



Creditorial

ISSUES, INSIGHT, INFLUENCE

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Credit Report Freeze

GEORGIA CREDIT UNION
Affiliates

There are more than eight million new victims of identity theft each year in America. Consumers seeking to curb the threat of identity theft have a number of options: shred personal documents, guard your Social Security number and monitor your credit report. Putting a freeze on your credit report might be one of the most effective methods to limit ID theft.

Thirty-nine states and the District of Columbia have authorized some form of credit report freeze protection, giving their citizens the right to control their personal credit information by prohibiting inquiries and requests into their credit file.

Consumers are given more control over their credit files and are able to deter identity theft because creditors are unable to access the credit report, resulting in a decline for new credit. A credit freeze cannot stop abuse on existing accounts, but is an effective tool against new account fraud. Consumers can temporarily "thaw" the credit report freeze to get a loan, a credit card or open a new credit account.

A number of interested parties have promoted the concept of exemptions to the freeze for existing creditors, persons to whom the consumer owes a financial obligation, child support agencies, entities acting under a court order or warrant, or consumers accessing their own credit.

In 2007, a bill was considered in Georgia to help address the growing problem of ID thefts. However, several important issues were not addressed, which include:

1. Excluding from the credit report freeze existing creditors with open loan obligations.
2. Ensuring that any associated costs of placing and removing the credit report freeze at the credit reporting agency be the responsibility of the consumer.
3. Allowing a quick and secure way for consumers to place and remove the credit report freeze through the credit reporting agencies, and ensuring the agencies offer this option during normal business hours as well as evenings, weekends and holidays.

During the summer of 2007, a House Banking sub-committee revised the bill. With the encouragement of credit union lobbyists, other financial institutions lobbyists, credit reporting agency lobbyists and consumer advocates, the sub-committee addressed all of the above concerns.

credit report freeze bill. If adopted, the revised bill includes the earliest implementation date of any credit report freeze law in the nation. The bill also provides the consumer the ability to place or thaw a credit report freeze within 15 minutes.

Applying for a Freeze

- All requests must be in writing or through a secured online application
- List your name, address, Social Security number and other personal information
- Include required payment

The three credit bureaus require different information, so read the instructions posted on their Web sites:

- Equifax (www.equifax.com, search for "state security freeze reports and fees");
- Experian (www.experian.com/consumer/security_freeze.html#state);
- TransUnion (www.transunion.com, click on "security freezes" on home page).

The House and Senate are working to reconcile different versions of the