

What To Do If Identity Theft Happens To You

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In the last year, more than 9.3 million American adults were victims of identity theft. The Identity Theft and Assumption Deterrence Act of 1998 makes ID theft a federal crime and is punishable by a sentence of 15 years in prison. As a victim you must alert the proper authorities in order to stop the thief from causing further damage to your financial and governmental records. The following is a guide to help identity theft victims contact the proper institutions.

In dealing with the authorities and financial institutions, keep a log of all conversations, including dates, names, and phone numbers. Keep track of time spent and of any expenses incurred. Confirm conversations in writing, send all correspondences by certified mail with a return receipt, and keep copies of all letters and documents.

Contacting Credit Bureaus: Immediately call the fraud units of the three credit reporting companies—Experian, Equifax, and Trans Union. Ask that your accounts be flagged and add a victim's

statement to your report such as, "My ID has been used to apply for credit fraudulently. Contact me at 123-456-7890 to verify all further applications."

Contacting Creditors:

Contact all creditors immediately with whom your name has been used fraudulently, by phone and in writing. Order new cards with new account numbers from existing accounts. When canceling old accounts ask the creditor to process the cancellation as "account closed at consumer's request." This is better than reported "card lost or stolen." When this statement is reported to credit bureaus, you may be blamed for the loss.

Contacting The Law

Enforcement Agencies: Report the crime to the police department as soon as possible. Try to provide as much documented evidence as possible. Obtain a copy of your police report. Creditors and banks may require for you to provide them with a copy in order to verify the crime.

-Continued on page 3-

7 Steps To Dodge ID Thieves

STEP ONE: Secure Your Information

Never use an automatic sign-on option when visiting any website. Do use an alphanumeric password mixed with a few random symbols to make it more secure. Also, don't store important financial information on a laptop computer. If your laptop is snatched, so is all of your vital information.

STEP TWO: Keep Your Social Security Card Safe

Do not carry your Social Security Card with you in your wallet or date book. If either are misplaced or stolen an identity thief will have all the necessary information to set up new accounts or use existing ones.

STEP THREE: Be Cautious When Swiping That Card

Don't use a debit card at stores with a high turnover rate, because you don't know how thoroughly the employees have been checked. An identity thief working at a convenient store could easily take all of your card information with one quick swipe through a "skimmer", an electronic device that can record all the vital information from a credit or debit card.

STEP FOUR: Keep Current

Request a copy of your credit report with the three major credit bureaus— Equifax, Experian, or Trans Union— at least once a year. Regular reviews will provide you with the opportunity to catch anything that looks suspicious and to catch problems early. You are allowed one free copy of each report annually.

STEP FIVE: Button Up Your PC

Use passwords and update your anti-virus protection regularly, especially whenever a virus alert is sent. Some viruses order your PC to send out stored files which include your financial information. Add a pop-up blocker to your computer and run spyware at least once a week. The spyware will seek out suspicious programs and alert you if any problems exist. When disposing of your PC, delete all personal information and then use a "wipe" program to overwrite the hard drive and make the files unrecoverable.

STEP SIX: Watch Those Receipts

Save your receipts to check your bank and credit card statements. Once checked, immediately file or shred them because "dumpster diving" is a favorite technique for identity thieves. Many banks and businesses are trying to put a lid on that by only printing the last few digits of an account number on a receipt. After December 2006, a new law will prohibit the printing of the expiration date or more than the last five digits of a credit or debit card number on a receipt.

STEP SEVEN: Don't Respond to Suspicious E-mails

Identity thieves periodically send out fake e-mails asking for your bank account information under the guise of resolving technical difficulties at your bank. Do not respond. Call your bank immediately and alert them to the attempted theft.

Source:

*Scott Reves, Seven Ways To Foil ID Thieves
<http://images.forbes.com>*

-What To Do cont'd-

Don't Give In!: Do not pay any bill or portion of a bill which is a result of ID theft and never file for bankruptcy. If you are being harassed by creditors, seek legal assistance. An attorney will help remove any fraudulent entries from your credit report.

