



Donna D. Morrall, Ph.D., CFP®, CDFA®

Protecting Your Credit

You've probably heard a lot of the general advice on how to protect your accounts and your credit. Some of the basics are to make sure you have strong passwords, change them regularly, and check your financial account statements. Many credit cards will send you notices if they see suspicious activity. You can log into your credit card account and sign up for notifications.

There are a lot of services out there that will offer to monitor your credit for a fee. An alternative is to place a freeze on your credit. When you freeze your credit, you won't be able to open a bank account, get a new credit card, take out a loan, or apply for a job without unfreezing your credit. If a prospective employer, bank or other agency needs to do a credit check, you can ask them which credit agencies' reports they need and just unfreeze your credit at those agencies (e.g., just Experian). Freezing your credit report keeps fraudsters from opening new accounts in your name because most institutions require a credit report to open a new account. Keep passwords on your current accounts strong though because it doesn't prevent hackers from accessing your current account.

Unfreezing your credit is easy to do as long as you MAKE SURE TO SAVE any codes they give you along with your account login and password. Otherwise it can be a chore to call each agency and give them all of the information they need to confirm your identify and unfreeze your credit. The credit agencies will also do a temporary unfreeze and automatically refreeze the account after a time period you specify.

If you are using your credit frequently you can sign up for free fraud alerts. These are free and you only need to do it at one of the three credit reporting agencies (TransUnion, Experian, and Equifax) and they will notify the other two. When you want to remove a fraud alert you have to send a letter to each agency to remove the freeze or upload documents to remove the freeze online. You can also sign up for a free credit lock which lasts for one year and automatically unfreezes. A credit lock is similar to a credit freeze but automatically unlocks.

Once a year you can request a copy of your credit report from the three main credit agencies: TransUnion, Experian, and Equifax. You can get these reports by going to the following website <https://www.annualcreditreport.com/index.action>. There is a "red" button at the bottom of the page you can click on to begin the process. Check through the reports to make sure you recognize any open accounts and make sure there aren't any red flags on the account that you weren't aware of. It may seem like a good idea to close old bank accounts or credit cards. Keep in mind that closing a credit cards you have had for a long time can reduce the duration of your credit record can actually reduce your credit score. You can go to <https://www.usa.gov/credit-reports> and find information about your credit reports and scores.

Note that the free credit reports don't give you your credit score. For that, you have to pay a fee. Some credit cards will give you your credit score for free. You don't really need your credit score unless you



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are going to take out a loan and want to know if your score is good enough. Typically, when a bank or loan organization checks your credit they will tell you your score.

How to Freeze Your Credit

If you want to freeze your credit, the easiest thing is to go to the link for each credit agency (below) and click on the appropriate link. You won't have to put in any credit card information so make sure you don't accidentally sign up for credit monitoring.

<https://www.equifax.com/personal/credit-report-services/>

<https://www.experian.com/freeze/center.html>

<https://www.transunion.com/credit-freeze>

You can also call each of the agencies at the phone numbers listed below.

Equifax 1-800-349-9960

TransUnion 1-888-909-8872

Experian 1-888-397-3742

When you make the request to freeze your credit, you will need to provide your name, address, date of birth, and social security number. They will then ask you a series of questions to verify your identity and give you a pin (keep this!).

Bottom Line

The decision to freeze or lock your credit reports or sign up for fraud alerts is different for each person. I do highly recommend that you take advantage of the free annual credit reports and check these carefully along with any financial statements that you receive.