

QUESTIONS AND ANSWERS



**ABOUT PLACING, LIFTING AND REMOVING A
CREDIT REPORT SECURITY FREEZE**

A Consumer Action Publication

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INTRODUCTION

Credit can be a convenience and a money management tool. Using credit, we can avoid carrying large amounts of cash, shop more safely online, finance an education, start a business and buy a car or home.

Crooks and scammers see the value in credit, too—especially credit in other people’s names. Each year, there are many, many cases where crooks illegally obtain new credit using other people’s names and credit histories. Often, a Social Security number (SSN) is all a thief needs to open credit accounts fraudulently. The crooks can get other people’s personal information by stealing a wallet, searching the trash or hacking into a database.

Many consumers take steps to protect themselves from identity thieves. These precautions include leaving their Social Security card at home, shredding documents that contain SSNs or other personal information, and “freezing” their credit reports. A credit file security freeze is a protective measure that is available to all U.S. consumers at no cost.

This publication is a companion to the multilingual consumer brochure “Freeze Your Credit File,” available in Chinese, English, Korean, Spanish and Vietnamese at http://www.consumer-action.org/modules/articles/freeze_your_credit_file.

The brochure and this Q&A are free for individuals, community-based organizations and others who provide consumer education. For more about these materials, visit the “Credit Freeze” page of the Consumer Action website (http://www.consumer-action.org/modules/module_credit_freeze).

SECURITY FREEZE BASICS

What is a security freeze?

A security freeze seals your credit file, making it off-limits to anyone who requests it from any of the three major credit reporting agencies (Equifax, Experian and TransUnion).

What is a credit file, and how does it relate to a credit report and a credit score?

Your credit file is an electronic record maintained by credit reporting bureaus. The information in your credit file is provided to the credit reporting bureaus by your past and present creditors and contains information about the amount of credit you have been granted and your payment record, among other things. When you or a prospective lender or other inquirer want to see the contents of your file, it is compiled and presented as a credit report. In many cases, instead of asking to see the full file (credit report), creditors will ask to see your credit score—a three-digit number that reflects the information in your credit file. Your credit score fluctuates based on the changing information in your credit report, and it varies among the three credit bureaus because there typically are some differences in the information each bureau has compiled about you.

How does a security freeze keep crooks from getting credit in my name?

When you apply for credit, lenders request your credit report or credit score from one of the credit reporting agencies. The creditor needs this information to determine if you are “creditworthy” (in other words, your credit history shows that you pay your bills on time and have handled credit wisely in the past).

A security freeze seals your file so that potential creditors can’t evaluate your credit history unless you give your permission for them to do so. Without access to your credit report and/or score, the credit request will be denied.

Do all three major credit reporting agencies allow me to freeze my file?

Yes, all consumers can request a free security freeze with Equifax, Experian and TransUnion. Procedures vary, and are explained at each bureau’s website or by phone.

- Equifax: <https://www.equifax.com/personal/credit-report-services/> or 800-685-1111
- Experian: <https://www.experian.com/freeze/center.html> or 888-397-3742
- TransUnion: <https://www.transunion.com/credit-freeze> or 888-909-8872

What will happen when a creditor requests my credit report or score?

If you have placed a freeze, the creditor will receive a message or code indicating that your credit file is frozen. You can avoid this by “lifting” the freeze before you apply for new credit.

Does a security freeze keep everyone out?

A freeze will not prohibit your existing creditors, or collection agencies collecting a debt on their behalf, from accessing your file. A freeze also will not bar 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 purposes of prescreening for pre-approved offers of credit or insurance even if a security freeze is on the report. A freeze may or may not keep out landlords, employers, insurance companies, wireless service providers and others, depending on credit bureau policy.

What if I want to order my own credit report?

You can order your own report even when your credit file is frozen.

BENEFITS AND DRAWBACKS

Is a security freeze a good idea?

A security freeze can be a good way to protect yourself against identity theft. Whether or not a freeze is the best option for you depends on your particular circumstances and whether the benefits outweigh the drawbacks.

What can a security freeze do for me?

A security freeze can stop imposters from opening new accounts in your name without preventing you from getting new credit or other services when you need them.

A freeze should be a consideration for all consumers, but particularly those who are the victim of identity theft or believe they are at increased risk of fraud (say, because of a lost wallet, stolen mail or a data security breach). Because stolen personal information can be sold or exchanged among identity thieves, all identity theft victims should consider a security freeze, even if the case has been solved.

What are the drawbacks of placing a security freeze?

The main potential drawback of a security freeze is inconvenience. You must go through the process of placing the freeze with all three credit bureaus. If you're married, you must place a freeze on all six credit files (your three and your spouse's three) to have effective protection. Whenever you want someone to have access to your credit report or score, you must temporarily lift the freeze (or remove it permanently).

Lifting the freeze should only take one hour from the time of your request. That's fast, but could still be too slow if you're trying to get "instant credit" from a merchant at the time of your purchase.

