



Protecting Your Money, Your Credit & Your Identity

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ATTORNEY'S ADVICE -- NO CHARGE

A corporate attorney sent the following out to the employees in his company.

- 1. The next time you order checks** have only your initials (instead of first name) and last name put on them. If someone takes your checkbook, they will not know if you sign your checks with just your initials or your first name, but your bank will know how you sign your checks.
- 2. Do not sign the back of your credit cards.** Instead, put "PHOTO ID REQUIRED".
- 3. When you are writing checks to pay on your credit card accounts, DO NOT** put the complete account number on the "For" line. Instead, just put the last four numbers. The credit card company knows the rest of the number, and anyone who might be handling your check as it passes through all the check processing channels won't have access to it.
- 4. Put your work phone # on your checks** instead of your home phone. If you have a P.O. Box, use that instead of your home address. If you do not have a P.O. Box, use your work address. Never have your SS# printed on your checks. (DUH!) You can add it if it is necessary. But if you have it printed, anyone can get it.
- 5. Place the contents of your wallet on a photocopy machine.** Do both sides of each license, credit card, etc. You will know what you had in your wallet and all of the account numbers and phone numbers to call and cancel. Keep the photocopy in a safe place. I also carry a photocopy of my passport when travel either here or abroad. We've all heard horror stories about fraud that's committed on us in stealing a name, address, Social Security number, credit cards.

Unfortunately I, an attorney, have firsthand knowledge because my wallet was stolen last month. Within a week, the thief(s) ordered an expensive monthly cell phone package, applied for a VISA credit card, had a credit line approved to buy a Gateway computer, received a PIN number from DMV to change my driving record information online, and more.

But here's some critical information to limit the damage in case this happens to you or someone you know:

- 1.** We have been told we should cancel our credit cards immediately. But the key is having the toll free numbers and your card numbers handy so you know whom to call. Keep those where you can find them.
- 2.** File a police report immediately in the jurisdiction where your credit cards, etc., were stolen. This proves to credit providers you were diligent, and this is a first step toward an investigation (if there ever is one).

But here's what is perhaps most important of all: (I never even thought to do this.)

- 3.** Call the 3 national credit reporting organizations immediately to place a fraud alert on your name and Social Security number. I had never heard of doing that until advised by a bank that called to tell me an application for credit was made over the Internet in my name. The alert means any company that checks your credit knows your information was stolen, and they have to contact you by phone to authorize new credit.

By the time I was advised to do this, almost two weeks after the theft, all the damage had been done. There are records of all the credit checks initiated by the thieves' purchases, none of which I knew about before placing the alert. Since then, no additional damage has been done, and the thieves threw my wallet away. This weekend (someone turned it in). It seems to have stopped them dead in their tracks.

Now, here are the numbers you always need to contact about your wallet, etc., has been stolen:

- 1.) Equifax: 1-800-525-6285
- 2.) Experian (formerly TRW): 1-888-397-3742
- 3.) Trans Union: 1-800-680-7289
- 4.) Social Security Administration (fraud line): 1-800-269-0271

Credit Reports & Credit Scores

When was the last time you checked your Credit Report? Have you ever checked it? Well, now there's no excuse. You can get one **free** report each year from each of the three credit bureaus. Go to **annualcreditreport.com**, it's really quite easy to do. By doing this you can see what information is given out whenever you apply for a loan, a mortgage, a job, an apartment or any kind of credit! If any of the information is wrong you can contact the credit bureau to correct it. And if your credit has been damaged by someone else using your name, this is where it will show up. Better to find out this way rather than trying to do damage control after it's been negatively affected and your credit score goes down.

Which brings us to your **Credit Score**. Again if you don't know what it is, you should find out. It's a very important score that helps lenders and others predict how likely you are to make your credit payments on time. Each score is based on the information in your credit report.

Lenders then use this score to determine how much you will pay for credit. In other words, what interest rate you will be offered for credit cards, auto loans and mortgages. It could make a significant difference over the life of a loan. For example, if you have a high score of 720 you would be offered a lower interest rate on a 30 year mortgage, say under 6%. If your score is 580, you might pay 8.5% or more. This could make a difference of \$2400 a year for a \$100,000 mortgage, or a whopping \$72,000 over the the loan's 30 year lifetime!

So what is a good score?

Your score, sometimes called a FICO score ranges from 300-850, and most people score in the 600s and 700s (higher scores are better). In the eyes of most lenders, FICO scores above 700 are a very good sign of good financial health. FICO scores below 600 indicate high risk to lenders and could lead lenders to charge you much higher rates or turn down your credit application. *Source: a publication prepared by Consumer Federation of America and Fair Isaac Corporation.*

To find your FICO score go to www.myfico.com or call 1-800-319-4433. You will need to pay for this. Options range from \$15.95 for scores and reports from all three credit bureaus to \$49.95 for more comprehensive information. You will also find lots more information about your credit reports, scores and protecting yourself from Identity Theft.

***Call Solutions EAP at 1-800-526-3485 for assistance for all of life's challenges.
It's free, confidential and open to your family members.
Check us out on-line at www.solutions-eap.com***