

# Bureau of Consumer Financial Protection Education Exchange

## **Credit Freezes, Credit Scores & Identity Theft**

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Attorney, Federal Trade Commission**

October 24, 2018 | 2:00-3:00 p.m. ET

Facilitators: Irene Skricki & Heather Brown, Ed.D. – BCFP, Office of Financial Education



# DISCLAIMER

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This presentation is being made by a Bureau of Consumer Financial Protection representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Bureau of Consumer Financial Protection. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

# About the Bureau

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**The Bureau of Consumer Financial Protection regulates the offering and provision of consumer financial products and services under the Federal consumer financial laws, and educates and empowers consumers to make better informed financial decisions.**

# Financial Education Exchange (CFPB FinEx)

An online and in-person opportunity to access Bureau tools and resources, and connect with the Bureau and your peers engaged in financial education.

Our goal is to help you improve the financial well-being of the people you serve.

## Regional convenings:

- Dallas, TX
- Fort Worth, TX
- Maryland
- Denver, CO
- Kansas City, MO
- Atlanta, GA
- Sacramento, CA
- Madison, WI
- St. Louis, MO
- Tacoma, WA
- Nashville, TN
- Boston, MA

Monthly e-newsletters

Annual surveys



Number of financial educators signed up for CFPB FinEx: **Over 3200 Members!**

## Monthly webinars include:

- Fraud prevention for older adults
- Disaster recovery and preparedness
- Resources for servicemembers
- Accessing credit scores
- Managing spending
- Debt collection resources
- Credit card spending
- Libraries as Financial Education Resources
- Financial Coaching
- Financial Education Programs Serving Immigrant Populations
- Federal Financial Education Resources
- Take Control of Your Auto Loan
- Financial Rules to Live By
- Resources for Parents
- Tips for Strengthening Financial Education Curriculum
- Resources for Parents and Caregivers
- Resources for Financial Caregivers
- Measuring Financial Well-Being
- Owning a Home
- Tax Time Savings
- Your Money, Your Goals Toolkit

**To sign up, email  
CFPB\_FinEx@cfpb.gov**

# Resources for financial educators webpage

## Financial education for adults

We help you help the people you serve. For adult financial educators, the tools here show our latest thinking on consumer financial behavior and effective financial education practices.

### Featured event

### Free webinar about shopping for a mortgage

Thursday, June 28, from 2-3 p.m. ET

[View details and enroll](#)



Tools and resources to use with the people you serve

## About us

We're the Consumer Financial Protection Bureau (CFPB), a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

[Learn how the CFPB can help you](#)

## CONNECT WITH US

Join the CFPB Financial Education Exchange (CFPB FinEx) to get the latest news, invitations to webinars, and to learn from your peers.

### Email address

The information you provide will permit the Consumer Financial Protection Bureau to process your request or inquiry.

[View Privacy Act statement](#)

[Sign up](#)

Find it at [www.consumerfinance.gov/practitioner-resources/adult-financial-education/](http://www.consumerfinance.gov/practitioner-resources/adult-financial-education/)

# **Credit Freezes, Credit Scores & Identity Theft**

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LISA WEINTRAUB SCHIFFERLE

ATTORNEY, FEDERAL TRADE COMMISSION



# What We Will Cover

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- **New Credit Law**
  - **Credit Freezes**
  - **Fraud Alerts**
  - **Special Populations**
  
- **Identity Theft**
  - **Trends**
  - **Steps to take if your info is misused**

# **NEW CREDIT LAW**



# **New Law, New Rights**

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- **FRAUD ALERTS** now last one year rather than 90 days
- **CREDIT FREEZES** are free for all
  - Also for kids under age 16
  - Also for incapacitated adults
- **FREE CREDIT MONITORING** for active duty military starting 5/24/19

# Fraud Alert

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- Contact one CRA – they must contact the other two
- Requires creditors to take steps to verify your identity
- Good for one year
- Extended fraud alert for victims of identity theft –  
7 years, with Identity Theft Report

# Credit Freezes

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- Freezes access to your credit file
- Contact each CRA
- Free throughout the country
- If you do it online or by phone, it must be placed no later than one business day after the request and lifted within one hour
- If you do it by mail, CRAs have three business days

# Active Duty Alert for Military

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- Special tips for military families about preventing id theft
- Active duty alerts – a special fraud alert good for time of deployment
- [Future: free online credit monitoring for active duty military]



# Children

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- New law provides for free credit freezes for children under 16
- Parent or guardian must show proof of authority (like birth or adoption certificate or letter from child welfare agency)
- After age 16, individual can request to place or lift a freeze for herself



# Other “Protected Consumers”

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- Can get free credit freeze for person if you have guardianship, conservatorship or power of attorney over them
- Must provide proof of authority:
  - Court order
  - Fully executed power of attorney
- Also must provide proof of identification for self and protected consumer:
  - Social Security card
  - Certified copy of birth certificate
  - Driver’s license or other state-issued i.d.