Important Reporting Resources

Equifax: (800)525-6285
www.equifax.com
P.O.BOX 740250, Atlanta, GA 30374

Experian: (888)EXPERIAN(397-3742)
www.experian.com
P.O.BOX 1017, Allen TX 75013

Trans Union: (800)680-7289
www.tuc.com
P.O.BOX 6790, Fullerton, CA 92634

Social Security Administration:
Report Fraud (800)269-0271

To Remove Your Name From Marketing Mail and Phone Lists:
*Mail Preference Service, P.O.BOX 9008, Farmingdale, NY 11735
*Telephone Preference Service, P.O.BOX 9014, Farmingdale, NY 11735

Sources:

CALPIRG Charitable Trust and Privacy Rights Clearinghouse/UCAN

Deborah Fowles, Nine Ways to Improve Your FICO Credit Score and Four Reasons Why You Want To



What Is A FICO Score And How Is It Calculated?

A FICO score is a credit score developed by Fair Isaac & Company. Created back in the 1950s, this score was invented to represent a person's entire credit history with just one number. To maximize your score it is important to understand what goes into the calculations and how much each factor is weighted:

- **Types of Credit in Use: 10%**—Considers the number of credit accounts and the mix of credit types: credit cards, installment loans, mortgages. This is most important if you do not have a very long credit history.
- **Payment History: 35%**—Takes into account (1)many different types of payments, including mortgages, major credit cards, department store credit cards, car loans etc., (2)information from public records, such as bankruptcies, liens, lawsuits, foreclosures, judgments, and wage garnishments, (3)details of any missed or late payments, such as the amount, how long ago it occurred, and how late it was.
- **Amount Owed: 30%**—Looks at (1)the total of all the amounts you owe for all accounts, (2)the mix of amounts owed, (3)the number of accounts that have balances, (4)how much of your total credit available on credit cards and installment loans you're using, and (5)how much of the original balance borrowed you still owe on installment loans, like your car loan.
- **Length of Credit History: 15%**—As long as you do not have negative information in your file, the longer your credit history, the higher your score.
- **New Credit: 10%**—Considers (1)how many new credit accounts you have opened recently, (2)how long it has been since you opened a new account, (3)how many recent requests you have made, (4)how long it has been since lenders requested information on you, and (5)how good your recent credit history has been.

FICO Score Scale-Where do you fit?

EXCELLENT	750-850
GOOD	660-749
FAIR	620-659
POOR	350-619

4 Reasons Why You Want To Improve Your FICO Score

Your FICO score and other credit scores determine:

1 whether you'll be approved for mortgages, car loans, installment loans, and credit cards

2 what interest rate you will be charged on those loans

3 the cost of your homeowners and car insurance

4 in some cases, whether you get that job offer you've been hoping for!

Source:

Deborah Fowles, Nine Ways to Improve Your FICO Credit Score and Four Reasons Why You Want To



ID Theft Facts Did You Know?

- 9.3 million American adults became victims of identity fraud in the last 12 months.
- On average victims spend 28 hours resolving financial and other problems caused by fraud.
- Family members and relatives along with friends make up half of all known identity thieves.
- 68.2% of stolen information was obtained offline versus only 11.6% obtained online.
- Hispanics and African Americans are twice as likely as Asians or Whites to experience the most serious types of fraud.
- 54% of the time the victim detects fraudulent activity before their credit card companies or banks. Check your statements!
- Only 22% of ID theft victims contact one or more credit reporting agencies. Reporting your problems to the credit agencies will help stop the fraud!
- Higher income households are more likely to experience existing credit card fraud.
- Younger victims are at a higher risk of new account fraud.
- The average out of pocket cost for an ID theft victim is \$650.



Source:

*Javelin Strategy & Research
2005 Identity Fraud Survey Report*

Does Changing Your Social Security Number Really Get Rid Of The Headache?

There are many different strategies and tools out there for combating identity theft. For some Americans, changing their social security number seems like the answer for them. It is a very long and difficult process but those who are successful not only cut off their assailant but also make a fresh start with a clean but blank credit history. Since a fresh and clean credit history means no more credit history, this strategy is only recommended for young victims who have not built up lengthy credit records and can afford to start over.

