



credit management **MONTHLY NEWSLETTER**

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IDENTITY THEFT: THE FASTEST GROWING CRIME IN AMERICA NEW STRATEGIES TO HELP YOU AVOID BECOMING A VICTIM Brought to you by **Don Parsons**

Imagine what it would be like to wake up one morning to find bills for credit cards you've never applied for, phone bills under your name that don't belong to you, or getting a threatening call from a collector wanting payment for a car you didn't buy. You would probably be confused and frustrated at first. Then that confusion would turn to anger and fear when you realize your credit—and your good name—have been severely damaged. What would you do? How do you undo it? How much money has been spent in your name? How did this happen? How many "you's" are there out there in the world applying for jobs, credit and a driver's license in YOUR name?

Unfortunately, this scenario is exactly what thousands of people experience every day. It is identity theft, and it is growing in the U.S. at an alarming rate. In fact, it is the **FASTEST GROWING CRIME** in America. Now more than ever, a person's identity has become their most valuable asset. Protecting that asset is paramount not only for the safety of your clients but also for their ability to acquire credit. There are numerous villains out there preying on innocent victims who simply do not know how to protect their identities from being stolen.

We bring attention to identity theft now because the nature of the crime is changing rapidly, with thieves becoming more and more clever at obtaining information. They'll break into a car not for a fancy stereo, but for a bank statement carelessly left in the back seat. They'll dig through your trash for tossed-out credit card applications. They'll even ask for the information point blank, and unknowing victims simply give them what they want, without knowing the danger associated with it.

Identity theft **CAN BE PREVENTED!** I cannot stress enough how important it is for you to protect your information. Your personal identity should be safeguarded just as you would protect your family and your home. Material possessions can be insured and replaced. Identities are one of a kind and, although the damage can be repaired, it is much easier to prevent the situation from happening. As I learn more about this crime, I will continue to share with you information about how to combat it, and how to repair the damage once it has been done.

Learn the facts about identity theft and how to prevent yourself from falling victim.

THE FACTS ABOUT IDENTITY THEFT

- Identity theft is now the fastest-growing crime in America.
- Per the Federal Trade Commission and Consumer Federation of America, approximately 9-10 million consumers become victims of identity theft every year.
- This crime is costing consumers approximately \$5 billion a year and banks and institutions \$48 billion a year to cover the total amounts stolen.
- Online transactions are the least-used method by ID thieves, but the method that consumers fear the most.
- It used to be that consumers were only responsible for paying \$50.00 towards fraudulent charges made to their credit cards, but creditors have changed their contracts. In many cases, if you do not notify your creditors within a 60 day period that the charges do not belong to you, you could be personally responsible for some of those charges in full. This is why it is so important to check

your statements and credit reports as often as possible.

HOW IDENTITIES ARE STOLEN

First they steal personal information by:

- Stealing personal information from a wallet or purse. Lost or stolen wallets and purses are still and have always been the number-one method of identity theft.
- Going through mail or trash looking for items like bank statements, credit card statements and pre-approved credit card offers.
- Redirecting mail by submitting a Change of Address form to the post office.
- Acquiring credit reports by pretending to be a potential landlord, or employer.
- Pretending to be one a creditor calling on the phone to update account information.
- Getting information from employment records.
- Phishing scams on the Internet (posing as one a creditor or bank asking to update personal information in their files.)

Then they use it to:

- Open new credit card accounts in someone else's name.
- Open a bank account and write bad checks.
- Counterfeit ATM cards or checks and get access to others' account.
- Purchase new cars in someone else's name.
- Open utility and cell phone accounts in someone else's name.
- And some even go so far as filing for bankruptcy to avoid paying for the debt they have incurred in another's name.

HOW TO PREVENT IDENTITY THEFT

- Opt Out of receiving Pre-Approved Credit Card Offers in the mail. Here's the phone number (888) 5-OPT OUT, (888)567-8688.
- Check credit reports regularly to make sure the information that is being reported is accurate.
- Get a cross-cut paper shredder and shred every document a person could use to steal an identity, including credit card solicitations, bank solicitations, bank statements, etc.
- NEVER give out credit card numbers, Social Security Number or other personal information to someone over the phone or in an e-mail requesting that type of information. If someone calls or emails a consumer asking to verify information, the consumer should hang up the phone and call their creditor back at the telephone number on their statement to verify the request.
- Check bank statements every month and make sure they are correct.
- Sign up for a credit watch program that will sends an alert whenever there is activity on the credit report. CRC refers our clients to www.privacyguard.com for these services.
- Make a copy of everything in your wallet and keep it somewhere safe so that you have immediate access to telephone numbers should you become a victim.
- Only process online credit card transactions if the site has a secured icon on it which is usually a lock, or if the URL address changes from HTTP to HTTPS. The S is for secured.
- Find out if your state has instituted Security Freeze law to protect people who consider themselves at risk for any reason. (This includes vulnerability for those filing for divorce!)

