

Credit Report Freezes – Why Do It?

Afraid you might be the target of identity theft or fraud?

The recent data breach in the news comes from Equifax, one of the three major credit bureaus in the U.S. This breach involves computer hackers accessing personal data – social security numbers, birth dates, addresses, and potentially more information – of 143 million U.S. consumers.

Equifax advises all consumers to determine if their personal information may have been affected by going to their website equifaxsecurity2017.com. Once online, consumers can read about the extent of the data breach and request to enroll in **one-year free credit** monitoring, whether or not personal information has been stolen. Be sure to use a secure internet connection and not a free public wireless connection because individuals will be asked to provide the last 6 digits of their social security number.

All three of the major credit agencies – Equifax, TransUnion, and Experian – allow individuals to freeze access to their credit reports. Security freezes prevent companies other than ones you already do business with from viewing your credit report.

A credit freeze will make it slower for you to conduct some normal activities such as:

- Open a new credit card
- Apply for a mortgage
- Apply for a new apartment
- Shop for insurance
- Obtain an auto loan
- Open a Social Security account online
- Have an employer-mandated background check

You can temporarily lift a security freeze when applying for new accounts or doing other activities that require access to your credit report. Lifting the freeze may carry a fee, and it will take a few days to process your request. If you are a victim of identity theft, there is no fee.

APPLYING FOR A SECURITY FREEZE

You must apply for a security freeze directly with each of the three credit agencies. Placing a freeze with one agency does not freeze access to your reports from the other two agencies. Have your full legal name, social security number, and addresses for the past two years available.

Each agency charges a \$10 fee for placing a freeze on your credit report, which you can pay with a credit card. Equifax is currently waiving the fee associated with this service. Fees also apply for lifting and removing freezes. These fees are waived for victims of identity theft who have reported the incident to law enforcement.

	Experian	Equifax	TransUnion
<i>Online</i>	experian.com/freeze	freeze.equifax.com	freeze.transunion.com
<i>Phone</i>	888-397-3742	800-685-1111	888-909-8872

ALTERNATIVES TO A SECURITY FREEZE

If you decide that the inconvenience of freezing your account is too extreme, there are other methods to protect your credit.

- **Fraud Alert** – Consumers can place a free 90-day free fraud alert by contacting one of the 3 major bureaus which will contact the other 2 bureaus. This initial fraud alert can be rolled over and extended every 90 days. A fraud alert requires any would-be creditor to take extra steps to verify your identity before opening a new account. Victims of identity theft can place an extended alert on their credit report for seven years.
- **Active Duty Alert** – Members of the military on active duty can place a free alert on their credit report notifying creditors that they are currently deployed. Creditors will then need to take extra steps to verify your identity before opening a new account. This alert lasts for one year but is renewable during the service member’s deployment.
- The Consumer Financial Protection Bureau consumerfinance.gov explains what to do if you believe you are the victim of identity theft.

Another good practice to protect your identity is to monitor your credit report. The University of Wisconsin-Extension “[Check Your Free Credit Report: 2/2, 6/6, 10/10](#)” campaign makes the process of ordering and reviewing a free credit report as easy as possible. Anyone can sign up to receive an email reminder from UW-Extension three times a year—on 2/2, 6/6, and 10/10—on the right sidebar. While you can order all three reports from the three credit bureaus – Equifax, Experian, and TransUnion – at the same time, UW-Extension recommends that you view one report every four months so you can be sure that the information is up-to-date and accurate year-round. Visit the Check Your Free Credit Report Campaign’s website at fyi.uwex.edu/creditreport

At a minimum, protect your credit by checking your monthly credit card and bank statements for any suspicious or unknown charges. Contact your credit card or financial institution immediately and report any unauthorized use to your local police. With the most recent data breach, it is critical to your data security that you are watchful of all your accounts activities and particularly cautious with sharing personal information.