

SECURITY FREEZE ACT (EXCERPT)
Act 229 of 2013
ARTICLE 1

445.2511 Short title.

Sec. 1.

This act shall be known and may be cited as the "security freeze act".

History: 2013, Act 229, Eff. Jan. 1, 2014

445.2512 Definitions.

Sec. 2.

As used in this act:

- (a) "Consumer" means an individual who resides in this state.
- (b) "Consumer reporting agency" means any person that, for monetary fees or 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 credit reports to third parties and that uses any means or facility of interstate commerce for the purpose of preparing or furnishing credit reports.
- (c) "Credit report" means any written, oral, or other communication of any information by a consumer reporting agency that is related to a consumer's creditworthiness, credit standing, or credit capacity, and is issued or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for credit.
- (d) "File" means all of the information about a consumer that is recorded and retained by a consumer reporting agency regardless of how the information is stored.
- (e) "Protected consumer" means either of the following:
 - (i) An individual who is under 16 years of age at the time a request for the placement of a security freeze is made.
 - (ii) An incapacitated person or a protected person for whom a guardian or conservator has been appointed has been appointed under article V of the estates and protected individuals code, 1998 PA 386, MCL 700.5101 to 700.5520.
- (f) "Record" means a compilation of information that meets all of the following:
 - (i) Identifies a protected consumer.
 - (ii) Is created by a consumer reporting agency solely for the purpose of complying with article 3.
 - (iii) May not be created or used to consider the protected consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living for any purpose authorized under section 604 of the fair credit reporting act, 15 USC 1681b.
- (g) "Representative" means an individual who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected consumer.
- (h) "Security freeze" means a restriction placed on a consumer's credit report at the request of the consumer that prohibits a consumer reporting agency from releasing the consumer's credit report or any information derived from the consumer's credit report without the express authorization of or on behalf of the consumer.
 - (i) "Security freeze for a protected consumer" means any of the following:
 - (i) If a consumer reporting agency does not have a file pertaining to a protected consumer, a security freeze that meets both of the following:
 - (A) Is placed on the protected consumer's record under this act.
 - (B) Prohibits the consumer reporting agency from releasing the protected consumer's record except as provided in this act.
 - (ii) If a consumer reporting agency has a file pertaining to the protected consumer, a security freeze that meets both of the following:
 - (A) Is placed on the protected consumer's credit report under this act.
 - (B) Prohibits the consumer reporting agency from releasing the protected consumer's credit report or any

information derived from the protected consumer's credit report except as provided in this act.

(j) "Sufficient proof of authority" means documentation that shows that a representative has authority to act on behalf of a protected consumer, including, but not limited to, any of the following:

- (i) An order issued by a court of law.
- (ii) A lawfully executed and valid power of attorney.
- (iii) A written, notarized statement signed by a representative that expressly describes the authority of the representative to act on behalf of a protected consumer.

(k) "Sufficient proof of identification" means information or documentation that identifies a consumer, a protected consumer, or a representative of a protected consumer, including, but not limited to, any of the following:

- (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 an operator's license or chauffeur's license issued under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, an official state personal identification card issued under 1972 PA 222, MCL 28.291 to 28.300, or any other government-issued identification.

History: 2013, Act 229, Eff. Jan. 1, 2014

445.2513 Inapplicability of Article 2 to certain entities or uses.

Sec. 3.

Article 2 does not apply to any of the following entities or uses:

(a) A person, or a subsidiary, affiliate, agent, or assignee of a person, with which the consumer has, or before assignment had, an account, contract, or debtor-creditor relationship, for the purpose of account review or collecting the financial obligation owing for the account, contract, or debt.

(b) A person that was given access to a consumer's credit report for the purpose of facilitating an extension of credit to the consumer or another permissible use.

(c) A person that is acting under a court order, warrant, or subpoena.

(d) A unit of state or local government that administers a program for establishing and enforcing child support obligations.

(e) The department of human services in connection with a fraud investigation conducted by that department.

(f) Any state or local taxing authority in connection with any of the following:

- (i) An investigation conducted by that taxing authority.
- (ii) The collection of delinquent taxes or unpaid court orders by the taxing authority.
- (iii) The performance of any other duty provided for by law.

(g) A person that furnishes a credit report, or requests that a credit report be furnished, that relates to a consumer in connection with a credit or insurance transaction not initiated by a consumer, if the requirements of 15 USC 1681b(c) are met.

(h) A person that administers a credit file monitoring subscription service to which a consumer or protected consumer has subscribed.

(i) A person that provides a consumer or the consumer's representative with a copy of the consumer's credit report on request of the consumer or the representative.

(j) To the extent not prohibited by another law of this state, a person engaged solely in setting or adjusting an insurance rate, adjusting an insurance claim, or underwriting an insurance risk.

(k) A check services or fraud prevention services company that issues any of the following:

- (i) Reports on incidents of fraud.
- (ii) Authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar payment methods.

(l) A deposit account information service company that issues reports regarding account closures due to fraud, substantial overdrafts, or automated teller machine abuse or provides similar information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.

(m) A consumer reporting agency database or file that consists entirely of consumer information concerning, and used solely for, 1 or more of the following:

- (i) Criminal record information.
- (ii) Personal loss history information.

- (iii) Fraud prevention or detection.
- (iv) Employment screening.
- (v) Tenant screening.
- (n) A consumer reporting agency that meets both of the following:
 - (i) It is only engaged in reselling resell credit information by assembling and merging information contained in a database of 1 or more consumer reporting agencies.
 - (ii) It does not maintain a permanent database of credit information it obtains for purposes of subparagraph (i).

History: 2013, Act 229, Eff. Jan. 1, 2014

445.2514 Inapplicability of Article 3 to certain entities or uses.

Sec. 4.

Article 3 does not apply to any of the following entities or uses:

- (a) A person that is acting under a court order, warrant, or subpoena.
- (b) A person that administers a credit file monitoring subscription service to which a consumer or protected consumer has subscribed.
- (c) A person that provides a consumer or the consumer's representative with a copy of the consumer's credit report on request of the consumer or the representative.
- (d) A check services or fraud prevention services company that issues any of the following:
 - (i) Reports on incidents of fraud.
 - (ii) Authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar payment methods.
- (e) A deposit account information service company that issues reports regarding account closures due to fraud, substantial overdrafts, or automated teller machine abuse or provides similar information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.
- (f) A consumer reporting agency database or file that consists entirely of consumer information concerning, and used solely for, 1 or more of the following:
 - (i) Criminal record information.
 - (ii) Personal loss history information.
 - (iii) Fraud prevention or detection.
 - (iv) Employment screening.
 - (v) Tenant screening.
- (g) A consumer reporting agency that meets both of the following:
 - (i) It is only engaged in reselling resell credit information by assembling and merging information contained in a database of 1 or more consumer reporting agencies.
 - (ii) It does not maintain a permanent database of credit information it obtains for purposes of subparagraph (i).

History: 2013, Act 229, Eff. Jan. 1, 2014