

## What to Do to about a Data Breach?

In the last few years, we've had data breaches at the IRS, grocery stores, retail stores and a major credit bureau. It's very difficult to keep our Social Security number private; however, we can take steps to minimize damage from identity theft. Many strategies are available and each person must decide which strategies are best for them.

### **Monitor Your Credit Report**

First, one of the best tools we have to spot identity theft is to check our credit reports. You need to check your report from each of the three credit bureaus for it to be effective. You can check them free once a year at [www.annualcreditreport.com](http://www.annualcreditreport.com) or you can request the reports by mail.

You may want to see your credit reports more than once a year. If you have been a victim of identity theft, you can see them free. Or, you can pay to see them. Each time you check, it will cost between \$10 and \$15. If you checked all three, three times a year, it would cost you about \$100.

Paying for a credit monitoring service is an option but these services have both pros and cons. Credit monitoring systems will alert you to a change in

your credit report. For example, if there's a request for a new credit card, the system will notify you.

The disadvantages of credit monitoring include it can be expensive: typically \$120-\$200 a year. Also, when you sign-up for a credit monitoring service you may be giving the company permission to use your information for marketing purposes.

### **Consider a Fraud Alert**

If your Social Security number is part of a data breach, you can place a one-year fraud alert on your credit reports. Report this to one of the credit bureaus and it will apply to all three. When you have an alert on your report, a business should verify your identity before it issues credit. Plus, you get a free credit report from each bureau.

Don't depend on a fraud alert, though; be sure to continue to check your credit reports consistently.

### **Consider a Credit Freeze**

Another option includes a "freeze" on your credit report. A credit freeze stops the credit bureau from releasing your credit report or any information from it, except in certain exceptions. For

example, companies you currently have loans with and collection agencies can still receive your report.

However, freezing your credit report may not be realistic for everyone. If you want to borrow money (for example, apply for a new credit card) you have to lift the freeze first. In addition, because credit reports are used by businesses other than lenders, the credit freeze also may interfere with changing insurance policies, renting housing, and signing up for new utilities or phone service.

A new law allows people to place and lift a credit freeze for no cost. If you request a lift of the freeze online or by phone, it should be lifted within one hour. Lifting a freeze may take up to three business days after receipt if requested by mail.

To freeze your credit report you need to contact each of the credit bureaus. If you're married, you need to freeze both your and your spouse's credit reports to protect your identity. For detailed information about how to place a credit freeze, see this article from the FTC, <https://go.illinois.edu/CreditFreezeInfo>.

### **Stay Alert**

The above strategies help minimize the risk of someone borrowing money in your name. Also, monitor all your financial accounts regularly, including saving and investing accounts. If you have any concerns, contact your financial institution. You can use text alerts to a cell phone to help monitor your financial accounts; ask your financial institution about this. Overall, stay alert with your finances!

### **Resources:**

Check your credit reports free at [www.annualcreditreport.com](http://www.annualcreditreport.com), by mail or call 1-877-322-8228.

FTC, "Free Credit Freezes are Here," [https://www.consumer.ftc.gov/blog/2018/09/free-credit-freezes-are-here?utm\\_source=govdelivery](https://www.consumer.ftc.gov/blog/2018/09/free-credit-freezes-are-here?utm_source=govdelivery).

"Report identity theft and get a recovery plan," Federal Trade Commission, [www.IdentityTheft.gov](http://www.IdentityTheft.gov).

Stay up to date with financial topics with U of I Extension's Plan Well, Retire Well Blog, [www.retirewell.illinois.edu](http://www.retirewell.illinois.edu).

### **Credit Bureau Contact Information:**

#### Equifax

Equifax.com/personal/credit-report-services  
800-685-1111

#### Experian

Experian.com/help  
888-EXPERIAN (888-397-3742)

#### Transunion

TransUnion.com/credit-help  
888-909-8872



## Your Credit Report Matters

Have you checked your credit report lately? If you're not planning to borrow money, perhaps you think it's not important. Well, your credit report can affect your finances even when you're not borrowing money! Insurance companies, prospective employers (for some types of jobs), and utility companies may be looking at your credit history to determine what to charge you or whether to offer you a job.

When credit reports and scores first developed, mostly lenders used them. However today, consumers' financial lives are impacted by poor or non-existent credit histories in many ways. For example, a young adult who hasn't yet built a credit history, may pay a higher deposit when they set-up electricity in their apartment than someone with a credit history. Older adults who don't use credit frequently may see their insurance costs rise.

### **Checking Your Credit Report**

If you haven't checked your credit reports in the last year, now is the time to do it. We have three main credit bureaus that collect data. Because the credit bureaus are competitors, they don't share data. You want to be sure that all of your credit reports are accurate. Information in your credit reports determine your credit scores. Thus, you don't need to pay money to

see your credit score; just check your credit reports.

Check your credit reports for FREE once a year at: [www.annualcreditreport.com](http://www.annualcreditreport.com). Or, you can call 877-322-8228 to request the credit reports or mail-in a request using the Annual Credit Report Request Form. If you want to check your credit report more than once a year, request them directly from the credit bureaus.

### **Fighting Identity Theft**

One of the best tools we have to check whether someone is using our identity is to check our credit reports. One of the reasons people steal and use other people's identity is so that they can take out a loan – or some form of credit – in someone else's name. You'll never see any paperwork about this loan. However, if someone else starts credit accounts in your name, they will show up on your credit bureau.

If you spot information on your credit report that is not accurate, follow the information listed on your report about how to correct it. If you suspect identity theft, visit [www.IdentityTheft.gov](http://www.IdentityTheft.gov) or call your local Extension office for help.

Credit reports and scores influence our lives in many ways. Make sure your credit reports are accurate and positive so that you're not paying more for loans and other financial services.