Another drawback used to be cost, since there were fees for placing, lifting and removing a freeze in certain states and under certain circumstances. However, a law that went into effect on Sept. 21, 2018, made security freezes—placing, lifting and removing them—free for all consumers in all states.

Can prospective employers, insurance companies and service providers (such as cellular phone companies) still access my report if it is frozen?

Federal law does not require the freeze to keep out non-credit-granting individuals and companies, but the credit bureau might have a policy of doing so. Plan ahead to lift the freeze, if necessary.

Will a security freeze damage my credit score?

A freeze does not negatively affect your credit score. However, you will have to lift the freeze before a potential creditor can get your score.

I use a credit monitoring service—should I still place a security freeze on my credit file?

If you are currently paying for a credit monitoring service, consider placing a security freeze instead. Freezing can save you money and provide much greater protection. Checking your credit report yourself or through a monitoring service can only alert you to fraudulent accounts *after* they have been opened. A security freeze *prevents* a crook from opening new, unauthorized accounts.



What if I am not a victim of identity theft—should I still place a security freeze?

All consumers have the right to place a security freeze, but because of the possible inconvenience, anyone considering a freeze should take into account their particular circumstances: Are you actively seeking new credit? Applying to rent a home? Planning to switch cellular phone service carriers? If so, you may want to wait to freeze your credit.

Before deciding whether or not to place 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 effort.

Are there other options for protecting myself?

While a security freeze provides strong protection against identity theft, your reports being inaccessible to decision-makers can be inconvenient and make a freeze unattractive to anyone who isn't at increased risk of becoming a fraud victim. If you don't think you need to freeze your credit reports but would like an added measure of protection, consider a fraud alert, which notifies creditors to take extra precautions when verifying identity for a credit application submitted in your name. An initial fraud alert lasts one year and entitles you to an extra credit report for free.

An extended fraud alert, for victims of fraud or ID theft, lasts seven years and entitles you to an extra two free credit reports in the first 12 months.

Servicemembers can place an active duty military alert to minimize the risk of fraud and ID theft while they are deployed. (Beginning in late 2019, credit reporting agencies must offer free electronic credit monitoring to all active duty servicemembers.)

Fraud alerts can be placed at all three bureaus simply by submitting your request to one of them—the one you contact will notify the other two. Get more information about placing a fraud alert at the bureau websites:

- Equifax: <https://www.equifax.com/personal/credit-report-services/> or 800-685-1111
- Experian: <https://www.experian.com/fraud/center.html> or 888-397-3742
- TransUnion: <https://www.transunion.com/fraud-victim-resource/place-fraud-alert> or 888-909-8872

Should I consider a security freeze if I'm shopping for credit?

If you don't believe you're in immediate danger of identity theft, you might postpone freezing your files until after you've refinanced your home, taken out an auto loan, switched cellular service providers, or conducted any other planned transaction that would require a provider to access your credit report. This would save you the extra effort related to temporarily lifting the freeze to complete a transaction.

I'm concerned that someone will try to access my current accounts. Will a security freeze protect me?

A freeze does not prevent fraud involving your existing accounts. That is because no additional permission to access your credit report(s) or credit score(s) is needed for companies with which you already have a credit relationship. Check the monthly statements for all your accounts every month and look for any mistakes or suspicious activity. If you find something amiss, notify the company immediately and order a new copy of your credit report. (Each year, you are entitled to a free copy of your credit report from all three of the major credit reporting bureaus. Call 877-322-8228 or visit www.annualcreditreport.com to order copies.)

FREEZING YOUR CREDIT FILE

How do I place a security freeze?

Contact each of the three credit reporting agencies online or by phone for the most up-to-date instructions.

Equifax

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

Phone: 800-685-1111

Mail: Equifax Security Freeze, P.O. Box 105788, Atlanta, GA 30348 (include your full name [including any suffixes], your address, Social Security number, birthdate, and copies of documents that verify your name and address, such as a passport, driver's license, military ID, tax documents, bank statements, utility bills, etc.)

Experian

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

Phone: 888-397-3742

Mail: Experian Security Freeze, P.O. Box 9554, Allen, TX 75013 (include your full name [including generation, if applicable], Social Security number, birthdate, two years' worth of addresses, a government-issued ID card, such as a driver's license, and a utility bill or other acceptable proof of address)

TransUnion

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

Phone: 888-909-8872

Mail: TransUnion LLC, P.O. Box 2000, Chester, PA 19016 (include your legal name, address, birthdate and Social Security number, along with copies of documents verifying your identification and address, such as a driver's license, passport, utility bills, etc.)

Note: Mail is the slowest way to freeze your credit.



How much does it cost to place a security freeze?

With the implementation of a new law on Sept. 21, 2018, placing, lifting and removing a freeze is now free for all consumers nationwide.

Do I have to place the freeze with all three credit reporting agencies?

