

Checking and Clearing Credit History for Young People

The Preventing Sex Trafficking and Strengthening Families Act of 2014 requires each youth age 14 and older in foster care to receive each year until discharged a copy of any consumer credit report that may exist under their identity. Youth must be assisted in interpreting the credit report and resolving any inconsistencies to protect their identity and future credit worthiness. Because the information in credit reports is used to evaluate applications for credit, insurance, employment, and renting a home, the information needs to be accurate and up to date.

Under the Fair Credit Reporting Act, both the credit reporting company and the entity providing information to a credit reporting company are responsible for correcting inaccurate or incomplete information in reports. If there are accounts that are not recognized or information that is inaccurate, there is concern for identity fraud. Identity fraud is when identifying or financial information is used or transferred without authorization from the consumer. Examples of concern would be credit cards that the youth has not opened, utility bills in the youth's name that were incurred prior to the youth establishing their own residence, or car purchases if the youth does not have a vehicle.

For youth who are 14-17 years of age, credit history from each of the three credit reporting agencies shall be obtained by the Child Welfare Case Management Provider for youth, either through a direct request to the credit reporting agency or from PPS. Credit history must be reviewed with the youth, and the following steps taken to address and resolve instances of inaccurate information or identity theft. The three credit reporting agencies are TransUnion, Experian, and Equifax.

Young adults age 18 and older should be advised by either the Child Welfare Case Management Provider or the DCF IL Coordinator about the importance of checking their credit history. Young adults should be assisted in obtaining their credit reports without charge from the three nationwide consumer credit reporting companies by requesting online at [AnnualCreditReport.com](https://www.annualcreditreport.com), by phone at 1-877-322-8228, or by completing the [Annual Credit Report Request Form](#) and mailing the completed form to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 303048-5281. All three reports may be requested at once or ordered one at a time. Ordering separately allows monitoring of credit more frequently throughout the year. [AnnualCreditReport.com](https://www.annualcreditreport.com) is the only authorized source for the free annual credit report that can be obtained under the Fair Credit Reporting Act. Credit history information should be reviewed with the young adult. The young adult should be assisted in addressing and resolving instances of inaccurate information or identity theft with the following steps.

1. Contact the credit reporting companies

Contact the three nationwide credit reporting companies. If the youth is under age 18, explain that the youth is a minor and cannot legally enter into any type of contract. Send a letter asking them to remove all accounts, application inquiries, and collection notices from the credit report associated with the youth's name or personal information. The Credit report dispute template for youth in foster care may be used. Documentation may

also be needed to verify that the youth is in foster care and the agency is authorized to act of the youth's behalf.

For young adults age 18 and older, assist the young adult in notifying the credit reporting companies to remove any inaccurate accounts, application inquiries, and collection notices. The Credit report dispute template for youth 18 or older in foster care-activity occurred when minor, or Credit dispute template for youth 18 or older in foster care may be used.

All three Credit report dispute templates are at the end of this appendix. They should be transferred to the Department for Children and Families letterhead if used on behalf of a youth.

If it is discovered that the youth or young adult is a victim of identity theft, the following steps must be taken on their behalf to prevent further harm. Each credit reporting agency has varying processes to handle requests for minors when they have been a victim of identity theft but below is a general outline of what to do. Keep a written record with the details of your efforts and copies of all correspondence.

2. Place an initial fraud alert

If a credit report was created as a result of identity theft, consider placing an initial fraud alert on the report. An initial fraud alert requires potential creditors to verify a person's identity before extending credit. When a creditor knows that a minor youth is involved, it will not ordinarily extend credit.

To place an initial fraud alert, contact any one of the three credit reporting companies. The company that you call must contact the other two. All three will place the initial fraud alert on the report they have for the youth or young adult. After you place the initial fraud alert, the credit reporting company will explain your rights, including your right to get a free credit report from each credit reporting company.

3. Consider a credit freeze

If there is a credit report for the youth or young adult, also consider placing a credit freeze. If you place a credit freeze (also known as a security freeze), potential creditors cannot get the youth or young adult's credit report, which makes it less likely an identity thief can open new accounts. You must contact each of the three credit reporting companies directly to place a freeze. The credit reporting companies may ask for proof of the young person's Social Security number. If acting on behalf of a youth under age 18, you may need to provide proof that you are legally able to represent/are the youth's legal representative, and a copy of the youth's birth certificate. Putting a freeze on a young person's credit report can be a useful deterrent to additional fraud.

You must lift the freeze from the credit report before the youth applies for student or auto loans, an apartment, or job. Once the young person turns age 18, they can ask to lift the freeze.

Although businesses do not ordinarily extend credit to a minor, you also should consider placing an extended fraud alert – which lasts for seven years – on the credit report. When a business sees an alert on a credit report, it must verify the borrower’s identity before issuing credit. Identity theft victims – including children and youth in foster care– can have an extended alert placed on their credit reports if they can provide an Identity Theft Report to the credit reporting company.

