

Introduced by

Representatives Koppelman, L. Meier, S. Meyer

Senators Syverson, Taylor, Tollefson

1 A BILL for an Act to provide for protection of victims of identity fraud.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1. Identity fraud - Duties of consumer reporting agencies.**

- 4 1. If a consumer, as defined by the Fair Credit Reporting Act [Pub. L. 90-321; 84 Stat.
5 1127; 15 U.S.C. 1681 et seq.], submits to a consumer reporting agency, as defined
6 by that Act, a copy of a valid police report, the consumer reporting agency, within
7 thirty days of receipt of the report, shall block the reporting of any information that
8 the consumer alleges appears on the consumer's credit report, as defined by that
9 Act, as a result of a violation of section 12.1-23-11. The consumer reporting
10 agency promptly shall notify the furnisher of the information that a police report has
11 been filed, that a block has been requested, and the effective date of the block.
- 12 2. Consumer reporting agencies may decline to block or may rescind any block of
13 consumer information if, in the exercise of good faith and reasonable judgment, the
14 consumer reporting agency believes that:
- 15 a. The information was blocked due to a misrepresentation of a material fact by
16 the consumer;
- 17 b. The information was blocked due to fraud, in which the consumer participated,
18 or of which the consumer had knowledge, and which may for purposes of this
19 section be demonstrated by circumstantial evidence;
- 20 c. The consumer agrees that portions of the blocked information or all of it were
21 blocked in error;
- 22 d. The consumer knowingly obtained or should have known that the consumer
23 obtained possession of goods, services, or moneys as a result of the blocked
24 transaction or transactions; or

1 e. The consumer reporting agency, in the exercise of good faith and reasonable
2 judgment, has substantial reason based on specific, verifiable facts to doubt
3 the authenticity of the consumer's report of a violation of this section or
4 section 12.1-23-11.

5 3. If blocked information is unblocked pursuant to this section, the consumer reporting
6 agency shall notify the consumer in the same manner as consumers are notified of
7 the reinsertion of information pursuant to the procedure in case of disputed
8 accuracy under the Fair Credit Reporting Act [Pub. L. 90-321; 84 Stat. 1127; 15
9 U.S.C. 1681 et seq.]. The prior presence of the blocked information in the
10 consumer reporting agency's file on the consumer is not evidence of whether the
11 consumer knew or should have known that the consumer obtained possession of
12 any goods, services, or moneys.

13 4. A consumer reporting agency shall accept the consumer's version of the disputed
14 information and correct the disputed item when the consumer submits to the
15 consumer reporting agency documentation obtained from the source of the item in
16 dispute or from public records confirming that the report was inaccurate or
17 incomplete, unless the consumer reporting agency, in the exercise of good faith
18 and reasonable judgment, has substantial reason based on specific, verifiable facts
19 to doubt the authenticity of the documentation submitted and notifies the consumer
20 in writing of that decision, explaining its reasons for unblocking the information and
21 setting forth the specific, verifiable facts on which the decision is based.

22 5. A consumer reporting agency shall delete from a consumer credit report inquiries
23 for credit reports based upon credit requests that the consumer reporting agency
24 verifies were initiated as a result of a violation of this section or section 12.1-23-11.

25 6. The provisions of this section do not apply to:

26 a. A consumer reporting agency that acts as a reseller of credit information by
27 assembling and merging information contained in the data bases of other
28 consumer reporting agencies, and that does not maintain a permanent data
29 base of credit information from which new consumer credit reports are
30 produced;

- 1 b. A check services or fraud prevention services company that issues reports on
- 2 incidents of fraud or authorizations for the purpose of approving or processing
- 3 negotiable instruments, electronic funds transfers, or similar payment
- 4 methods; or
- 5 c. A demand deposit account information service company that issues reports
- 6 regarding account closures due to fraud, substantial overdrafts, automatic
- 7 teller machine abuse, or similar negative information regarding a consumer to
- 8 inquiring banks or other financial institutions for use only in reviewing a
- 9 consumer request for a demand deposit account at the inquiring bank or
- 10 financial institution.