# IdentityTheft.gov/creditbureaucontacts

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IdentityTheft.gov


Log In

CHAT WITH OUR SUPPORT TEAM  
(mon-fri, 9am - 8pm EST)


## Credit Bureau Contacts

Contact the national credit bureaus to request fraud alerts, credit freezes (also known as security freezes), and to opt out of pre-screened credit offers.

### Equifax

[Equifax.com/personal/credit-report-services](https://www.equifax.com/personal/credit-report-services)   
800-685-1111

### Experian

[Experian.com/help](https://www.experian.com/help)   
888-EXPERIAN (888-397-3742)

### TransUnion

[TransUnion.com/credit-help](https://www.transunion.com/credit-help)   
888-909-8872

# IDENTITY THEFT





# Consumer Sentinel Data Book 2017

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**CONSUMER  
SENTINEL  
NETWORK  
DATA BOOK 2017**

**SNAPSHOT**

**2.7  
MILLION  
REPORTS**

**TOP THREE CATEGORIES**

- 1. Debt collection**
- 2. Identity theft**
- 3. Imposter scams**



# Identity Theft

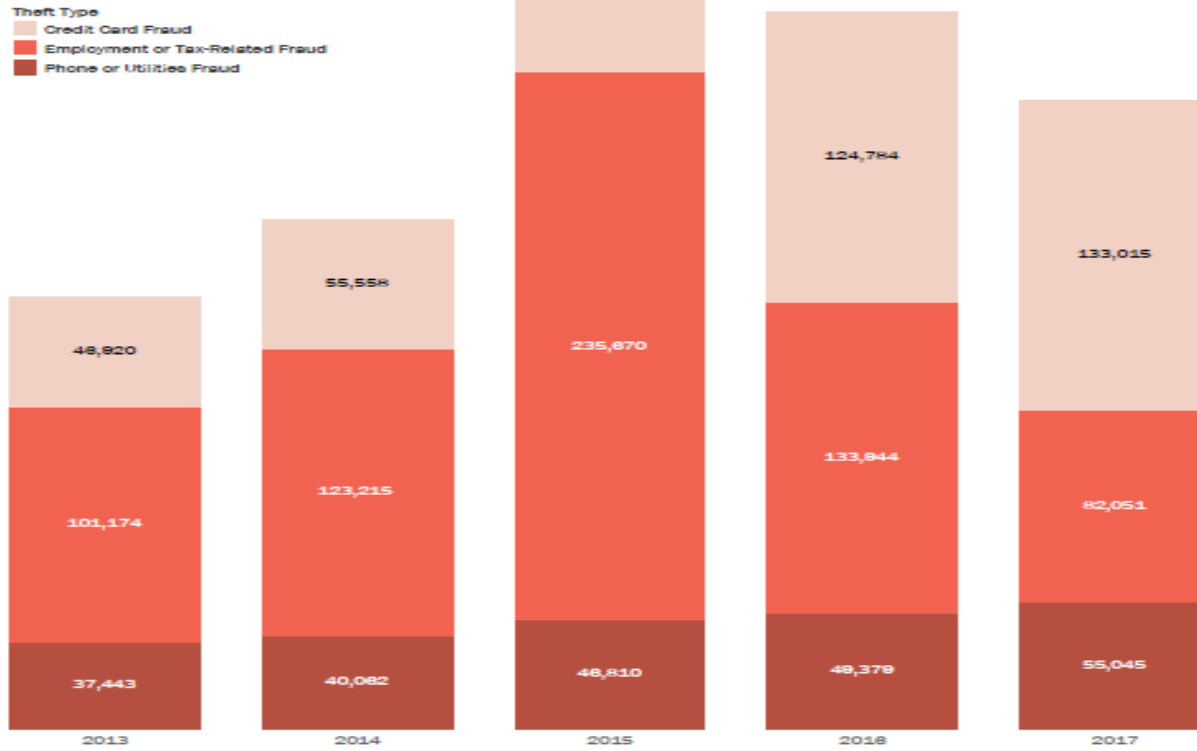
23% 

Credit card  
fraud

46%   
Tax fraud

FEDERAL TRADE COMMISSION • [ftc.gov/sentinel2017](https://www.ftc.gov/sentinel2017)

### Top Three Identity Theft Reports by Year



# What is IdentityTheft.gov?

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- Federal government's one-stop resource to help you report and recover from identity theft.
- Provides:
  - Detailed advice, such as
    - Getting a credit report
    - Getting an Identity Theft Report
  - Easy-to-print checklists, and
  - Sample letters





# IdentityTheft.gov





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IdentityTheft.gov

Log In

En Español

Report identity theft and get a recovery plan

Get Started →

or browse recovery steps

IdentityTheft.gov can help you report and recover from identity theft.

