



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Carla Napolitano

H.B. 386

132nd General Assembly

(As Reported by H. Financial Institutions, Housing, and Urban Development)

Reps. Henne and Kelly, Rogers, Boggs, Dever, Hambley, Arndt, Riedel, Becker, West, DeVitis, Romanchuk, K. Smith, Leland

BILL SUMMARY

- Prohibits a consumer credit reporting agency from charging a fee to place a freeze on a consumer's or protected consumer's credit report or to remove or temporarily lift the freeze.
-

CONTENT AND OPERATION

Overview

The bill prohibits a consumer credit reporting agency (CRA) from charging fees associated with placing, removing, or temporarily lifting a security freeze on a consumer's credit report or on protected consumer's credit report. A "security freeze" is a restriction placed on a consumer's or protected consumer's credit report at the request of the consumer or the protected consumer's representative. The restriction prohibits a CRA, without the express authorization of the consumer or protected consumer's representative, from releasing any part of the report or any information derived from the report relating to the extension of credit. A "protected consumer" is a minor or a person for whom a guardian of the estate or conservator has been appointed at the time a request for the placement of a security freeze is made.¹

Placing a security freeze

The bill prohibits the CRA from charging a fee to the consumer or a protected consumer's representative when placing a security freeze on that consumer's credit report or protected consumer's credit report. Under existing law, a CRA can charge a

¹ R.C. 1349.52(A)(6) and (8).

reasonable fee, not more than \$5, for placing the freeze. But existing law prohibits the CRA from charging a fee for the freeze when the consumer or protected consumer is a victim of identity fraud, if the consumer or representative sends a copy of the police report to the CRA. Since the bill prohibits the fee associated with placing the freeze in all circumstances, it eliminates this provision.²

Removing or temporarily lifting a security freeze

The bill also prohibits the CRA from charging a fee for removing or temporarily lifting a security freeze on the consumer's credit report. Under existing law, a CRA is permitted to charge a consumer a reasonable fee, not more than \$5, for removing or temporarily lifting a security freeze on the consumer's credit report for a specific creditor. It also may charge a consumer a reasonable fee, not more than \$5, if the consumer chooses to temporarily lift the freeze for a specific amount of time.³

Similarly, the bill prohibits the CRA from charging a representative of a protected consumer a fee for removing a security freeze on the protected consumer's credit report. Under existing law, the CRA is permitted to charge a reasonable fee, not exceeding \$5, for the removal.⁴

HISTORY

ACTION	DATE
Introduced	10-23-17
Reported, H. Financial Institutions, Housing & Urban Development	06-20-18

H0386-RH-132.docx/ks

² R.C. 1349.52(I)(1) and 1349.521(H)(1)(a).

³ R.C. 1349.52(I)(2).

⁴ R.C. 1349.521(H)(1)(b).

