



CREDIT FREEZE; FRAUD ALERT; & CREDIT MONITORING

Consumer Alert

Credit Freeze; Fraud Alert; & Credit Monitoring

In the news:

The number of data breaches and reported incidents of identity theft continues to set records nearly every year.

On average, there is one identity theft victim in the U.S. every two seconds.

According to the Federal Trade Commission, six of the top 15 cities for identity theft reports in 2016 are in Michigan—including the number one city: Ann Arbor.

What you need to know:

This alert explains things you can do to protect yourself from identity theft: credit freeze; fraud alert; and credit monitoring. The alert also answers frequently asked questions about each.

1. Credit freeze

Also called a “security freeze,” a credit freeze is something you request from a credit reporting agency to restrict access to your credit report. When a freeze is on your account, any unauthorized third party who attempts to look at your file will see a code or message indicating that your report is frozen.

This makes it more difficult for identity thieves to open new accounts in your name because most creditors will demand to see your credit report before they approve new credit. If a creditor cannot see your file, then the creditor should not extend credit.

A credit freeze does not prevent all third parties from seeing your report. Existing creditors, debt collectors acting on their behalf, and government agencies in limited circumstances will have access to your report. But placing a credit freeze on your account will not affect your credit score—nor will it keep you from getting your free annual credit report, or from buying your credit report or score.

A credit freeze is free for victims of identity theft but will cost \$10 for Michigan residents to start and another \$10 to permanently or temporarily lift the freeze. The cost is currently permitted by state law.

A freeze must be separately placed with each credit reporting agency.

2. Fraud alert

A fraud alert, unlike a credit freeze, will allow creditors to get a copy of your credit report if they take steps to verify your identity. For example, if you provide your telephone number, the creditor must call to verify that you are the one requesting credit.

Once you place a fraud alert with one credit-reporting agency, federal law requires that it be forwarded to other nationwide credit reporting agencies. Automatic reporting is helpful to you, because you don't know which credit-reporting agency a creditor is using. It's the same with fraud: you never know where the perpetrator is applying for credit and which credit-reporting agency is being used.

There are three types of fraud alerts:

a. Initial fraud alert:

If you are concerned about or you suspect identity theft, an initial fraud alert can make it harder for an identity thief to open accounts in your name. These alerts last for 90 days, but may be renewed.

Anyone requesting your credit file during this 90-day window is alerted that you suspect you are a victim of fraud. When you or someone else attempts to open a credit account in your name, increase the credit limit on an existing account, or get a new card on an existing account, the creditor is required to take additional steps to try to verify that you have authorized the request.

If the creditor cannot verify your authorization, then the request should be denied.

Bill Schuette
Attorney General





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b. Extended fraud alert:

These are for confirmed identity theft victims; last for seven years; and require a police report to verify your identity theft victim status.

In the case of an extended alert, federal law requires that a creditor must call the consumer using the phone number in the alert before authorizing any request to open or modify a credit line.

c. Active duty military alert:

This fraud alert lasts for one year and is available to active members of the military who want to protect their credit while deployed.

3. Credit Monitoring

Credit monitoring is a service that tracks your credit report and alerts you whenever a change is made. This gives you the opportunity to confirm the accuracy of the change and, if needed, contest any inaccuracy.

The specifics of any service will depend on the provider; however, most notify you within 24 hours of any change to your credit report.

The type of changes you can expect to receive alerts about include: hard inquiries, which are made when a credit card or loan application is submitted in your name; new accounts, which generate a note on your report whenever a new credit card or loan is opened in your name; changes to any existing accounts; and address changes.

Some companies extended their services to include non-credit red flags that monitor sex-offender registries, bank-account activity, or payday-loan applications.

Credit monitoring companies may offer "free" trial periods followed by an expensive automatic renewal that can be difficult to cancel.

Credit monitoring services are frequently offered free of charge for one year to individual's whose information was breached.

None of these steps make you identity-theft-proof: you always need to monitor your bank, credit card, and insurance statements for fraudulent transactions.

