third party without the prior express authorization of the consumer.

(g) If a security freeze is in place on a consumer's credit report and credit score and if a third party applies to a consumer credit reporting agency to provide the third party with access to the consumer's credit report or credit score, the consumer credit reporting agency and the third party may treat the third party's application as incomplete unless the consumer authorizes the access under (a) of this section.

(h) If a security freeze is in place, a consumer credit reporting agency may not change the consumer's official information in the consumer's credit report and credit score without sending a written statement of the change to the consumer within 30 days after the change is made. A consumer credit reporting agency is not required to send a written statement if the consumer credit reporting agency makes a technical change in

the consumer's official information. If a consumer credit reporting agency makes a change, other than a technical change, in a consumer's address, the consumer credit reporting agency shall send the written statement to the consumer at both the new address and the former address. In this subsection,

(1) "official information" means name, date of birth, social security number, and address;

(2) "technical change" means changing spelling, transposing numbers or letters, abbreviating a word, or spelling out an abbreviation.

(i) This section is not intended to prevent a consumer credit reporting agency from advising a third party that requests access to a consumer's credit report or credit score that a security freeze is in effect.

(j) The procedures used by a consumer credit reporting agency for implementing the provisions of this section may include the use of telephone, facsimile, or electronic means if making the disclosure by the electronic means is consistent with the provisions regarding electronic records and signatures required for notices legally required to be in writing under *15 U.S.C. 7001 et seq.* (Electronic Signatures in Global and National Commerce Act).

#### **Sec. 45.48.140. Removal of security freeze**

(a) Except as provided by *AS 45.48.130*, a consumer credit reporting agency may not remove a security freeze unless

(1) the consumer requests that the consumer credit reporting agency remove the security freeze under (b) of this section; or

(2) the consumer made a material misrepresentation of fact to the consumer credit reporting agency when the consumer requested the security freeze under *AS 45.48.110*; if a consumer credit reporting agency intends to remove a security freeze on a consumer's credit report under this paragraph, the consumer credit reporting agency shall notify the consumer in writing before removing the security freeze.

(b) A consumer credit reporting agency shall remove a security freeze within three business days after receiving a request for removal from the consumer who requested the security freeze.

(c) To make a request under (b) of this section, the consumer shall contact the consumer credit reporting agency by mail or as allowed by (d) of this section, authorize the consumer credit reporting agency to remove the security freeze, and provide the consumer credit reporting agency with

(1) proper identification to verify the consumer's identity; and

(2) the unique personal identification number, password, or similar device provided under *AS 45.48.120(b)*.

(d) In addition to mail, a consumer may make a request under (b) of this section by telephone or by facsimile, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

#### **Sec. 45.48.150. Prohibition**

When dealing with a third party, a consumer credit reporting agency may not suggest, state, or imply that a consumer's security freeze reflects a negative credit score, history, report, or rating.

#### **Sec. 45.48.160. Charges**

(a) Except as provided by (b), (c), or (d) of this section, a consumer credit reporting agency may not charge a consumer to place or remove a security freeze, to provide access under *AS 45.48.130*, or to take any other action, including the issuance of a personal identification number, password, or similar device under *AS 45.48.120*, that is related to the placement of, removal of, or allowing access to a credit report or credit score on which a security freeze has been placed.

(b) A consumer credit reporting agency may charge a consumer \$ 5 for placing a security freeze.

(c) A consumer credit reporting agency may charge the consumer \$ 2 for each access request made by the consumer. In this subsection, "access request" means a request made by the consumer under *AS 45.48.130* to allow third-party access to the consumer's credit report or credit score on which a security freeze has been placed.

(d) If a consumer fails to retain a personal identification number, password, or similar device issued under *AS 45.48.120*, a consumer credit reporting agency may charge the consumer up to \$ 5 for each time after the first time that the consumer credit reporting agency issues the consumer another personal identification number, password, or similar device because the consumer failed to retain the personal identification number, password, or similar device.

(e) A consumer credit reporting agency may not charge a consumer a fee under (b) or (c) of this section if the consumer has been a victim of identity theft and provides the consumer credit reporting agency with a complaint filed by the consumer with a law enforcement agency.

#### **Sec. 45.48.170. Notice of rights**

When a consumer credit reporting agency is required to give a consumer a summary of rights under *15 U.S.C. 1681g* (Fair Credit Reporting Act), a consumer credit reporting agency shall also give the consumer the following notice:

##### Consumers Have the Right to Obtain a Security Freeze

You may obtain a security freeze on your credit report and credit score for \$ 5 to protect your privacy and ensure that credit is not granted in your name without your knowledge. You may not have to pay the \$ 5 charge if you are a victim of identity theft. You have a right to place a security freeze on your credit report and credit score under state law (*AS 45.48.100 -- 45.48.290*).

The security freeze will prohibit a consumer credit reporting agency from releasing your credit score and any information in your credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans, and other services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report and credit score may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, a mortgage, a governmental service, a governmental payment, a cellular telephone, a utility, an Internet credit card application, an extension of credit at point of sale, and other items and services.

When you place a security freeze on your credit report and credit

score, within 10 business days, you will be provided a personal identification number, password, or similar device to use if you choose to remove the freeze on your credit report and credit score or to temporarily authorize the release of your credit report and credit score to a specific third party or specific third parties or for a specific period of time after the freeze is in place. To provide that authorization, you must contact the consumer credit reporting agency and provide all of the following:

- (1) proper identification to verify your identity;
- (2) the personal identification number, password, or similar device provided by the consumer credit reporting agency;
- (3) proper information necessary to identify the third party or third parties who are authorized to receive the credit report and credit score or the specific period of time for which the credit report and credit score are to be available to third parties.

