



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

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Representative Smola Backs Consumer Credit Report Protections for Massachusetts Residents

BOSTON – Representative Todd M. Smola (R-Warren, Ranking Member, Committee on Ways & Means), is supporting legislation that will enhance consumer protections for Massachusetts residents when dealing with credit reporting agencies and potential data breaches.

Under current state law, consumers must pay a \$5 fee to each of the three major credit reporting agencies – Equifax, Experian, and TransUnion – to freeze their credit reports and an additional \$5 to lift the freeze. House Bill 4232, which was engrossed by the House of Representatives on February 14 by a vote of 152-0, will eliminate these fees and make it easier for consumers to protect their credit rating.

In 2017, a data breach at Equifax resulted in hackers gaining access to personal information on 145 million Americans, including their Social Security numbers, birthdates, driver's license numbers, and tax identification numbers. At least 3 million Massachusetts residents were affected by the data breach and may be vulnerable to identity theft because their personal information could be used to open lines of credit and to file fraudulent tax returns without their knowledge.

“The unauthorized release of sensitive personal information can have a devastating impact on an individual's credit score,” said Representative Smola. “This bill calls for substantive reforms within the credit reporting industry to help protect consumers and make it easier for them to safeguard their personal information.”

House Bill 4232 prohibits credit reporting agencies from accessing a consumer's credit report in connection with an application for credit without their written, verbal or electronic consent. It also allows consumers to request a credit freeze by telephone or through a secure website. Credit

reporting agencies would be required to implement the credit freeze within one business day, and to lift the freeze within 15 minutes of receiving electronic confirmation.

House Bill 4232 also requires credit reporting agencies to provide consumers with immediate notice of a security breach and details on any mitigation services being offered to address the breach. Reporting agencies would be required to provide the Attorney General and the Office of Consumer Affairs and Business Regulations with a sample copy of the notification it intends to distribute to consumers so the notice can be posted on their websites.

In the event of a credit breach at any business involving the release of consumers' Social Security numbers, the company must offer free credit monitoring services to affected consumers for one year. The bill also provides protections for residents under the age of 16 by allowing a parent or guardian to act on their behalf to place a freeze on their credit.

The bill now moves to the Senate for further action. For additional information please contact Representative Smola at Todd.Smola@mahouse.gov or (617)722-2100.

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