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SENATE BILL 787

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

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AN ACT

RELATING TO CONSUMER PROTECTION; ALLOWING CONSUMERS TO PUT SECURITY ALERTS OR FREEZES ON THEIR CREDIT REPORTS OR HAVE INFORMATION IN CREDIT REPORTS BLOCKED IF THEIR IDENTITY MAY HAVE BEEN USED WITHOUT THEIR CONSENT; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 56-3-1 NMSA 1978 (being Laws 1969, Chapter 259, Section 1, as amended) is amended to read:

"56-3-1. DEFINITIONS.--As used in ~~[this act]~~ Chapter 56, Article 3 NMSA 1978:

A. "credit bureau" means any business engaged in furnishing credit information about consumers; ~~[and]~~

B. "consumer" means any natural person in the general consuming public who seeks or is seeking credit for

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1 personal, family or household purposes; and

2 C. "identity theft" means willfully obtaining,
3 recording or transferring personal or financial information of
4 another person without that person's authorization or consent."

5 Section 2. A new section of Chapter 56, Article 3 NMSA
6 1978 is enacted to read:

7 "[NEW MATERIAL] SECURITY ALERT.--

8 A. A consumer may request that a credit bureau
9 place a security alert in the consumer's credit report that
10 will warn anyone receiving information in the report that the
11 consumer's identity may have been used without the consumer's
12 consent.

13 B. A request for a security alert may be made by
14 mail, telephone or in person.

15 C. A security alert shall be maintained for ninety
16 days, at which time the consumer is entitled to a free copy of
17 the consumer's credit report.

18 D. A recipient of a credit report containing a
19 security alert shall take reasonable steps, including
20 contacting the consumer at a telephone number provided to the
21 credit bureau for the security alert, to verify the consumer's
22 identity prior to lending money, extending credit or completing
23 the purchase, lease or rental of goods or services.

24 E. Upon receiving a consumer's request for a
25 security alert, a credit bureau shall provide notice to the

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1 consumer that the security alert may prevent credit, loans and
2 services from being approved in the consumer's name without the
3 consumer's consent and that the security alert may also delay
4 or interfere with the timely approval of any subsequent request
5 or application that the consumer makes regarding a new loan,
6 credit, a mortgage, insurance, rental housing, employment, an
7 investment, a license, a cellular phone, utilities, a digital
8 signature, an internet credit card transaction, an extension of
9 credit at a point of sale or another service."

10 Section 3. A new section of Chapter 56, Article 3 NMSA
11 1978 is enacted to read:

12 "[NEW MATERIAL] SECURITY FREEZE.--

13 A. A consumer may request that a credit bureau
14 place a security freeze on the consumer's credit report that
15 will prohibit a credit bureau from releasing information in the
16 consumer's credit report without the consumer's express
17 authorization.

18 B. A request for a security freeze shall be made in
19 writing by certified mail.

20 C. When a security freeze is placed on a consumer's
21 credit report, the credit bureau shall provide the consumer
22 with a personal identification number or password to use if the
23 consumer chooses to remove the freeze or to authorize the
24 release of the credit report to a specific person or for a
25 specific period of time after the freeze is in place. To

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1 provide authorization to release the report, the consumer must
2 contact the credit bureau and provide the personal
3 identification number or password, verification of the
4 consumer's identity and information regarding the person who is
5 to receive the credit report or the period of time for which
6 the credit report can be released. A credit bureau shall
7 authorize the release of the consumer's credit report within
8 three business days of receiving the authorizing information.

9 D. Upon receiving a consumer's request for a
10 security freeze, a credit bureau shall provide notice to the
11 consumer that using a security freeze to control who gets
12 access to the personal and financial information in a credit
13 report may also delay, interfere with or prohibit the timely
14 approval of any subsequent request or application that the
15 consumer makes regarding a new loan, credit, a mortgage,
16 insurance, rental housing, employment, an investment, a
17 license, a cellular phone, utilities, a digital signature, an
18 internet credit card transaction, an extension of credit at a
19 point of sale or another service."

20 Section 4. A new section of Chapter 56, Article 3 NMSA
21 1978 is enacted to read:

22 "[NEW MATERIAL] BLOCKING FRAUDULENT INFORMATION.--If a
23 consumer alleges identity theft and provides to a credit bureau
24 a copy of a valid police report describing the identity theft
25 circumstances, the following shall apply:

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1 A. information that the consumer lists as allegedly
2 being the result of identity theft shall be promptly blocked by
3 the credit bureau so that it cannot be contained in a credit
4 report. That information shall be unblocked only if:

5 (1) the information provided by the consumer
6 is a material misrepresentation of the facts;

7 (2) the consumer agrees that the information
8 is blocked in error; or

9 (3) the consumer knowingly received goods,
10 services or money as a result of blocked information;

11 B. if blocked information is unblocked pursuant to
12 Subsection A of this section, the consumer shall be promptly
13 notified by the credit bureau; and

14 C. the consumer shall have a right to receive from
15 the credit bureau, free of charge and upon request, a copy of
16 the consumer's credit report each month for up to twelve
17 consecutive months."