



Security Credit Freezes Put Identity Thieves On Ice

JEFFERSON CITY — More than 8 million Americans fall victim each year to identity theft. Unfortunately, some credit card companies, merchants, businesses and government entities don't always adequately safeguard consumers' private financial information, making it fairly easy for thieves to steal data to obtain new credit or to rack up charges on existing accounts.

Senate Leader Mike Gibbons (R-Kirkwood) and I are co-sponsoring a bill (SBs 712 & 882) that protects consumers from identity theft by allowing them to request a "security freeze" or "lock" on their credit file to prevent anyone from trying to receive credit, loans or services in their name. Consumer credit reporting agencies would be required to receive permission from consumers before releasing information from consumer credit reports — allowing consumers to take control over who gets access to personal and financial information contained in their credit files.

Credit security freezes work because most businesses will not issue new credit or provide goods and services for later payment without checking an applicant's credit history. If an individual's credit reporting file is frozen and an imposter tries to apply for credit in his or her name, the creditor is likely to deny the application — thus preventing a case of identity theft.

Under the security credit freeze provisions, consumers would be able to temporarily lift, or "thaw," freezes when they want to make use of their own credit files, such as when applying for credit or loans. To do so, credit reporting agencies would provide consumers with a personal identification number (PIN) to gain access to their information. No fee would be charged for the first security freeze request. Fees of up to \$10 would be charged for subsequent requests.

There are some exemptions to accessing security freeze information. Credit reporting agencies may issue reports when: authorized by the consumer; for court orders; when the freeze has been lifted; when requested by a child support enforcement agency; for certain insurance purposes; to anyone with whom the consumer has an existing debtor-creditor relationship; when requested by the state of Missouri to investigate fraud or collect delinquent taxes; when used by a credit monitoring service to which the consumer subscribes; or wherever permitted under federal law.

The proposed legislation also addresses new requirements for merchandise rebates. The measure prohibits retailers from advertising the after-rebate prices of goods or services unless they will honor the

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rebate at the time of purchase. Violations would be considered unlawful merchandising practices that could be prosecuted by the state's attorney general's office. However, there are exceptions. Retailers who sell items that include a rebate, but are not responsible for the rebate advertisement, would not be considered breaking the law. The measure also limits the type of information that businesses may require consumers to provide in order to receive a rebate.

In addition, the measure ensures that customers who receive a mail-in rebate at the time of purchase would be provided with a means to check the rebate status. Customers would be given 30 days to submit a mail-in rebate and businesses would be required to make payments within 30 days of receiving rebate claims. If the method of payment for rebates is not disclosed on the rebate ad, payments would be required to be made in cash, check or an equivalent method of payment. Payments could not include reward cards.

These important, consumer-protection proposals await first-round approval by the Senate, and, if approved, go to the House for similar consideration. I urge my fellow lawmakers to adopt these measures that will protect Missouri consumers from identify theft and unscrupulous business practices.

If you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by phone at (866) 271-2844.

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