Credit Reporting Agency Contact Information:

Equifax

P.O. Box 740241
Atlanta, GA 30374
equifax.com

**See phone numbers below*

Experian

P.O. Box 9554
Allen, TX 75013
experian.com
888-397-3742

TransUnion

P.O. Box 2000
Chester, PA 19016
transunion.com
800-680-7289

Innovis

P.O. Box 1640
Pittsburgh, PA 15230
innovis.com
800-540-2505

*Equifax has different numbers to contact to accomplish the following:

- **Determine an information breach or enroll in TrustedID Premiere:** 888-548-7878
- **Place a fraud alert:** 888-766-0008
- **Place a credit freeze:** 800-685-1111

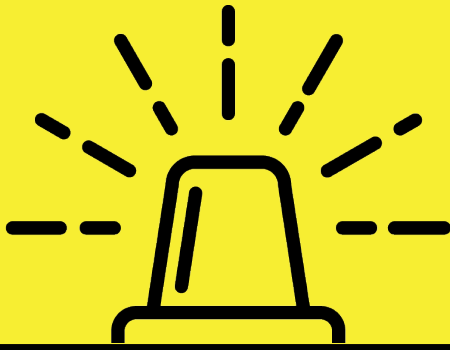
Below are some answers to frequently asked questions regarding these steps:

Credit Freeze Frequently Asked Questions



1. How much does a credit freeze cost?

A credit freeze is free to identity theft victims who have a police report documenting the identity theft.



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If you are not an identity theft victim, currently it costs Michigan residents \$10 to place a freeze with each credit agency. That is a total of \$30 to freeze your files at each of the three national credit reporting agencies (Equifax, Experian, and TransUnion.) Innovis currently does not charge for a credit freeze.

Note there is a separate \$10 fee with each agency to lift the freeze, either temporarily or permanently.

You will need to lift the freeze temporarily to open a new credit account, get a loan, apply for insurance, or authorize an employer to conduct a background check.

2. How do I place a credit freeze?

Each of the credit reporting agencies now offer the ability to place, thaw, and remove security freezes on their websites and by phone. See page 2 for contact information.

Security freezes may alternatively be placed through a written request. You must provide identifying information.

Please note that *you are a victim of identity theft* and you would like to request a waiver of any fees for placing a security freeze, you will be required to send a written request and provide a copy of your police report.

3. How long will my credit report remain frozen?

A security freeze will remain on your credit report until you request that it be removed.

4. Can I open new credit accounts if my files are frozen?

Yes. If you want to open a new credit account or get a new loan, you can lift the freeze on your credit file.

You can lift it for a period of time, for a specific creditor, or permanently.

After you send your letter asking for the freeze, each of the credit reporting agencies will send you a Personal Identification Number (PIN). You will also get instructions on how to lift the freeze.

There are a variety of ways to lift the freeze (by mail, phone, or online) using your PIN. The fee for lifting the freeze is \$10 under current Michigan law.

5. Can a creditor get my credit score if my file is frozen?

No. A creditor who requests your file from one of the three credit reporting agencies will only get a message or a code indicating that the file is frozen.

6. Will a freeze lower my credit score?

The Federal Trade Commission (FTC) indicates that a security freeze will not lower your credit score. For more information from the FTC, please [visit their website](#), and view their publication, "[To Buy or Not To Buy: Identity Theft Spawns New Products and Services To Help Minimize Risk.](#)"

7. Can an employer do a background check on me if I have a freeze on my credit file?

No. You have to lift the freeze to allow a background check. You would also have to lift the freeze to apply for insurance or credit. The process for lifting the freeze is described above.

8. Can I order my own credit report if my file is frozen?

Yes. To obtain a free copy of your credit report from each of the three credit reporting agencies (Equifax, Experian, and TransUnion) once every 12 months, call toll-free 877-322-8228, or [order online](#), or mail a completed order form to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

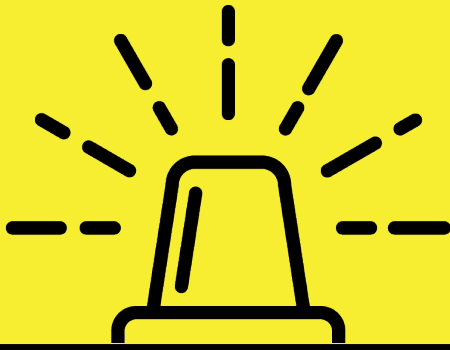
Innovis must be contacted separately.

9. Can anyone see my credit file if it is frozen?

Your credit report can still be released to your existing creditors or to collection agencies acting on their behalf. They can use it to review or collect on your account.

Other creditors may also use your information to offer you credit, unless you opt out of receiving such offers (see below for how to opt out of preapproved credit offers).

Government agencies may have access for collecting child support payments, taxes, or in the course of a legal proceeding.



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10. Does freezing my file mean that I won't receive preapproved credit offers?

No. You can stop the preapproved credit offers by calling 888-5OPTOUT (888-567-8688). [Or you can do this online.](#)

Opting out should stop most of the preapproved credit offers that you receive in the mail, although companies that you have a business relationship with can still send you credit offers.

