Bureau of Consumer Financial Protection Education Exchange

Credit Freezes, Credit Scores & Identity Theft

Guest Facilitator: Lisa Weintraub Schifferle
Attorney, Federal Trade Commission

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

DISCLAIMER

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

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

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

Enter 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

Tools and resources to use with the people you serve

Find it at www.consumerfinance.gov/practitioner-resources/adult-financial-education/
Credit Freezes, Credit Scores & Identity Theft

LISA WEINTRAUB SCHIFFERLE
ATTORNEY, FEDERAL TRADE COMMISSION
What We Will Cover

- 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

- **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

• 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

- 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

- 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

- 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”

- 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

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
800-685-1111

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

**TransUnion**
TransUnion.com/credit-help
888-909-8872
IDENTITY THEFT
Identity Theft

23% ↑ Credit card fraud

46% ↓ Tax fraud

FEDERAL TRADE COMMISSION • ftc.gov/sentinel2017
What is IdentityTheft.gov?

- 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
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.
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.
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**

![REPORT]

&

**IRS Identity Theft Affidavit**

![IRS FORM 14039]

&

**Recovery Plan**

**TO DO:**

- [ ]
- [ ]
- [ ]
- [ ]
- [ ]

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

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

Continue ➔

Start Over
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.

You have successfully submitted your IRS Identity Theft Affidavit (Form 14039).
Please complete the remaining recovery plan steps.

Your Recovery Plan

- 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.

Report identity theft to the FTC.
I am a victim of identity theft. This is my official statement about the crime.

**Contact Information**

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanya Taxpayer</td>
<td>202-326-2717</td>
<td><a href="mailto:TanyaTaxpayer5@mailinator.com">TanyaTaxpayer5@mailinator.com</a></td>
</tr>
<tr>
<td>123 Main St.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington, DC 20580</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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 $1300 refund.

**Tax Fraud**

<table>
<thead>
<tr>
<th>Date that I discovered it</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2018</td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Tanya Taxpayer</th>
<th>01/09/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
Identity Theft Affidavit

Section A - Check the following boxes in this section that apply to the specific situation you are reporting (Required for all filers):

1. I am submitting this Form 14039 for myself

☐ 2. This Form 14039 is submitted in response to a ‘Notice or Letter’ received from the IRS
   - Please provide ‘Notice or Letter’ number(s) on the line to the right.
   - Please check box 1 in Section B and see special mailing and facsimile instructions on reverse side of this form.

☐ 3. I am submitting this Form 14039 on behalf of my dependent child or dependent relative.
   - Please complete Section E on reverse side of this form.
   - 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.

☐ 4. I am submitting this Form 14039 on behalf of another person (other than my dependent child or dependent relative).
   - Please complete Section E on reverse side of this form.

Section B - Reason For Filing This Form (Required)

Check only ONE of the following boxes that apply to the person listed in Section C below.

☐ 1. Someone used my information to file taxes.

☐ 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 this 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 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.

Section C - Name and Contact Information of Identity Theft Victim (Required)

Victim’s last name: 
First name: 
Middle initial: 
Taxpayer identification number: 

Current mailing address (department or suite number and street, or P.O. Box if requested, please provide last known address):

123 Main St

Current City: 
Washington

Current State: 
DC

Current ZIP Code: 
20545

Tax Year(s) you experienced identity theft (if not known, enter “unknown” in this box below):  
2016

What is the last year you filed a return:  
2017

Address used on the last filed tax return (if different than “current”):  

City (if last tax return filed):  

State:  

ZIP Code:  

Telephone number with area code (Optional):  
(202) 320-2747

Home telephone number:  
(202) 320-2717

Cell phone number:  

Best time(s) to call:  
7 AM-11 AM

Language in which you would like to be contacted:  
English

Section D - Penalty of Perjury Statement and Signature (Required)

I, [Name], declare under penalty of perjury, 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:  

Date Signed:  
01/02/2016
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

**AGENCY:**

Bureau of Consumer Financial Protection.

**ACTION:**

Notice and request for information.

**SUMMARY:**

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
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

- 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.
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.
The Bureau’s Portal on Credit Reports and Scores

Credit reports and scores

Your credit reports and scores have a major impact on your financial opportunities. Our resources can help you better understand your credit reports and scores, learn how to correct inaccuracies, and improve your credit record over time.

Featured

Know your data

You know your credit report is important, but other companies also collect information on you—and you have a right to see those reports. Our latest list of consumer reporting companies gives you the details you need to take action.

Learn more

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

STILL HAVE A QUESTION?

Call us if you still can’t find what you’re looking for. You can also submit a complaint about an issue with credit reporting or scores over the

http://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/
Where to find free access to a credit score

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.

You have many different credit scores

It’s normal to see slightly different numbers

EXAMPLE:
- **726**
  You saw your credit score online, provided by your credit card company

EXAMPLE:
- **698**
  You signed up for a separate, free credit monitoring service, and checked your score there

EXAMPLE:
- **711**
  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**

Resources


To sign up for the Financial Education Exchange: CFPB_FinEx@cfpb.gov

To sign up for the Financial Education Discussion Group: 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