Yes. A security freeze is only effective if you activate it at all three credit reporting agencies. That is because you have no way of knowing which credit reporting agency would be contacted by a prospective creditor if an identity thief were to apply for credit in your name.

I'm married. Do both my spouse and I have to freeze our credit files with all three credit reporting agencies?

Yes, if you're married, both you and your spouse must freeze your separate credit files (for a total of six freeze requests) to be fully protected.

Can I place a freeze on my child's credit report?

Yes, you can place a freeze for your children under age 16. Also, guardians, conservators and those with a valid power of attorney can place a freeze for anyone under their guardianship. However, you can't do this online or by phone, as it requires you to submit written documentation.

How long will it take for the freeze to become effective?

If you place the freeze by phone or internet, it must be effective within one day. Freezes placed by mail can take up to three business days.

Will I receive anything from the agencies after I place the freeze?

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 (personal identification number), which you will use whenever you temporarily lift the freeze and if you permanently remove it. (If you signed up online, you might instead use your username and password to manage your freeze.)

LIFT OR REMOVE A FREEZE

I want to apply for a loan. How do I lift the freeze so that prospective lenders can check my credit report and credit score?

Follow the bureau's instructions for temporarily lifting the freeze. You will need to use your PIN or username and password to do so. The freeze should be lifted within an hour of your phone or online request, and within three business days if you make your request by mail. You can specify when the freeze should go back on, so ask the business you're lifting it for how much time they will need to check your credit. Also try to find out which credit bureau the business will contact for your file so that you can lift the freeze with just that one bureau rather than all three.

How soon will my freeze be lifted?

The credit reporting agencies must lift your freeze within one hour if you made your request by phone or online, or in three business days if you mailed a written request.

When does a security freeze expire?

A security freeze remains in effect until you remove it.

How do I permanently remove the security freeze?

Follow the instructions you received from the bureau after you placed the freeze, or visit the bureau's website for instructions.

What if I lose my PIN or forget my password?

If you have lost your PIN or password, you might be able to get into your account by answering some security questions. Or, you might have to request a replacement PIN or otherwise verify your identity before you can make a change to your file. Follow the instructions sent to you with your freeze confirmation letter, or contact the credit reporting agencies by phone or online for instructions.

INFORMATION AND ASSISTANCE

How can I check my credit reports to see if there are any signs of identity theft?

You can get your free credit report from each of the three major credit reporting agencies once every 12 months—request all three at once or stagger them throughout the year. Call 877-322-8228 or visit www.annualcreditreport.com to order your free reports. To verify your identity, you may be asked certain facts about credit accounts (mortgages, credit cards, car loans, etc.) you have or have had in the past. You may also be asked for details about your current and former home addresses.

How can I check my credit score?

You can buy a FICO score at www.myFICO.com, a website owned by the Fair Isaac Corporation, developer of the family of FICO scoring models, all of which are referred to as “FICO scores.” You can also pay extra to purchase it when you request your free annual credit reports.

But before you pay for a credit score, find out if you might be able to access one for free. Many banks and credit card companies now provide free credit scores to their customers. Credit card issuer Discover offers a free FICO score to all consumers, not just its customers. Other sources of free scores include Credit Karma, NerdWallet, Credit Sesame and other financial services websites. While these free scores may not be exactly the same ones used by a lender to evaluate your application, they typically are sufficient to give you an idea of what kind of credit you have (bad, poor, fair, good, excellent). Be aware that by requesting your score from certain sources, you may be agreeing to receive marketing/promotional communications.

There are a few circumstances under which you would automatically receive one or more of your credit scores for free. If you are applying for a home loan, federal law requires the lender to inform you of the credit scores used in evaluating your mortgage application. The law also requires consumer (non-mortgage) lenders to disclose the credit score they used in their decision if they deny your credit request, or if your credit request is approved but you are not offered the lowest interest rate or best terms available because of your score. You also are entitled to a free score from your credit card issuer if the interest rate on your existing account is increased based on a credit score.

How can I reduce the amount of marketing mail I get?

You can “opt out” of receiving certain types of marketing mail, including pre-approved credit offers that an ID thief could intercept, by calling 888-5OPTOUT (888-567-8688) or visiting www.optoutprescreen.com.

Where can I learn more about protecting myself from identity theft?

IdentityTheft.gov, a service of the Federal Trade Commission (FTC), offers information about protecting yourself from ID theft and what to do if you are a victim. Contact the agency at 877-IDTHEFT (877-438-4338) or www.identitytheft.gov.

Consumer Action offers a collection of materials on ID theft. Visit www.consumer-action.org and pull down the Publication Category menu to “ID Theft” to view them.

What can I do if I'm having 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 Consumer Financial Protection Bureau (CFPB) at <https://www.consumerfinance.gov/complaint/> or 855-411-2372.

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
www.consumer-action.org/hotline/complaint_form/
or 415-777-9635 (Chinese, English and Spanish spoken).



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