**HERE'S HOW IT WORKS:**



**Tell us what happened.**

We'll ask some questions about your situation. Tell us as much as you can.



**Get a recovery plan.**

We'll use that info to create a personal recovery plan.



**Put your plan into action.**

If you create an account, we'll walk you through each recovery step, update your plan as needed, track your progress, and pre-fill forms and letters for you.

[Get started now.](#) Or you can [browse a complete list of possible recovery steps](#).



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IdentityTheft.gov

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En Español

Which statement  
best describes  
your situation?

I want to report identity theft.



Someone else filed a tax return using my information.



My information was exposed in a data breach.



Someone got my personal information or my wallet, and I'm worried about  
identity theft.



Something else.





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IdentityTheft.gov

Log In

CHAT WITH OUR SUPPORT TEAM  
(mon-fri, 9am - 8pm EST)

1 Theft Details

2 Your Information

3 Suspect Information

4 Additional Information

5 Personal Statement

6 Review Your Complaint

## Report Identity Theft to the FTC and the IRS

Next, we are going to ask for specific details. We will use the information you provide to create your:

FTC Identity Theft Report



IRS Identity Theft Affidavit



Recovery Plan



These will help you **fix problems** caused by the identity theft.

Continue →

← Start Over

### How we handle your information

It's up to you to determine how much personal information you want to provide. The FTC enters this information into a secure online database that law enforcement agencies use in their investigations.

Please read our [Privacy Policy](#) to learn more about how we safeguard your personal information.

OMB Control Number: 3084-0047





CHAT WITH OUR SUPPORT TEAM  
(mon-fri, 9am - 8pm EST)

### Great. Your account has been created!

Here, you can download your FTC Identity Theft Report, or interact with your recovery plan.

Click on the first step, and we'll guide you through the process. We've prefilled letters and forms to make it easier for you.

[Ok, got it.](#)

### You have successfully submitted your IRS Identity Theft Affidavit (Form 14039).

Please complete the remaining recovery plan steps.

[Ok, got it.](#)

## Your Recovery Plan

[Print](#)

Contact the IRS.



Place a fraud alert on your credit reports.



Review your credit reports for fraud.



Consider placing an extended fraud alert or credit freeze.



[Hide Completed Items](#)

✓ Report identity theft to the FTC.



### FTC Identity Theft Report & IRS Identity Theft Affidavit (Form 14039)

✓ Your FTC Identity Theft Report\*

[Update](#) [Download PDF](#)

Did you discover a new fraudulent account? Go to [your report](#), and click "Add a Theft."

✓ Your IRS Identity Theft Affidavit (Form 14039)

[Download PDF](#)

Submitted 01/09/2018

\*This report proves to businesses that your identity was stolen.



FEDERAL TRADE COMMISSION

# Identity Theft Report

FTC Report Number:  
(to be generated)

I am a victim of Identity theft. This is my official statement about the crime.

### Contact Information

Tanya Taxpayer  
123 Main St.  
Washington, DC 20580

202-326-2717  
TanyaTaxpayer5@mailinator.com

### Personal Statement

In January 2018, I tried to e-file my 2017 tax return, but got a message back saying that the IRS already had received a 2017 tax return with my name and Social Security number. I was due a \$1,300 refund!

### Tax Fraud

Date that I discovered it
1 / 2018

**Under penalty of perjury, I declare this information is true and correct to the best of my knowledge.**

I understand that knowingly making any false statements to the government may violate federal, state, or local criminal statutes, and may result in a fine, imprisonment, or both.

**Tanya Taxpayer**  
Tanya Taxpayer

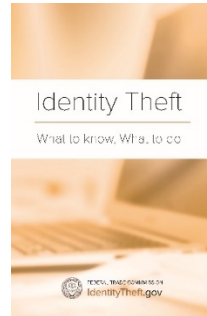
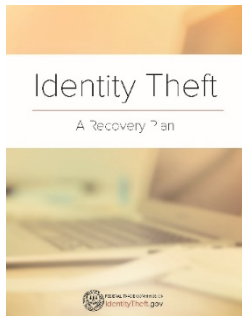
**01/09/2018**  
Date

Use this form to prove to businesses and credit bureaus that you have submitted an FTC Identity Theft Report to law enforcement. Some businesses might request that you also file a report with your local police.

