

## \*\*\*\*\*Equifax Report Massive Account Breach\*\*\*\*\*

Many of you and our clients have heard about the Equifax data breach and are wondering how it affects them. Here are some facts and advice that you can pass along to clients, friends, and family.

- 145.5 million Americans had their Social security number, birth date, address, and driver's license number stolen from Equifax. This information can be used to open a new line of credit using your identity.
- Equifax and the other credit bureaus provide your personal data to your lender when you apply for a loan. Your lender may also provide data about your payment activities to the credit bureaus, but they already have your identify info.
- 209,000 credit card numbers were stolen as well, but that doesn't put your identity at risk
- You can check if you're affected at <https://equifaxsecurity2017.com>, this site is okay and safe to visit. But watch out for fakes that scammers may send you.
- Equifax is promoting their own credit monitoring service, TrustedID, free for one year but may require payment after that. Equifax requires you to **waive your right to class-action or personal lawsuits against Equifax to use this service**, so think seriously about it before deciding on what options for take. LifeLock is a more well-known option for monitoring new credit applications under your identity, but it costs money.
- **I recommend a credit freeze**. It's more effective because it blocks all new credit applications under your identity, until YOU "unfreeze".

### Credit Freeze:

You may be familiar with the "big 3", but did you know there are FOUR credit bureaus? They are [Equifax](#), [Experian](#), [Innovis](#) and [Trans Union](#) (these are links to their credit freeze websites, safe to click and share). Again, be wary of scammers sending fake links.

What a security freeze will do is prevent anyone from accessing your credit report. So, if a scammer tries to open a new line of credit using your name, date of birth, and social security number, when the lender tries to pull your credit report, it'll say it's blocked and that you have to contact the credit bureau. Note: it will NOT say the report is frozen; this is part of the security feature.

Each of these credit bureaus will give you a 6- to 9-digit number (PIN) you can call to unfreeze or thaw your reports. You can "hide" this PIN somewhere you won't lose it – because if you do, you'll be stuck frozen.

If YOU go to open an account, you'll have to contact the credit bureau ahead of time (either on the phone or online) and "thaw" (or unfreeze) your account for a little while. You can set the "thaw" either for a period of time or for a particular creditor. Also, if you want to completely remove it, you can, if you determine you don't want the protection any longer. You will need that PIN you set for the bureaus to thaw or unfreeze your reports. You can also temporarily thaw your account. For example, if you know you're going to be looking for a car over the next week, call the three bureaus and thaw your report for the next week. Or, if you are applying for a credit card, call and unfreeze your report for that company, and then turn the freeze back on.

Depending on your state of residence and your circumstances (victim of ID Theft or not), you may also have to pay a small fee to place a freeze at each bureau. The fee ranges from \$0 to \$15 per bureau, meaning that it can cost upwards of \$60 to place a freeze at all four credit bureaus (recommended). In Kansas, it costs \$5 at each bureau. That's \$20 to freeze all your credit. It's also \$5 per bureau to thaw your credit. You can

thaw at one bureau or all 4 – check with your lender to see who they use. Some states charge nothing or a different amount for seniors 65 or older to freeze or thaw each account, even though they can freeze for free.

Using credit freezes like this is a little more trouble and inconvenience in your life, but it's better than the alternative – cleaning up your credit after your identity has been stolen. Prevention is better than cure!

### **Fraud Alert:**

A less-impactful alternative to a credit freeze is placing a **Fraud Alert**. A fraud alert requires potential creditors to contact you and obtain your permission before opening new lines of credit in your name. You are allowed by law to file a fraud alert (also called a “security alert”) with one of the credit bureaus ([Equifax](#), [Experian](#) or [Trans Union](#)) every 90 days (these are links to their credit freeze websites, safe to click and share). Whichever one you file with is required by law to alert the other two bureaus as well. The fourth bureau, [Innovis](#), follows the same rules as the big three, and you may file a fraud alert with them as well.

Fraud alerts last 90 days, and you can renew them as often as you like (a recurring calendar entry can help with this task); consumers who can demonstrate that they are victims or are likely to be victims of identity theft can also apply for a long-term fraud alert that lasts up to 7 years (a police report and other documentation may be required).

### **Free Credit Reports:**

You are entitled by law to a free credit report from each of the Big 3 once a year. This means you can check your credit 3 times a year (once every 4 months with each of the bureaus). The only site you need to obtain this free copy is [annualcreditreport.com](http://annualcreditreport.com), or by phone at 877-322-8228. Everywhere else will try to sell you a report, or offer a “free” report if you agree to sign up for some kind of subscription service — usually credit monitoring. There are lots of look-alike sites out there (like [freecreditreport.com](http://freecreditreport.com)) that are not the real, government-mandated service, so watch out. You may want to save all these links I'm giving you to be sure.

Your free credit report will show all your lines of credit and other debt obligations, along with lots of data. However, it won't show your FICO score. If that's what you're looking for, go to your bank or credit card company. It usually costs money to get your FICO score.

### **Summary:**

So these are your options to prevent identity theft causing you to have to clean up your credit:

- Credit freeze (most effective, most inconvenient, but best control of your credit report)
- Fraud alert (less effective, less inconvenient)
- Free credit reports (doesn't prevent identity theft but gives you insight; can be done in conjunction with a freeze or alert)

Go ahead and check to see if you were affected by the Equifax breach at affected at <https://equifaxsecurity2017.com/potential-impact> – if you can't get through try again later, it may be overwhelmed at times. (If you have a maiden name, check that as well). Good luck.

Here's more information to help you:

## Protect your credit and identity after the Equifax breach:

- **Monitor your current accounts daily or weekly.** Use an account-aggregation app like Mint or log into your various accounts to make sure all charges were made by you. If you see something suspicious, contact your bank immediately.
- **File your taxes early.** The IRS is [cracking down on tax fraud](#), but there could be an uptick after the Equifax breach. Get your tax information organized early, and submit your return as soon as you receive your W-2 and 1099 forms. Added benefit: If you're due a refund, you'll get it sooner, and if you owe taxes, the amount isn't due until April 15 regardless of when you submit your return.
- **Use secure passwords and two-step verification.** Because most identity theft occurs with existing accounts, one of the best things you can do is safeguard your data online, especially for accounts that contain identifying information and credit-card or other financial data.
- **Set up alerts for new credit activity.** Save yourself money and use a free credit-monitoring service, like [Credit Karma](#) or [Credit Sesame](#). You can also set up a [fraud alert or credit freeze](#) if you'd like.
- **Check your credit reports regularly.** You can access one free copy of your credit report from each of the three bureaus once a year through the government-sponsored [AnnualCreditReport.com](#). Set a calendar alert to remind yourself to do this every year, or pull one report every four months to be extra vigilant. While you're at it, there may be things you can do to [improve your credit score](#), [fix any errors on your credit report](#), and [optimize your collection of credit cards](#).
- **Choose identity-verification questions and answers carefully.** Additional identity-verification questions can help keep accounts secure, but not if you choose questions like "What street did you live on when you were growing up?" or "Where were you born?" that could easily be answered with access to your social-media account or other personal information.

*If you have been a victim of identity theft, the Federal Trade Commission has a [step-by-step recovery guide](#).*