

BEST WAY TO PROTECT YOUR IDENTITY

How you can protect yourself from would-be identity thieves.

Credit Freezes Are Better Than Credit Monitoring, Or Anything Else

FREEZE YOUR CREDIT ASAP!!!

Freezing your credit with all three major credit bureaus is the single most important thing you can do to protect yourself against identity theft and stop criminals from opening lines of credit in your name — and it's free!

When you freeze your credit, no one (including you) can open a credit account in your name.

A credit account can be a plain-vanilla credit card, a home mortgage, or a loan for a new set of wheels.

A credit freeze is like putting a lock on your front door.

A credit monitoring service is like installing an alarm system.

The credit monitoring service won't prevent people from impersonating you. It just sounds the alarm *after* someone has already broken into your house.

With a credit freeze (the lock on the door), you can *prevent* people from impersonating you. **The credit freeze is a preventative measure and one of the easiest ways to protect yourself against identity theft.**

Despite what companies like LifeLock would have you believe, credit monitoring is arguably a worthless service — and certainly not worth paying for!

Credit Freezes Are Free

Speaking of stuff not worth paying for, don't get confused by a "credit lock." **A credit lock is not the same thing as a credit freeze.**

While both a credit lock and a credit freeze restrict creditors from accessing your credit report, only a credit freeze is available without fees or other requirements.

While the credit reporting agencies may tout the convenience of "locking" your credit with the touch of a button on your phone's app, you may have to pay \$300 a year for the privilege.

Credit Freezes Are Better Than Fraud Alerts

With a fraud alert, creditors must take additional steps to verify the identity of an individual opening a new line of credit.

Therefore, a sophisticated criminal could theoretically bypass the safety check – if they know enough about you, etc.

Fraud alerts only remain in place for a single year – requiring you to renew it if you want the protection to remain in place.

How To Freeze Your Credit

There is only one way to do a credit freeze – directly via the credit reporting agencies.

Freeze Your Credit With Experian, Equifax and TransUnion

You'll need to contact each of the three major credit reporting agencies individually to freeze your credit with them. You can do this online, via the phone, or through the U.S. mail.

The quickest and easiest way to freeze your credit is online. Here's how:

Experian	Experian Credit Freeze page	888-EXPERIAN (888-397-3742)	Experian Security P.O. Box 9554 Allen, TX 75013
Equifax	Equifax Credit Freeze page	(888) 298-0045	Equifax Informati P.O. Box 105788 Atlanta, GA 30348
TransUnion	TransUnion Credit Freeze page	888-909-8872	TransUnion P.O. Box 160 Woodlyn, PA 1909

What Information Will I Need to Provide to Freeze My Credit?

In order to freeze your credit, you will need to give each credit bureau some information in order to prove your identity. This typically includes your:

- Name
- Previous name, if applicable
- Address
- Date of birth
- Social Security Number

You will also likely be asked some questions about prior places of residence and credit accounts you may have or have had in the past. This is all to ensure that you are actually the one requesting the freeze.

Keep Your Password And PIN In A Safe Place

When you freeze your credit online at the website of the various credit reporting agencies, you'll create an account with each of them. This will include creating a password.

When you do a credit freeze via mail, you will either be issued a personal identification number (PIN) or you can choose your own PIN. It varies by agency.

Keep these PINs and/or passwords in a safe place – and avoid sharing them with anyone. If you lose your PINs, it can be a big hassle to unfreeze your credit.

Consider a password management system such as LastPass as a secure place to store this important information.

UNFREEZING YOUR CREDIT: WHY & HOW

Why Unfreeze Your Credit

At some point, someone will need to run a credit report on you. Credit reports are usually required when someone is:

- Applying for a new line of credit, such as a credit card, or mortgage loan or refinancing
- Applying for a job, mortgage or apartment rental

Apply For A Credit Line With A Credit Freeze

Imagine that you're applying for a new credit card. The bank needs to pull your credit report to decide whether they should approve you.

But the bank can't pull your credit report if your credit is frozen. You need to unfreeze your credit for them to access your information.

Usually, your credit report is only pulled from one of the three agencies. Often, you won't know which agency. This is because frequently not even the bank knows in advance. (The bank is only notified of the specific agency *after* they try to access your frozen credit.)

Avoid A Common Mistake With Thawing Your Credit

A common mistake people make when applying for credit is unfreezing their credit with all three of the agencies.

They do this to try to make it easier for the bank.

Unfortunately, this makes themselves vulnerable to identity theft with their thawed credit.

Instead, I recommend waiting until after you are contacted by the bank, once the bank notifies you that your request for a credit line is declined because your credit is frozen.

You can then ask the bank which agency they're pulling your credit report from. You can then unfreeze your credit report with the correct agency.

Granted, this process does take some back and forth, which adds more time between your original application and the bank's approval. But, given the identity theft fraud and data breaches we've talked about, perhaps the extra wait time is worth the extra security.

How To Unfreeze Your Credit

Continuing with our example, you now know which agency to contact to unfreeze your credit.

The good news is unfreezing your credit only takes a few minutes. It can be done online, and it is nearly instant.

The moment you approve the unfreezing of your credit, the bank can re-run their credit inquiry and get the information they need. There is no processing or other wait time.

Do A Global Lift When Unfreezing Your Credit

When unfreezing your credit, you may be given two options:

- Unfreeze your credit for everyone
- Unfreeze your credit for just one person/entity

While the second option is way more secure, most entities pulling credit reports can't seem to figure this out. This, unfortunately, means you have to choose option one, unfreezing your credit for everyone. This is usually called a "Global Lift" or "Universal Lift."

The good news is that you also get to choose a temporary unfreeze. You can choose one day, or a few days if you want to give your bank more time. A shorter time frame limits your exposure to risk.

STEP-BY-STEP INSTRUCTIONS: APPLYING FOR A CREDIT CARD WITH FROZEN CREDIT

Here are the step-by-step instructions for applying for credit when you have a credit freeze already in place:

1. Apply for a new credit card (usually online).
2. Receive a message that your application is being processed. (Note: if your credit is *not* frozen, you will often receive instant approval, assuming you have a good credit history. Of course, we don't recommend this.)
3. Receive a letter from the bank (usually via snail mail) that your application cannot be processed because your credit is frozen with credit reporting agency X.
4. Contact credit reporting agency X to temporarily unfreeze your credit, with a global lift. You can do this online.
5. Contact the bank to notify them you have unfrozen your credit with credit reporting agency X. Usually, the letter from the bank will have the direct phone number and likely a case number you can reference.
6. Wait for your approval (or rejection) of credit from the bank. Some issuers, like Chase and Citi, can pull your report instantly, possibly while you're on the phone with their representative. Other issuers, like Wells Fargo, can take up to two business days.

Freezing your credit is the most important step you can take to stop criminals from opening accounts in your name. But even with your credit frozen, you'll still want to keep an eye out on your credit reports and scores.

Don't pay for credit monitoring!

Experian, Equifax and TransUnion all offer credit monitoring services that cost money, but why pay when you can do it for free?

The little time you spend following these steps will be well worth it when you consider the peace of mind you will achieve from protecting your identity!