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STATE REPRESENTATIVE ★ 21ST ASSEMBLY DISTRICT

AB 753: Credit Report Security Freeze for Seniors Testimony of State Representative Jessie Rodriguez Assembly Committee on Consumer Protection February 2, 2016

Good morning, Chairman Krug and Consumer Protection Committee members. Thank you for holding a hearing on Assembly Bill 753, legislation that will exempt senior citizens from fees related to security freezes on consumer credit reports.

Target, Home Depot, JPMorgan Chase, eBay, and Anthem Blue Cross are just a handful of major organizations that experienced a data breach within the last two years. In each data breach personal identification and credit related information was stolen from consumers and/or employees. In 2014 alone, data breaches compromised more than 700 million records. That figure doesn't even come close to the total impacted in data breaches going back ten years. In some instances, the organizations weren't even aware of the breach for days or even months later. Such was the case with JPMorgan Chase in 2014; the hack began in June but was not discovered until July. Some experts agree it is likely, many of us will have our personal information compromised in a data breach, even if it doesn't lead to identity fraud.

Data breaches of all sorts impacting consumers and employees across the country are becoming commonplace prompting consumers to closely monitor their credit reports.

Data breaches can be especially harmful for the elderly. Many elderly residents in the state of Wisconsin, will tell you they live on a fixed income. This is often the case for many citizens who enter retirement and no longer see increases in their monthly income. When emergency situations arise or unplanned expenses occur it can cause financial strain for these citizens. This is exactly what happened for Janell, a citizen from Oak Creek, Wisconsin.

Currently, state law allows each credit reporting agency (Experian, TransUnion and Equifax) to charge a fee for the following services: to place a freeze on a credit report, to have the freeze temporarily lifted, and to have the freeze permanently lifted. Each service costs ten dollars per use. The fee is waived for any consumer who has had their identity stolen and has filed a police report.

Janell is a retired senior citizen on a fixed income. For the majority of her career, she worked for the Federal Government. As many will recall, the OPM experienced a data breach compromising the personal identification information for millions of federal employees.



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Knowing that she could not afford a costly battle with identity fraud, Janell chose to place a security freeze on her credit report with each of the three credit reporting agencies. She then had the freeze temporarily lifted to obtain a line of credit. And she has since had the freeze permanently removed. She has spent a total of \$90 simply to protect her identity. She would like to have her credit frozen again but may be unable to afford it.

Ninety dollars may not seem like much, but for someone on a fixed income it can cause financial hardship and make a significant impact on that individual's monthly expenses.

The legislation before you today, will exempt senior citizens - ages 62 and older as defined in state statute – from paying a fee for any of the following services regardless if their identification was stolen or compromised:

- To place a freeze on a credit report
- To have the freeze temporarily lifted
- To have the freeze permanently removed

Through our research it was discovered, that in states such as North Carolina and Arkansas, senior citizens are not required to pay fees to credit reporting agencies for the same services outlined in this legislation. Furthermore, at least 15 states have provisions that exempt senior citizens from paying specified fees relating to security freezes.

This bill is about providing protections for some of the most vulnerable citizens in our state. We have an obligation to protect those who may not be able to protect themselves and in some instances, senior citizens fall under that category.

I hope you will join me in supporting this legislation as it provides essential protections for senior citizens in our state.

Thank you for your time and I would be happy to entertain any questions or comments from the committee at this time.