

# Credit Freezes: How to Prevent New Account Identity Theft

Defense against any kind of identity theft starts with vigilance about protecting your personal information by taking steps such as creating secure passwords, keeping your social security number private, and shredding personal documents.

However, if and when someone does steal your information, there are a variety of ways it can be used, depending on what was taken. One of those uses is known as new account identity theft, where someone opens a new account in your name and then proceeds to rack up a ton of debt. New account identity theft can be prevented by getting security freezes, also known as credit freezes.

## What Are Credit Freezes & Why Should I Get Them?

A credit freeze blocks potential creditors such as a credit card company, a cell phone company, or a lender from viewing your credit report, which shows your credit history. Most creditors will not issue new credit to a customer if they cannot see that customer's credit report or the credit score derived from it from at least one of the three big nationwide consumer reporting agencies - Equifax, Experian, and TransUnion. (Consumer reporting agencies are also known as credit bureaus.) By blocking creditors from accessing your credit report, you're stopping identity thieves who apply for new accounts in your name with your stolen Social Security number.

Credit freezes do not affect your ability to use existing credit you already have, such as a credit card or loan. Nor do freezes affect your credit score. In fact, freezes help protect your score by preventing your credit from being negatively scored if someone racks up debt in your name.

You can easily remove a freeze or "thaw" your credit report when you want to apply for new credit. Freezes can be temporarily or permanently removed when you want.

Because creditors run credit checks with any one or a combination of the three big credit bureaus, you need to block access to your reports with all three.

## What Are the Differences Between Credit Freezes, Credit Locks, Credit Monitoring, and Fraud Alerts?

**Credit locks** offered by the credit bureaus appear to block access to credit reports the same way that credit freezes do. Therefore, freezes and locks both deny thieves the ability to open fake accounts in your name.

However, freezes are a right mandated by law, while locks are conditional on terms of use agreements that are set by the credit bureaus and could change at any time. Your rights as a consumer are on stronger ground with freezes. Whether you chose to get freezes or locks, remember you'll need to get them at all three national credit bureaus.

**Fraud alerts** don't block access to your credit reports, but they do notify creditors that they should try to verify your identity before opening a new account in your name. If you choose not to block access to your reports at the three main credit bureaus, you should at least [place](#) fraud alerts on your reports.<sup>1</sup>

**Credit monitoring** alerts you to changes to your credit reports, which can help you spot unauthorized credit accounts opened in your name. Credit monitoring can only help *detect* new account identity theft after it has already occurred, not prevent it.

## How Much Do Freezes Cost And When Do They Become Free Nationwide?

**A [federal law](#) eliminated fees for getting and removing credit freezes across the country at all big three credit bureaus on September 21st, 2018.**<sup>2</sup>

## Do I Need to Freeze My Report with Other Credit Reporting Agencies?

As the Consumer Financial Protection Bureau lists, there are many other consumer reporting companies besides the three big nationwide providers of consumer reports.<sup>3</sup> Some websites have [recommended](#) getting freezes with Innovis and ChexSystems, but as far as we know, their reports are not used by creditors for credit approvals.

However, some news outlets have reported fraudulent accounts being opened by cell phone companies using credit reports provided by the National Consumer Telecommunications & Utilities Exchange

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<sup>1</sup> Federal Trade Commission, [Place a Fraud Alert](#), September 2017.

<sup>2</sup> Mike Litt, "U.S. PIRG Statement on House Passage of Bank Lobbyist Act (S2155)," 22 May 2018, available at <https://uspig.org/news/usp/us-pirg-statement-house-passage-bank-lobbyist-act-s2155>.

<sup>3</sup> Consumer Financial Protection Bureau, [List of Consumer Reporting Companies](#), 2018.

(NCTUE).<sup>4</sup> We therefore also **recommend** freezing your credit report at NCTUE, in addition to at the big three credit bureaus.

## How to Freeze (and Unfreeze) Your Credit Reports

- ❑ You can place freezes online, over the phone, or in writing (info provided below)
- ❑ You will receive a PIN for your credit freeze with each bureau. You will use this PIN when you want to unfreeze your credit report to apply for new credit.
- ❑ If you want to temporarily lift a freeze because you are applying for credit, try to find out which credit bureau the business uses to check credit reports. You can save some money and time by only lifting your freeze for that credit bureau.
- ❑ You can temporarily lift a freeze for a particular creditor or for a specific period of time, from one day to one year.
- ❑ Make sure to account for the time it can take to thaw your report. In most cases if you request a thaw online or over the phone, your report can be unfrozen within 15 minutes. However, it can take longer if you don't have your PIN that was assigned to you when you froze your report, so make sure to keep your PIN in a safe, memorable place where you can quickly retrieve it when needed. It can also take up to three days of receipt of your request if you make it via postal mail.

### Equifax

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

Phone: 1-800-349-9960 (automated), 1-888-298-0045 (live operator)

Mail: Equifax Security Freeze, P.O. Box 105788, Atlanta, Georgia 30348

### Experian

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

Phone: 1-888-397-3742

Mail: Experian Security Freeze, P.O. Box 9554, Allen, Texas 75013

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<sup>4</sup> Kathy Kristof, "[This Equifax credit database can boost your risk of phone fraud](#)," *Moneywatch*, 16 May 2018.

Experian includes a potentially confusing three paragraph “Security Freeze Warning.” They are just explaining that you will need to unfreeze your credit report before applying for credit if you ever wish to do so in the future.

### **TransUnion**

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

Phone: 888-909-8872

Mail: TransUnion LLC, P.O. Box 2000, Chester, PA 19016

### **National Consumer Telecommunications & Utilities Exchange**

Online: [https://www.exchangeservicecenter.com/Freeze/jsp/SFF\\_PersonalIDInfo.jsp](https://www.exchangeservicecenter.com/Freeze/jsp/SFF_PersonalIDInfo.jsp)

Phone: 1-866-349-5355

Mail: NCTUE Security Freeze P.O. Box 105561 Atlanta, GA 30348