<b>Form 14039</b> (April 2017)	Department of the Treasury - Internal Revenue Service <b>Identity Theft Affidavit</b>	OMB Number 1545-2139
Complete this form if you need the IRS to mark an account to identify questionable activity.		
<b>Section A - Check the following boxes in this section that apply to the specific situation you are reporting (Required for all filers)</b>		
<input checked="" type="checkbox"/> 1. I am submitting this Form 14039 for myself		
<input type="checkbox"/> 2. This Form 14039 is submitted in response to a "Notice" or "Letter" received from the IRS		
<ul style="list-style-type: none"> <li>• Please provide "Notice" or "Letter" number(s) on the <u>line to the right</u>: _____</li> <li>• Please check box 1 in Section B and see special mailing and faxing instructions on reverse side of this form.</li> </ul>		
<input type="checkbox"/> 3. I am submitting this Form 14039 on behalf of my "dependent child or dependent relative".		
<ul style="list-style-type: none"> <li>• Please complete Section E on reverse side of this form.</li> <li>Caution: If filing this on behalf of your "dependent child or dependent relative", filing this form will protect his or her tax account but it will not prevent the victim in Section C below from being claimed as a dependent by another person.</li> </ul>		
<input type="checkbox"/> 4. I am submitting this Form 14039 on behalf of another person (other than my dependent child or dependent relative).		
<ul style="list-style-type: none"> <li>• Please complete Section E on reverse side of this form.</li> </ul>		
<b>Section B - Reason For Filing This Form (Required)</b>		
Check only ONE of the following boxes that apply to the person listed in Section C below.		
<input checked="" type="checkbox"/> 1. Someone used my information to file taxes		
<input type="checkbox"/> 2. I don't know if someone used my information to file taxes, but I'm a victim of identity theft		
Please provide an explanation of the identity theft issue, how you became aware of it and provide relevant dates. If needed, please attach additional information and/or pages to this form.		
In January 2016, I tried to e-file my 2017 tax return, but got a message back saying that the IRS already had received a 2017 tax return with my name and Social Security number. I was due a \$1,300 refund!		
<b>Section C - Name and Contact Information of Identity Theft Victim (Required)</b>		
Victim's last name Taxpayer	First name Tanya	Middle Initial _____
Taxpayer Identification Number (Please provide 9-digit Social Security Number) 123-45-6789		
Current mailing address (apartment or suite number and street, or P.O. Box) if deceased, please provide last known address 123 Main St.		
Current City Washington	State DC	ZIP Code 20580
Tax Year(s) you experienced identity theft (if not known, enter "Unknown" in one box below)		What is the last year you filed a return 2017
2016		
Address used on the last filed tax return (if different than "Current")		Names used on last filed tax return (if different than "Current")
City (on last tax return filed)		State
ZIP Code		ZIP Code
Telephone number with area code (Optional) if deceased, please indicate "Deceased"		Best time(s) to call
Home telephone number (202)-326-2717	Cell phone number	7 AM-11 AM
Language in which you would like to be contacted: <input checked="" type="checkbox"/> English <input type="checkbox"/> Spanish		
<b>Section D - Penalty of Perjury Statement and Signature (Required)</b>		
Under penalty of perjury, I declare that, to the best of my knowledge and belief, the information entered on this Form 14039 is true, correct, complete, and made in good faith.		
Signature of taxpayer, or representative, conservator, parent or guardian Tanya Taxpayer		Date Signed 01/09/2018

# Identity Theft

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**I speak for myself,  
and not for the FTC.**







# Free Credit Score RFI

**Goal:** To learn more about the experience consumers are having with access to free credit scores and the experience of companies and non-profits offering their customers and the general public free access to credit scores.