You can choose to opt out for five years, or permanently. You can also call the same number or visit the same online site if you would like to opt back in.

11. Do I have to freeze my file with all three credit reporting agencies?

It is recommended that you freeze your file with all three of the national credit reporting agencies. Different credit issuers may use different credit reporting agencies to run credit checks.

If you want to stop your credit file from being viewed, you need to freeze it with Equifax, Experian, and TransUnion. And for added security, you might want to consider also freezing with Innovis, a lesser-known credit reporting agency.

12. Do I have to lift the credit freeze at all three credit reporting agencies?

No. You can ask the potential creditor which credit reporting agency will be used to run your credit check. You can then ask only the credit reporting agency identified to temporarily lift the security freeze.

Depending on the credit agency, you can ask for a "global lift" for a set time period, meaning all potential creditors can access your credit report during the time period you specify. Or, you may be able to ask the credit reporting agency to lift the security freeze to grant access only to a specified third party.

For more information about lifting security freezes, please contact each of the three credit reporting agencies directly or visit their websites for more information.

13. Does my spouse's file have to be frozen, too?

Yes. A freeze on your credit file will not extend to your spouse—or your children.

14. Does a credit freeze guarantee that I will not be a victim of identity theft?

No. While a credit freeze can help keep an identity thief from opening most new accounts in your name, it will not prevent all types of identity theft. It will not protect you, for example, from an identity thief who uses your existing credit cards or other accounts. There are also new accounts, such as telephone, wireless, and bank accounts, which may not require a credit check. And, if there is identity theft going on when you place the credit freeze, the freeze won't stop it. While a credit freeze may not protect you in these kinds of cases, it can protect you from many identity thefts that involve opening a new line of credit.

15. Is there a difference between a security freeze and a credit lock?

Yes. A **security freeze** is something you request from a credit reporting agency that restricts access to your credit report and makes it more difficult for identity thieves to open new accounts in your name. With a security freeze, you and a select few others are the only ones that can access your information. Consumers pay a fee every time they want to place, lift, or reinstate a security freeze. In Michigan it can cost up to \$10 to place a freeze and \$10 to temporarily or permanently lift a freeze. It also can take up to 48 hours from the time of your request for the credit reporting agency to lift your freeze.

A **credit lock** is something that is offered by a credit reporting agency to a consumer as part of a paid service. It is often bundled with additional credit monitoring services.

A credit lock is like a security freeze in that it also restricts access to your credit report.



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The difference is that with a lock, consumers have the ability to go online and instantly lock and unlock their credit files anytime they want without a fee every time; with a credit freeze, a consumer must request to lift or refreeze a file, and pay per request, which can take up to 48 hours to take effect. Credit lock services also require an annual fee and will last as long as you pay the fee.

Fraud Alert Frequently Asked Questions



1. Do I have to place a fraud alert with all three nationwide reporting agencies?

No. Federal law requires that the company that you contact to place your alert must tell the other two nationwide companies and, they, in turn, will place an alert on their versions of your report.

Innovis is not a nationwide credit reporting agency and must be notified separately.

2. Do I have to pay for a fraud alert?

No. A fraud alert is free. You must provide proof of your identity.

Credit Monitoring Frequently Asked Questions



1. Will credit monitoring prevent identity theft?

A credit-monitoring service merely provides timely information; it's up to you to put this information to good use.

Just remember that credit monitoring isn't an all-inclusive shield against identity theft and fraud. Ideally, it should be used as but one tool in a broad protection plan.

2. How can I make the most of credit monitoring?

Follow these tips to maximize the effectiveness of credit monitoring:

- Say no to free trials: Some credit-monitoring companies offer free trials that automatically enroll you in a monthly subscription once the trial is up.

However, these offers are notoriously difficult to cancel: companies hope you'll either forget to cancel or give up trying. Avoid falling for such traps.

- Tailor your notification preferences to your lifestyle: For example, if you're always on the go and check text messages more often than email, then set your notification preference to text alerts.
- Act quickly on suspicious changes: Do not pay for a monitoring service unless you also commit to acting timely on notice of suspicious activity.

Contact the Attorney General

For more information, or to file a complaint, consumers may contact the Attorney General's Consumer Protection Division at:

Consumer Protection
Division
P.O. Box 30213
Lansing, MI 48909
517-373-1140
Fax: 517-241-3771
Toll free: 877-765-8388
[Online complaint form](#)



Bill Schuette
Attorney General

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Consumer Alerts are not legal advice, legal authority, or a binding legal opinion from the Department of Attorney General.