A consumer credit reporting agency that receives your request to temporarily lift a freeze on a credit report and credit score is required to comply with the request within 15 minutes, except after normal business hours and under certain other conditions, after receiving your request if you make the request by telephone, or an electronic method if the agency provides an electronic method, or within three business days after receiving your request if you make the request by mail. The consumer credit reporting agency may charge you \$ 2 to temporarily lift the freeze.

A security freeze does not apply to circumstances where you have an existing account relationship and a copy of your credit report and credit score are requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control, or similar activities.

If you are actively seeking credit, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around, or specifically for a certain creditor, days before applying for new credit.

You have a right to bring a civil action against someone who violates your rights under these laws on security freezes. The action can be brought against a consumer credit reporting agency.

#### **Sec. 45.48.180. Notification after violation**

If a consumer credit reporting agency violates a security freeze by releasing a consumer's credit report or credit score, the consumer credit reporting agency shall notify the consumer within five business days after discovering or being notified of the release, and the information in the notice must include an identification of the information released and of the third party who received the information.

#### **Sec. 45.48.190. Resellers**

A consumer credit reporting agency that acts as a reseller of consumer information shall honor a security freeze placed on a consumer's credit report and credit score by another consumer credit reporting agency.

## **Sec. 45.48.200. Violations and penalties**

(a) A consumer who suffers damages as a result of a person's violation of *AS 45.48.100 -- 45.48.290* may bring an action in court against the person and recover, in the case of a violation where the person acted

(1) negligently, actual economic damages, court costs allowed by the rules of court, and full reasonable attorney fees;

(2) knowingly,

(A) damages as described in (1) of this subsection;

(B) punitive damages that are not less than \$ 100 nor more than \$ 5,000 for each violation as the court determines to be appropriate; and

(C) other relief that the court determines to be appropriate.

(b) A consumer may bring an action in court against a person for a violation or threatened violation of *AS 45.48.100 -- 45.48.290* for injunctive relief, whether or not the consumer seeks another remedy under this section.

(c) Notwithstanding (a)(2) of this section, a person who knowingly violates *AS 45.48.100 -- 45.48.290* is liable in a class action for an amount that the court allows. When determining the amount of an award in a class action under this subsection, the court shall consider, among the relevant factors, the amount of any actual damages awarded, the frequency of the violations, the resources of the violator, and the number of consumers adversely affected.

(d) In this section, "knowingly" has the meaning given in *AS 11.81.900*.

## **Sec. 45.48.210. Exemptions**

(a) The provisions of *AS 45.48.100 -- 45.48.290* do not apply to the use of a credit report by

(1) a person, the person's subsidiary, affiliate, or agent, or the person's assignee with whom a consumer has or, before the assignment, had an account, contract, or debtor-creditor relationship if the purpose of the use is to review the consumer's account or to collect a financial obligation owing on the account, contract, or debt;

(2) a subsidiary, an affiliate, an agent, an assignee, or a prospective assignee of a person to whom access has been granted under *AS 45.48.130* if the purpose of the use is to facilitate the extension of credit or another permissible use;

(3) a person acting under a court order, warrant, or subpoena;

(4) an agency of a state or municipality that administers a program for establishing and enforcing child support obligations;

(5) the Department of Health and Social Services, its agents, or its assigns when investigating fraud;

(6) the Department of Revenue, its agents, or its assigns when investigating or collecting delinquent taxes or unpaid court orders or when implementing its other statutory responsibilities;

(7) a person if the purpose of the use is prescreening allowed under *15 U.S.C. 1681b(c)* (Fair Credit Reporting Act);

(8) a person administering a credit file monitoring subscription service to which the consumer has subscribed;

(9) a person providing a consumer with a copy of the consumer's credit report or credit score at the consumer's request;

(10) a person if the database or file of the consumer credit reporting agency consists entirely of information concerning and used solely for one or more of the following purposes:

- (A) criminal record information;
- (B) personal loss history information;
- (C) fraud prevention or detection;
- (D) tenant screening; or
- (E) employment screening; or

(11) a person for use for insurance purposes in setting a rate, adjusting a rate, adjusting a claim, or underwriting, except that this paragraph may not be interpreted to authorize an insurance practice that is prohibited by other law; this paragraph may not be interpreted to affect *AS 21.36.460* or *AS 21.39.035*.

(b) Except as provided by *AS 45.48.190*, the provisions of *AS 45.48.100 -- 45.48.290* do not apply to a person when acting only as a reseller of consumer information.

#### **Sec. 45.48.290. Definitions**

In *AS 45.48.100 -- 45.48.290*,

(1) "account review" means activities related to account maintenance, account monitoring, credit line increases, and account upgrades and enhancements;

(2) "consumer" means an individual who is the subject of a credit report or credit score;

(3) "consumer credit reporting agency" has the meaning given in *AS 45.48.990*, but does not include a person who issues reports

(A) on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payments; or

(B) regarding account closures because of fraud, substantial overdrafts, automated teller machine abuse, or similar negative information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing consumer requests for deposit accounts at the inquiring banks or financial institutions;

(4) "reseller of consumer information" means a person who assembles and merges information contained in the databases of consumer credit reporting agencies and does not maintain a permanent database of consumer information from which new consumer credit reports are produced;

(5) "security freeze" means a prohibition against a consumer credit reporting agency's releasing a consumer's credit report or credit score without the express authorization of the consumer;

(6) "third party" means a person who is not

(A) the consumer who is the subject of the consumer's credit report or credit score; or

(B) the consumer credit reporting agency that is holding the consumer's credit report or credit score.