Changing your social security number is not easy! The Social Security Administration demands heavy documented proof of hardship. Applicants must demonstrate a relentless pattern of abuse at the hands of identity thieves, prove that they have already taken the usual steps to combat it – contacting creditors and law enforcement, working with credit bureaus– and show that economic or personal hardship exists.

Also, the individual must track down every bank, creditor, credit bureau and government agency that might have the old number on file and persuade them to use the new one. These agencies do not have to automatically update their files, the individual must plead their

case to each individual institution. Getting all your creditors to use the new number is a significant hassle that can take years to accomplish. In addition, when a new number is assigned, the Social Security Administration does not delete the old one. Instead, it links the two numbers, because it needs both to compute benefits when a person retires.

The Social Security Administration does not track an acceptance rate, but more applicants are denied than accepted. There are some rare circumstances where the Social Security Administration will change numbers, such as when two people are mistakenly assigned the same number. Victims of domestic violence get consideration too, as well as individuals who request a new number on religious grounds. For example, the Social Security Administration would consider changing a number if it contained an objectionable series like “666.”

Before deciding on an action, research the process and carefully decide if changing your social security number will really make your life easier.

Source:

Christopher Conkey, The Wall Street Journal 7/6/2005 US Gives Some Fraud Victims New Social Security Numbers

9 Ways To Improve Your FICO Score

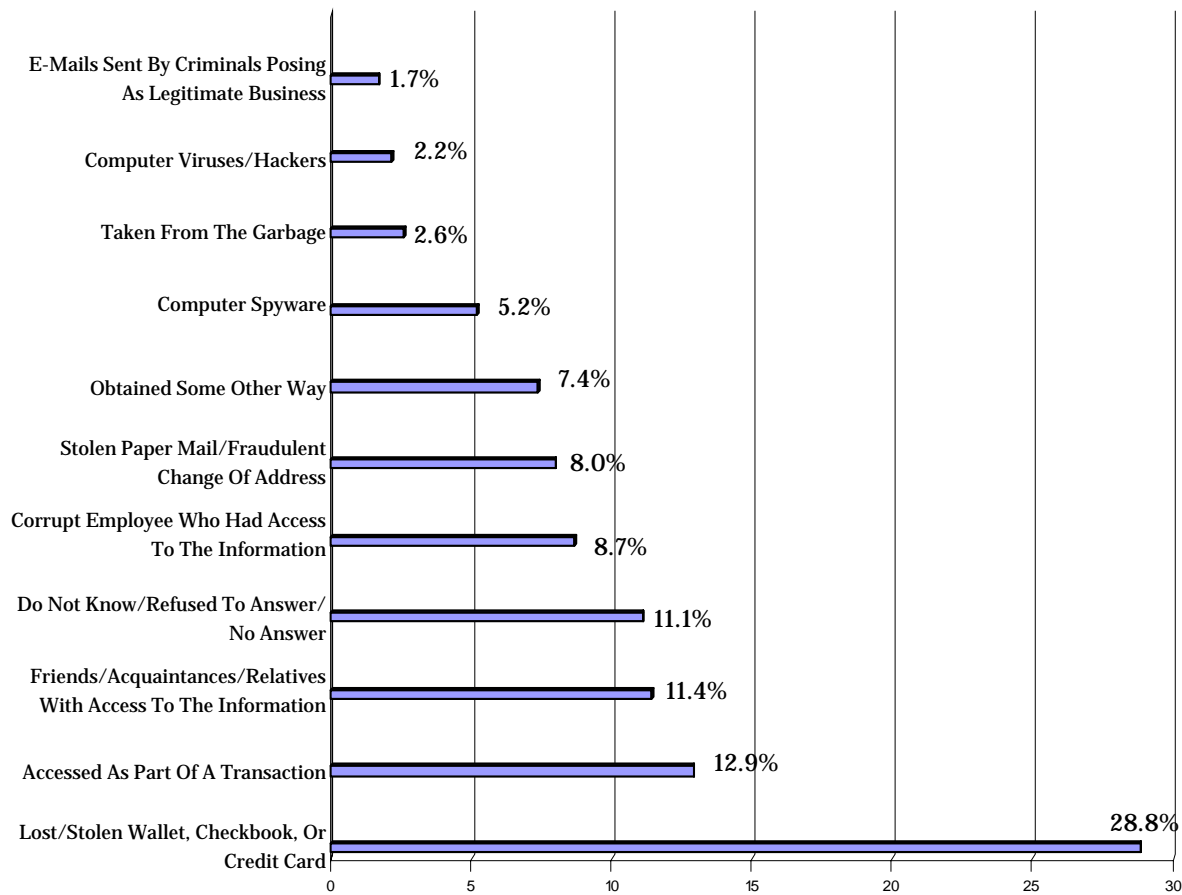
- 1 Order a copy of your credit report. Review it carefully. Correct any significant errors.
- 2 Pay your bills on time.
- 3 Do not open a lot of new accounts over a short period of time.
- 4 Shop for credit over a short period of time.
- 5 If you have a questionable credit history, open a few new accounts, use them responsibly, and pay them off on time.
- 6 Don't open credit accounts that you don't intend to use.
- 7 A credit card can raise your score as long as you don't have too high a balance and you pay it off in a timely manner.
- 8 Keep your balance low in relation to your available credit.
- 9 Pay off credit card debt rather than move it around to lower rate cards.

