

Credit Freeze

Did you know that as of this year credit freezes are free, and can be used on a child's credit by their parent/legal guardian?

What is a credit freeze?

Also known as a security freeze, this free tool lets you restrict access to your credit report, which in turn makes it more difficult for identity thieves to open new accounts in your name. That is because most creditors need to see your credit report before they approve a new account. If they cannot see your report, they may not extend the credit.

Does a credit freeze affect my credit score?

No. A credit freeze does not affect your credit score.

A credit freeze **also does not**:

- Prevent you from getting your free annual credit report
- Keep you from opening a new account, applying for a job, renting an apartment, or buying insurance. However, if you are doing any of these, you will need to lift the freeze temporarily, either for a specific time or for a specific party, say, a potential landlord or employer. It is free to lift the freeze and free to place it again when you are done accessing your credit.
- Prevent you from using your current credit cards
- Prevent a thief from making charges to your existing accounts. You still need to monitor all bank, credit card and insurance statements for fraudulent transactions.

Why is this important?

Children are often a prime target for identity thieves, as they will not attempt to use their credit for several years. This gives thieves plenty of time to use the child's credit. By placing a freeze on a child's credit, it helps prevent someone from being able to use it to take out loans, create credit card accounts, etc. Once the child is of age to begin using their credit the freeze can easily be lifted using the PIN number created during the initial freeze.

How to "freeze" your credit report

Placing a freeze should be fast and relatively easy, **although you will have to sign up for separate ones at each of the three credit bureaus.**

Step 1: Go to the credit bureau websites and locate the "security freeze" link.

For Equifax: www.equifax.com/personal/credit-report-services/

For Experian: www.experian.com/freeze

For TransUnion: www.transunion.com/credit-freeze

Type in your name, address, social security number and date of birth. (Note: You can also submit a credit freeze request via phone or in writing.) You may be asked to provide a previous address if you have lived at your current one for less than two years. You also may need to answer a few questions about your background, including loans you have taken out, credit cards you hold or previous addresses to confirm your identity.

Step 2: Select the security freeze option. (Or if you already have a freeze in place, select whether you want to temporarily "unfreeze" it or remove the freeze permanently)

Step 3: Jot down your PIN number, as you will need it to change the status of your freeze, like when you want to "thaw" or unfreeze it to get a loan for a new car or apply for a mortgage.

How do I lift a freeze?

A freeze remains in place until you ask the credit bureau to temporarily lift it or remove it altogether. If the request is made online or by phone, a credit bureau must lift a freeze within one hour. If the request is made by mail, then the bureau must lift the freeze no later than three business days after getting your request.

If you opt for a temporary lift because you are applying for credit or a job, and you can find out which credit bureau the business will contact for your file, you can save some time by lifting the freeze only at that particular credit bureau. Otherwise, you need to make the request with all three credit bureaus.