



COMMISSIONER OF FINANCIAL REGULATION

ADVISORY NOTICE ⁹⁻¹⁸



October 1, 2018

CREDIT FREEZES AND UNFREEZES NOW FREE FOR CONSUMERS

Pursuant to federal bill S. 2155 Sec. 301, which went into effect on September 21, 2018, and Maryland House Bill 710, which will go into effect October 1, consumers are now entitled to request free security freezes (and unfreezes) of their credit accounts. The federal statute reads, in part,

“You have a right to place a ‘security freeze’ on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

“As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

“A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.”

The Consumer Financial Protection Bureau has posted [instructions](#) on how to place a security freeze on a credit account with any of the three big credit reporting agencies—Equifax, Experian, or Transunion.

The federal statute also extends the law’s protection to include individuals under 16 or those who have been rendered incapacitated and require a conservator or guardian.

Questions regarding this advisory should be directed to Jedd Bellman, Assistant Commissioner for Non-Depository Supervision, at (410) 230-6390 or email jedd.bellman@maryland.gov.