



# State Security Freeze Overview

## Overview

TransUnion will provide a file freeze option in all 50 states. In states where there is an existing file freeze law, we will continue to meet or exceed the requirements of those laws. In states where a law has been enacted, but is not yet effective, or where no law has been enacted, TransUnion will provide consumers with the ability to freeze their credit files should they feel that step is warranted.

If a freeze is present on a consumer's file, information from the consumer's file cannot be returned to a subscriber unless (1) the subscriber has an exempted use or (2) the consumer has lifted the security freeze. The security freeze will remain in place until the consumer requests that it be permanently removed except in those states where the security freeze would automatically expire.

TransUnion applied the same technical logic to comply with each of the state laws, therefore special programming to each specific state may not be required.

## Services Affected

Security freeze restrictions apply to all services that meet the FCRA definition of a consumer report. This includes, but is not necessarily limited to, full consumer reports, scores based on FCRA-regulated consumer data, summary consumer reports, mortgage reports, and merged consumer reports.

## Unaffected Services

The following services either use databases other than the TransUnion consumer credit reporting database, or are not considered consumer report services, and therefore are not affected by this law. These services can be processed and returned as usual.

- High Risk Fraud Search
- Fraud Detect
- Reverse Phone Append
- ID Search (TUCS version)
- SSN Search (TUCS version)
- Home Market Value
- Creditor Contact Search
- Account Reporting Review
- Individual Monitoring Set and Delete

## Related Service Changes

Portfolio Reviews performed for insurance purposes are not exempt under the security freeze laws. Therefore, the following service changes were made:

- Individual Monitoring Satisfaction: This service is considered exempt, but Insurance customers will no longer be allowed to use the Individual Monitoring service.
- Instant Review: The Instant Review service will no longer be considered exempt from security freeze processing. Instant Review customers with exempt reason to receive a file that contains a security freeze from any state will need to input the exempt use code or have their subscriber settings flagged to indicate the exempt reason.

## Freeze Processing Rules

1. If the subscriber is exempt, either by the subscriber code setting or by successfully passing an exempt use type code, then the service will be returned. However, a security freeze notice or indicator will be included with the service. The input exempt use type code will be retained on the posted inquiry and returned on the consumer disclosure.
2. If a security freeze lift is in place, either globally or a lift by access code and the subscriber successfully passes the correct access code, then the consumer report service will be returned with no indication the freeze exists.

If a file cannot be returned because the use is not exempt or there is no lift, then the file will not be returned to the subscriber. The input indicative information will be returned along with an indicator or message that a security freeze exists on the file. No data from the FCRA regulated database will be returned on the frozen file.

## Exempt Use

As provided by these laws, there are various business reasons that allow a subscriber to receive a frozen file. Certain subscribers who can certify that their service use will always qualify as an exempt purpose can have their access code set to always receive the consumer report service. An example is a collection agency whose business has no other purpose except for collecting debt. Subscribers who qualify for this will not be required to modify their inquiry. However we have strict guidelines that must be followed before a subscriber may have their access code set to indicate an exempt subscriber.

An exempt transaction can be defined in two ways:

1. An exempt service. Certain services are considered exempt due to the business rules surrounding the service. An example is the Collection Credit Report, which is used by the skip-tracing and collections industries to aid collectors in locating recently delinquent accounts before the accounts become seriously delinquent. Other exempt services are: Instant Prescreen, Online Prescreen, and Individual Monitoring Satisfaction.
2. An input exempt use type code. If the subscriber has an exempt use under the laws, the subscriber may input an exempt business use type code. The exempt code is input using current permissible purpose processing.

If a frozen file is eligible for return because of an exempt use, an indicator or message will also be returned with the service to inform the subscriber of the presence of the freeze.

## Lifting the Security Freeze

The security freeze allows consumers to limit access to their credit information. However, they also have the right to lift the freeze globally or for specific subscribers if they choose.

- Consumers may lift a freeze globally by contacting TransUnion. A consumer's file will then be open to all subscriber inquiries. When lifting the freeze, consumers are required to specify a length of time up to a maximum of 30 calendar days.
- Consumers also can contact TransUnion to lift a freeze for specific third parties for a specific period of time up to a maximum of 30 calendar days. TransUnion will issue an access code to the consumer, who must then provide it to the subscriber. The subscriber submits it with the transaction input. The TU4.0 segment, called the AF01, will accommodate the access code.

## Testing

To help test your security freeze coding, you can obtain test subjects by contacting TransUnion's Client Technical Support:

**Email:** [TUCTS@transunion.com](mailto:TUCTS@transunion.com)

**Phone:** 1-800-985-4208