



Freeze out ID Theft

The Big Three Credit Bureaus Now Allow You To “Freeze” Your Credit

After years of talk and political recommendations, the three major credit bureaus, Experian, Equifax, and TransUnion are now allowing consumers the right to shut down access to their credit reports. Once an individual has frozen their credit with all of the three bureaus, it is near impossible for an identity thief to get most kinds of loans or credit in your name. Although this sounds like a wonderful idea, it does have some costs – both monetarily as well as convenience.

How The Freeze Works

Freezing your credit is not an effortless process. In order to insure effectiveness, it is recommended that you notify all three of the credit bureaus. The notices must be in writing, and accompanied with proof of ID (there has been very little guidance given as far as the proof required, however, I would assume that either a copy of a drivers license or a copy of your social security card would be adequate). Along with the letter as well as the accompanying proof of ID, there is a \$10 charge in order to set-up the freeze. Keep in mind that once your credit is frozen, it is just as difficult for you to get credit as it is for the identity thieves. Therefore, if you find yourself in the need for credit for a car loan, mortgage, or just a purchase, you will need the credit “freeze” “thawed out.” In order to “unfreeze” your credit, you will have to contact each of the three credit bureaus, and instruct them to temporarily unfreeze your files. The unfreeze process can take at least a couple of days, and possibly up to one week to unfreeze your credit reports. Also, each of the bureaus will charge \$10 in order to process the temporary unfreeze. Therefore, in order to freeze and then temporarily unfreeze your credit, you are looking at \$60 in charges, as well as two interactions with all three credit bureaus (a total of six interactions).

Should You Freeze???

If your identity has been stolen or you have a reason to feel that your credit could be in jeopardy, it is absolutely imperative that you freeze your credit. Although it costs \$60 to freeze and unfreeze your credit along with the headaches of contacting the bureaus, it can still be more cost effective to go the freeze route instead of the credit monitoring alternative (this usually costs about \$10 a month with a total of \$120 per year).

Although the ID freeze sounds like a full-proof way of protecting your credit identity, it remains essential that you monitor your credit closely – it is recommended that consumers get quarterly credit reports in order to keep a close watch on your credit status.

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