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BRIGID KELLY

State Representative

Chairman Dever, Vice Chairman Sprague, Ranking Member Smith, and members of the House Financial Institutions, Housing and Urban Development Committee, thank you for the opportunity to provide sponsor testimony on House Bill 386 which would prohibit credit reporting agency fees for a credit report freeze.

Unfortunately, we regularly hear about major data breaches that impact millions upon millions of consumers – take for example Equifax in 2017, Yahoo in 2016 and Target in 2013. And, this year alone, nearly half of Americans may have had their personal information jeopardized by hackers who have stolen data including Social Security numbers, birth dates, addresses, and even driver’s license numbers to run up charges on existing accounts or to open new accounts in someone else’s name.

One line of defense for consumers to protect their identities is to place a security freeze on one’s consumer credit report by disallowing the three major credit bureaus – Equifax, Experian, and TransUnion - to release a credit report and score to new creditors. Since most lenders will not loan without first reviewing a credit report, the freeze makes it nearly impossible for counterfeit or unauthorized accounts to form.

Currently, in order to place a security freeze, you must contact each of the three credit bureaus individually to supply your personal information. In Ohio, if a consumer is found to be a victim of identity fraud, the consumer can place a freeze on their credit at no charge. However, if a consumer has not been deemed a victim of fraud or cannot supply a police report to the credit reporting agency, the individual is subject to a five dollar fee per agency to freeze, remove, or temporarily lift the security freeze. Because if you fail to contact all three companies, you in essence have no “freeze,” the real cost to consumers is \$15.00 each time they put a freeze on or lift the freeze on their credit. Therefore, if you have frozen your credit with all three agencies at five dollars each, and you want to lease a car or rent an apartment, you must then lift the freeze, also at a cost of five dollars per each agency.

This bill will allow Ohio to join seven other states and Washington D.C. in allowing its citizens unlimited access to the status of their personal credit as they see fit, and not penalize or charge them for protecting or accessing their own information.

Representative Henne and I believe that House Bill 386 is an important step forward to protecting consumers in this state. Again, I appreciate the chance to offer testimony on House Bill 386 and would be happy to answer any questions.

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