## Request for Information Regarding Consumers' Experience With Free Access to Credit Scores

A Notice by the [Consumer Financial Protection Bureau](#) on 11/13/2017



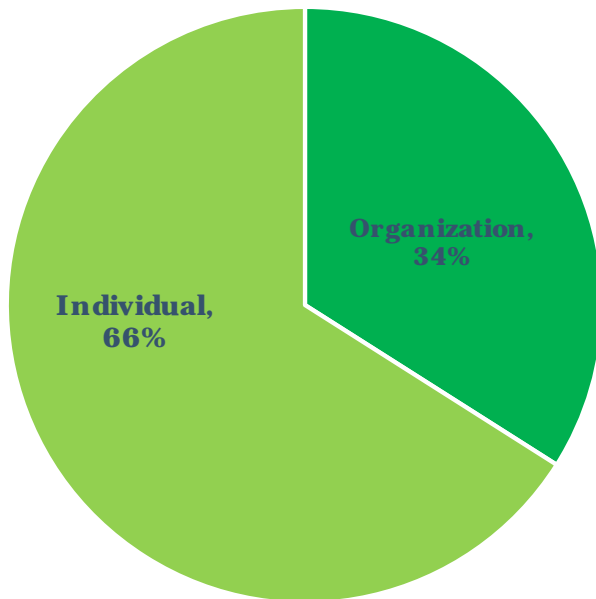
PUBLISHED DOCUMENT	
	<b>AGENCY:</b> Bureau of Consumer Financial Protection.
	<b>ACTION:</b> Notice and request for information.
 66	<b>SUMMARY:</b> The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) established the Office of Financial Education within the Bureau of Consumer Financial Protection (CFPB or Bureau) to develop and launch
	
	
	

DOCUMENT DETAILS
<b>Printed version:</b> <a href="#">PDF</a>
<b>Publication Date:</b> 11/13/2017
<b>Agency:</b> <a href="#">Bureau of Consumer Financial Protection</a>
<b>Dates:</b> Comments must be received on or before February 12, 2018 to be assured of consideration.
<b>Comments Close:</b> 02/12/2018

# RFI Response Data

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Types of Respondents



- 66 responses were received
- 63 responses were analyzed\*
- The respondents were categorized into two major groups:
  - 1) individuals, and
  - 2) organizations.
- There were twice as many individual respondents as there were organizations.
- Organizations include: coaching firms, non-profits, banks, credit bureaus and other financial entities.

\*Case Number 54 was withdrawn because it should have been placed in another RFI docket; a duplicate of 51 was deleted and 55 was a submission with no comment.

# **Representative sentiments from the Free Credit Score RFI Submissions**

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- Many respondents (consumers and organizations) said that free access to credit information (reports and scores) was useful and empowering.
- Many respondents expressed that there is confusion among consumers regarding the different information and sources of data in credit scores and credit reports.
- Many respondents shared experiencing errors on their credit reports and some described serious challenges in getting them corrected.
- Many respondents reported confusion and frustration over having significant variations in credit scores.



# Representative sentiments from the Free Credit Score RFI Submissions (Continued)

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- Consumer and organization respondents expressed concerns about the risk of exposing consumers to scams and marketing exploitation when they attempt to get free credit scores and reports from some companies.
- Several respondents expressed concern and even anxiety over the security risks that accompany providing companies the information they require (which includes the consumer's social security number) to access their free credit score or report.
- Multiple respondents' comments identified a need for more transparency in the consumer credit scoring process.
- Several industry respondents expressed their support for the concept of voluntarily providing free credit scores and reports, but also expressed that they did not support mandatory legal requirements to provide free credit scores and reports.



# Where to find free access to a credit score

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Credit scores play a crucial role in the financial lives of consumers in the United States. A credit score is a three-digit number that predicts how likely you are to pay back a loan on time, based on information from your credit reports.

You can take a first step toward learning more about your credit history by checking your credit scores and credit reports. The good news is you are increasingly able to see your credit scores for free.



[http://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201702\\_cfpb\\_finding-free-access-to-credit-score\\_handout.pdf](http://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201702_cfpb_finding-free-access-to-credit-score_handout.pdf)

# You have many different credit scores

It's normal to see slightly different numbers

EXAMPLE:



You saw your credit score online, provided by your credit card company

EXAMPLE:



You signed up for a separate, free credit monitoring service, and checked your score there

EXAMPLE:



Your auto lender showed you the credit score it used to evaluate your loan application

**TIP:** At a given point in time, lenders are probably looking at slightly different scores than the ones you see.

Scores are calculated at different times, in different ways



Credit report data



Timing



Scoring models

[http://files.consumerfinance.gov/f/documents/201702\\_cfpb\\_credit-score-explainer.pdf](http://files.consumerfinance.gov/f/documents/201702_cfpb_credit-score-explainer.pdf)

# Resources

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Bureau Resources for Financial Educators webpage:  
[consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education)

To sign up for the Financial Education Exchange:  
[CFPB\\_FinEx@cfpb.gov](mailto:CFPB_FinEx@cfpb.gov)

To sign up for the Financial Education Discussion Group:  
[linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623](https://linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623)

Full responses to the RFI can be found at:  
<http://www.regulations.gov/docketBrowser?rpp=50&so=DESC&sb=postedDate&po=0&dct=PS&D=CFPB-2017-0037>