



August 8, 2018

The Honorable Robert DeLeo  
Speaker  
House of Representatives  
Commonwealth of Massachusetts  
State House, Room 356  
Boston, MA 02133

The Honorable Karen Spilka  
President  
Senate  
Commonwealth of Massachusetts  
State House, Room 332  
Boston, MA 02133

**RE: Reenact House Bill No. 4806, An Act Relative to Consumer Protection from Security Breaches**

Dear Speaker DeLeo, President Spilka and Members of the General Court:

AARP Massachusetts and MASSPIRG urge you to accept Governor Baker's amendments and reenact House Bill No. 4806, An Act Relative to Consumer Protection from Security Breaches, without delay.

If passed, this bill will provide consumers with important consumer protections. It was passed unanimously in both the House and the Senate. The bill enables consumers to safeguard their personal financial information by allowing them to "freeze" and "thaw" their credit files for free -- preventing thieves from opening new credit accounts in their names. The bill also requires that credit bureaus and other companies give consumers free credit monitoring services after a data breach. Additionally, the bill enhances some important consumer notices.

Last year, identity thieves stole more than \$17 billion dollars from American consumers – and that number is growing. This measure, if passed, will help consumers protect themselves when companies and credit bureaus fail to safeguard our personal information.

Key Provisions in the *Act Relative to Consumer Protection from Security Breaches*:

**Free Credit Freeze:** The law will allow consumers to freeze and thaw their credit files at any time, for free. Unlike credit monitoring (which alerts you after potential identity theft has already occurred), a credit freeze makes it harder for someone to open a new fraudulent account in your name. The three major credit bureaus - Equifax, TransUnion, and Experian – have been charging Massachusetts consumers \$5 per freeze/thaw transaction.

**Free Credit Monitoring:** If a security breach involving a Social Security number occurs at a consumer reporting agency – such as Equifax – the bill requires credit reporting agencies to provide at least 3.5 years of free monitoring to affected consumers. Other entities that suffer a breach must offer consumers at least 1.5

years of free monitoring. Credit monitoring services can help alert consumers to incidences of fraud allowing them to act quickly to minimize damage to their finances.

**Prohibits binding arbitration clause in credit monitoring products:** No one should have to give up their right to sue for redress just to receive credit monitoring after a breach. Credit reporting agencies are different than other businesses: consumers do not choose to be a customer of credit reporting agencies and they cannot choose to leave a credit reporting agency when they are treated unfairly or put at risk of identity theft.

**Addition Consumer Information:** The new law would better inform consumers about security breaches and their rights. Credit reporting agencies would not be able to sell consumers credit freeze services without first disclosing that consumers are entitled by law to a free freeze. The agencies also would have to tell consumers how to get those free freezes.

**Consent:** In some limited instances companies or individuals seeking to obtain or use a consumer's credit report will need the permission of the consumer and must disclose the reason for seeking access to the information.

The problem of identity theft hits the front pages of newspapers nearly every day. In September 2017, the credit bureau, Equifax, which keeps sensitive personal financial information on almost everyone, revealed a massive security breach **jeopardizing the security of three million Massachusetts residents** and 147.5 million Americans nationwide. Months after Equifax disclosed the breach, we found out that not only did Equifax wait months before alerting the public and authorities about the breach, they failed to disclose that license numbers and tax IDs were stolen, in addition to Social Security numbers, birthdates and other information.

House Bill No. 4806 helps Massachusetts residents by providing better consumer protections. We urge you to reenact the bill with the Governor's amendments.

If you have any questions or concerns, please do not hesitate to contact Jessica Costantino, AARP Massachusetts Director of Advocacy, at 617.305.0538 or [jcostantino@arp.org](mailto:jcostantino@arp.org) or Deirdre Cummings, MASSPIRG Legislative Director, at 617.747.4319 or [dcummings@masspirg.org](mailto:dcummings@masspirg.org).

Very truly yours,

Michael E. Festa  
State Director  
AARP Massachusetts

Deirdre Cummings  
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MASSPIRG

Cc: Chairwoman Barbara L'Italien and Chairman Tackey Chan  
Senator John Keenan  
Senator Ryan Fattman  
Representative Daniel Hunt  
Representative Randy Hunt