Source:

Deborah Fowles, Nine Ways to Improve Your FICO Credit Score and Four Reasons Why You Want To

Identity Thieves: Not So High Tech

In a 2005 Identity Fraud Survey Report conducted by the Javelin Strategy & Research Group, it was found that most criminals obtain personal information through traditional rather than electronic channels. Despite the recent hype over direct electronic methods of obtaining personal information, such as phishing and spyware, the findings clearly show that identity thieves are mostly obtaining information the old fashioned way. This fact is surprising given that 75% of all households use the internet and 65% of all online households now check bank or credit union balances online. While consumers are increasing security for their online information they must not forget that they are most at risk of identity theft when using traditional methods of information management.



Percentage of identity theft victims who know how their information was obtained.

Source:

Javelin Strategy & Research

2005 Identity Fraud Survey Report

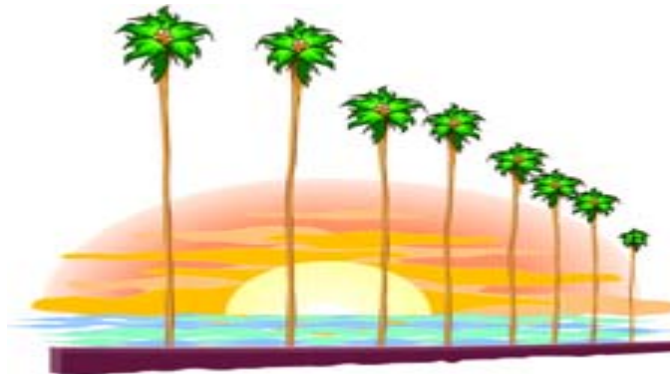
2005 HHS Poverty Guidelines

Persons in Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$9,570	\$11,950	\$11,010
2	12,830	16,030	14,760
3	16,090	20,110	18,510
4	19,350	24,190	22,260
5	22,610	28,270	26,010
6	25,870	32,350	29,760
7	29,130	36,430	33,510
8	32,390	40,510	37,260
For each additional person, add	3,260	4,080	3,750

Financial Security in Later Life

If you haven't visited the Financial Security in Later Life web site lately, now's the time. There are wonderful materials here to help individuals plan for their futures. One new feature is "Getting Ready for Estate Planning." The program helps people organize their thoughts and information before seeing an advisor about an estate plan. Since many people avoid estate planning because they think that the process will be overwhelming, the simple six steps provided in this online program will help people prepare. This program can be found in the educator's program toolkit. To visit the site go to:

<http://www.csrees.usda.gov/nea/economics/fsll/fsll.html>



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