HOW TO DEAL WITH IDENTITY THEFT

Here are some guidelines directly from The Federal Trade Commission of what you should do if you become a victim of Identity Theft:

1. **Place a fraud alert on your credit reports, and review your credit reports.**

Fraud alerts can help prevent an identity thief from opening any more accounts in your name. Contact the toll-free fraud number of any of the three consumer reporting companies below to place a fraud alert on your credit report. You only need to contact one of the three companies to place an alert. The company you call is required to contact the other two, which will place an alert on their versions of your report, too. If you do not receive a confirmation from a company, you should contact that company directly to place a fraud alert.

Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241

Experian: 1-888-EXPERIAN (397-3742); www.experian.com; P.O. Box 9532, Allen, TX 75013

TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790

Once you place the [fraud alert](#) in your file, you're entitled to order one free copy of your credit report from each of the three nationwide consumer reporting companies, and, if you ask, only the last four digits of your Social Security number will appear on your credit reports. Once you get your credit reports, review them carefully. Look for inquiries from companies you haven't contacted, accounts you didn't open, and debts on your accounts that you can't explain. Check that information, like your Social Security number, address(es), name or initials, and employers are correct. If you find fraudulent or inaccurate information, work with the creditors and bureaus to see removal immediately. Continue to check your credit reports periodically, especially for the first year after you discover the identity theft, to make sure no new fraudulent activity has occurred.

2. **Close the accounts that you know, or believe, have been tampered with or opened fraudulently.**

Call and speak with someone in the security or fraud department of each company. Follow up in writing, and include copies (NOT originals) of supporting documents. It's important to notify credit card companies and banks in writing. Send your letters by certified mail, return receipt requested, so you can document what the company received and when. Keep a file of your correspondence and enclosures.

When you open new accounts, use new Personal Identification Numbers (PINs) and passwords. Avoid using easily available information like your mother's maiden name, your birth date, the last four digits of your Social Security number or your phone number, or a series of consecutive numbers.

If the identity thief has made charges or debits on your accounts, or has fraudulently opened accounts, ask the company for the forms to dispute those transactions:

- For charges and debits on existing accounts, ask the representative to send you the company's fraud dispute forms. If the company doesn't have special forms, use the [sample letter](#) to dispute the fraudulent charges or debits. In either case, write to the company at the address given for "billing inquiries," NOT the address for sending your payments.
- For new unauthorized accounts, ask if the company accepts the [ID Theft Affidavit](#) (PDF, 56 KB). If not, ask the representative to send you the company's fraud dispute forms. If the company already has reported these accounts or debts on your credit report, dispute this fraudulent information.

Once you have resolved your identity theft dispute with the company, ask for a letter stating that the company has closed the disputed accounts and has discharged the fraudulent debts. This letter is your best proof if errors relating to this account reappear on your credit report or you are contacted again about the fraudulent debt.

3. **File a complaint with the Federal Trade Commission.**

By sharing your identity theft complaint with the FTC, you will provide important information that can help law enforcement officials across the nation track down identity thieves and stop them. The FTC can refer victims' complaints to other government agencies and companies for further action, as well as investigate companies for violations of laws the agency enforces.

You can file a complaint with the FTC using the [online complaint form](#); or call the FTC's Identity Theft Hotline, toll-free: 1-877-ID-THEFT (438-4338); TTY: 1-866-653-4261; or write Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

Be sure to call the Hotline to update your complaint if you have any additional information or problems.

4. **File a report with your local police or the police in the community where the identity theft took place.**

Then, get a copy of the police report or at the very least, the number of the report. It can help you deal with creditors who need proof of the crime. If the police are reluctant to take your report, ask to file a "Miscellaneous Incidents" report, or try another jurisdiction, like your state police. You also can check with your state Attorney General's office to find out if state law requires the police to take reports for identity theft. Check the Blue Pages of your telephone directory for the phone number or check www.naag.org for a list of state Attorneys General.

When you go to your local police department to file a complaint, bring a [printed copy of your ID Theft Complaint form](#) and your supporting documentation. Ask the officer to attach or incorporate the Complaint into their police report. Also ask the officer to sign the "Law Enforcement Report" section of your Complaint. If the officer wants more information about the ID Theft Report, you can tell them it is available on the FTC's Web site's Section for Law Enforcement at the link for "[Identity Theft Report](#)". Ask the officer to give you a copy of the official police report with your ID Theft Complaint attached or incorporated. (In some jurisdictions the officer will not be able to give you a copy of the official police report, but should be able to sign your Complaint and write the police report number in the "Law Enforcement Report" section.)

The ID Theft Complaint can be used to supplement an automated police report. If you can file online an automated report, complete the "Automated Report Information" block of the ID Theft Complaint. Attach a copy of any confirmation received from the police to your ID Theft Complaint.

5. **Keep records of every conversation from the beginning. It could be a long and complicated process.**

In Conclusion

I cannot stress enough how difficult it is to recover from Identity Theft. Undoing the damage to your credit score and your life can be frustrating, long and unsettling, not to mention the invasive feeling that someone has been posing as you. The best defense against identity theft is to reduce your vulnerability by being PRO-ACTIVE and the number one step to being pro-active is to join a credit watch program so that you can check your credit reports every 3-4 months. Remember, as consumers, it is ultimately up to us to protect our greatest asset. Being aware and following the guidelines above can go a long way to keep your personal identity safe, private and secure.

All the best.

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