

Freeze Your Credit File

Leave ID thieves out in the cold

Each year, millions of U.S. consumers become victims of identity theft. ID theft is a growing crime in which thieves use stolen personal information, such as a Social Security number, to impersonate their victims. In many cases, they open new credit accounts in someone else's name. When their crime is discovered, the crooks move on, leaving their victims to deal with the fraudulent debts.

To avoid ID theft, you must take steps to protect yourself. One way is to “freeze” your credit file. This means that new credit cannot be established in your name until you lift the “security freeze.”

What is a security freeze?

A security freeze prevents anyone from opening new credit accounts in your name by making your credit file off-limits to prospective creditors—and crooks.

In the typical credit application process, a creditor will request the applicant's credit report or credit score from one of the nation's three major credit reporting agencies (also known as credit bureaus): Equifax, Experian and TransUnion. These businesses compile information about your credit accounts and payment history from businesses that have lent you money. The creditor uses this information to determine if the applicant is creditworthy. If you are creditworthy, it means you are someone the business wants to lend money to.

Creditors who are denied access to an applicant's credit file can't evaluate the borrower's credit history. This usually means the credit request will be denied. That's a good thing if a crook is trying to access your credit.

Depending on credit bureau policy, your credit file may also be inaccessible to others who use it in their decision-making process, such as insurance companies, landlords, employers who need to do a background check, cell phone companies and utilities.



You have the right to lift the freeze as needed, before applying for credit or giving anyone else permission to check your credit report or score. This is easily done with the personal identification number (PIN) or username and password used to access your account and manage your freeze.

A security freeze will not keep out anyone with whom you already have an account or other business relationship. It also won't keep out collectors attempting to recover a debt on behalf of one of your creditors; law enforcement agencies; or government agencies that are



collecting child support payments, taxes or investigating public benefits fraud. Your information also may still be used for the purpose of prescreening for pre-approved offers of credit or insurance, even if a security freeze is on the report.

Advantages and disadvantages

Consider both the benefits and drawbacks of freezing your credit file before you decide whether or not to place a security freeze.

PROS:

- A security freeze can stop imposters from opening new accounts in your name.
- Placing a security freeze—and lifting it—is free.
- A freeze does not stop you from getting new credit or other services.
- The freeze does not expire—it remains in effect until you remove it.
- Freezing provides much greater protection than a monthly credit monitoring service, and there is no cost.
- A freeze does not affect your credit score.

CONS:

- A security freeze is only effective if you activate it at all three credit reporting agencies. If you're married, that means six freezes for full protection.
- Whenever you want someone who is locked out to have access to your credit report or score, you must temporarily lift the freeze (or remove it permanently).
- Even though lifting the freeze shouldn't take more than an hour, that could still be too slow if you're trying to get "instant credit" from a merchant at the time of your purchase.
- A freeze does not prevent fraud involving your existing bank or credit accounts.

Who should consider a security freeze?

When making a decision about placing a security freeze, consider the likelihood that you will become a fraud victim, the extent to which the freeze would delay important transactions, and whether the extra peace of mind is worth the extra effort. (With the implementation of a new law on Sept. 21, 2018, placing, lifting and removing a freeze is now free for all consumers, so cost is no longer a factor in the decision-making process.)

Anyone can place a security freeze, but consumers whose Social Security number has been revealed unintentionally—through a company "security breach" or a lost wallet, for example—should seriously consider it as a precaution. So should anyone who has had their mail stolen or otherwise had their personal or account information revealed. If you are a victim of ID theft—even if the case is old and/or resolved—consider a security freeze to prevent new cases of identity theft perpetrated by crooks who have bought your stolen information.

If you want an added measure of protection but think that the cons of a security freeze outweigh the pros, or if you are actively seeking new credit or doing other things (like applying to rent a home) that could require access to your credit file, consider a “fraud alert.” This notation on your credit report notifies prospective creditors that you may be at a higher risk for identity theft and that they should take extra precautions to verify the credit applicant’s identity before opening a new account. The new law that went into effect on Sept. 21, 2018, extends “initial” fraud alerts from 90 days to one year. An extended fraud alert, available to identity theft victims, lasts for seven years. An “active duty military alert” lasts for one year. Request an alert with any one of the three major credit bureaus; that company will notify the other two bureaus.

Freezing your credit file

Freeze procedures vary among the three credit reporting agencies. Contact each bureau to get specific instructions for placing a security freeze.

Equifax

Phone: 800-685-1111

Website: <https://www.equifax.com/personal/credit-report-services/>

Mail: Equifax Security Freeze, P.O. Box 105788, Atlanta, GA 30348

Experian

Phone: 888-397-3742

Website: <https://www.experian.com/freeze/center.html>

Mail: Experian Security Freeze, P.O. Box 9554, Allen, TX 75013

TransUnion

Phone: 888-909-8872

Website: <https://www.transunion.com/credit-freeze>

Mail: TransUnion LLC, P.O. Box 2000, Chester, PA 19016



If you’re married, both you and your spouse must freeze your separate credit files to fully protect your household. Beginning Sept. 21, 2018, consumers in every state can also get a free credit freeze for their children under 16 (previously available in only some states), and guardians, conservators and those with a valid power of attorney can place a freeze for anyone under their guardianship. (Placing a freeze for someone else must be done by mail due to documentation requirements.)

Within five days of your request, the credit bureau must send you a confirmation of the freeze and instructions for lifting it. Depending on how you requested the freeze, you may be assigned (or choose) a PIN, which you will use whenever you temporarily lift the freeze and if you permanently remove it. Or, if you signed up online, you might instead use your username and password to manage your freeze.

Assistance and information

Get a free credit report from each credit reporting agency once every 12 months.

Phone: 877-322-8228

Website: www.annualcreditreport.com

Opt out of receiving certain types of marketing mail, including pre-approved credit offers, that an ID thief could intercept.

Phone: 888-5OPTOUT (888-567-8688)

Website: www.optoutprescreen.com

IdentityTheft.gov is the Federal Trade Commission's website for reporting identity theft, getting a recovery plan and learning more about protecting yourself.

Phone: 877-IDTHEFT (877-438-4338)

Website: www.identitytheft.gov

The Consumer Financial Protection Bureau (CFPB) accepts consumer complaints related to financial products and services. If you have trouble placing, lifting or removing a freeze, try to resolve the issue directly with the credit bureau(s) first. If you are unsuccessful, you can report the problem to the CFPB.

Phone: 855-411-2372

Website: www.consumerfinance.gov/complaint/

Consumer Action offers a companion publication, the *Security Freeze Backgrounder*, which answers common questions about placing, lifting and removing a security freeze. Download the Q&A from the Consumer Action website.

Website: www.consumer-action.org/modules/articles/security_freeze_training_manual_questions_and_answers



About Consumer Action

www.consumer-action.org

Through multilingual consumer education materials, community outreach and issue-focused advocacy, Consumer Action empowers underrepresented consumers nationwide to assert their rights and financially prosper.

Consumer advice and assistance: Submit consumer complaints to <https://complaints.consumer-action.org/forms/english-form> or 415-777-9635 (Chinese, English and Spanish spoken).

About this guide

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