What It Is	What It Does	How to Get It	What it Costs	How Long It Lasts
Initial fraud alert	Requires creditors to verify an identity before granting credit and makes it harder for a thief to open fraudulent new accounts.	Contact one credit reporting company. It will share your request with the other two companies.	Free	90 days
Extended fraud alert	Requires creditors to verify an identity before granting credit and makes it harder for a thief to open fraudulent new accounts.	Contact one credit reporting company. It will share your request with the other two companies.	Free	7 years
Credit freeze	Stops creditors from getting your credit report unless you lift the freeze.	Contact each credit reporting company.	Depends on state law	Depends on state law

4. Call every company where an account was fraudulently opened or misused

If you already know where the young person’s information was misused, contact that business and explain to the business that the individual is a minor. Otherwise, when you receive the youth’s credit report, review it for any accounts opened in the youth’s name. If you see a fraudulent account in the youth’s name, contact the company where the account was opened. Ask the company to close the fraudulent account and flag the account to show it is a result of identity theft. Follow up with each business in writing.

Once you have resolved identity theft disputes with the company, ask for a letter stating that the company has closed the disputed accounts and has discharged the fraudulent

debts. This letter will enable the youth in foster care to dispute erroneous charges if errors relating to the account reappear on his credit report in the future.

5. File a report with the Federal Trade Commission (FTC)

Visit www.ftc.gov or call 1-877-IDTHEFT (1-877-438-4338) to file a report about the theft of the youth's identity.

After you file a report with the FTC, print a copy. It will be called an Identity Theft Affidavit.

Give a copy of your FTC Identity Theft Affidavit to the police if you file a police report.

6. File a police report

Usually, adults must file a police report about identity theft before they can use certain legal remedies to clear a credit report. The situation may be different for youth, because credit reporting companies may correct a youth victim's credit report without a police report. Even so, it is important to consider filing a police report, because you may need it to resolve other instances of identity theft.

You will need to send the credit reporting company a letter or other documentation explaining that the youth is a minor who cannot legally enter into a contract. After you provide proof that the victim is a minor, the credit reporting companies and businesses should correct the fraudulent information that the identity thief created.

7. Get an Identity Theft Report

Ordinarily, providing information that the youth is a minor should be sufficient to correct fraudulent debts on the youth's credit report, but you also might consider taking advantage of rights available to identity theft victims under the Fair Credit Reporting Act (FCRA). The FCRA enables identity theft victims to block erroneous charges from appearing on their credit reports and to get documents like applications and contracts to prove the underlying crime. For more information, see *Remedying the Effects of Identity Theft* at <http://www.ftc.gov/bcp/edu/pubs/consumer/idtheft/idth09.pdf>.

To take advantage of these remedies, an identity theft victim must get an Identity Theft Report. Creating an Identity Theft Report involves 3 steps:

1. Submit a complaint about the theft to the FTC. When you finish writing all the details, print a copy of the report. It will print as an Identity Theft Affidavit.
2. File a police report about the identity theft, and get a copy of the police report or the report number. Bring the FTC Identity Theft Affidavit when you file a police report.
3. Attach the FTC Identity Theft Affidavit to your police report to make an Identity Theft Report.

If the CWCM Provider or the DCF IL Coordinator suspects identity fraud, the Division of Legal Services shall be consulted to determine if an investigation or referral to law enforcement is necessary. Notice shall be provided to the youth's Guardian Ad Litem about the report findings.

Credit report dispute template for youth in foster care

You're saying: "A credit report should not exist for this youth in foster care."

Use the sample letter on the next page if you want to tell a credit bureau that a credit report exists for a youth in foster care and that the youth is a minor and should not have a credit report in his or her name.

How to use this template:

1. Read the background below.
2. Fill in the youth's information on the template letter and edit it as needed to fit his or her situation. Transfer the template to the Department for Children and Families letterhead.
3. Print and mail the letter with all necessary documentation. Keep a copy for your records.
4. Ensure the error has been removed by requesting confirmation from the credit bureau or pulling a new file for the youth.

Background

This letter tells a credit bureau that a caseworker has reviewed the youth's credit report with the youth and that the youth does not recognize any of the accounts on the credit report as being his or hers. Therefore, the child is disputing all items on the credit report. This letter provides the credit bureau with the necessary background information to begin the process of removing all transactions on the youth's credit report.

Template letter begins on the next page. Transfer the template to the Department for Children and Families letterhead.

[Your name]

[Your title and relationship to the youth, such as Caseworker for [youth's name]]

[Name of Child Welfare Agency]

[Your return address]

[Date]

[Credit Reporting Agency
name]

[Credit Reporting Agency address]

Re: [Youth's Name], Minor Youth Credit Report Error

Dear [Name of credit bureau contact],

We are writing to dispute [name of youth]'s credit report. A credit report was requested for [name of youth] on [date] by [name of caseworker or administrator who pulled the report]. [Name of caseworker or administrator who pulled the report] is employed by [Child Welfare Agency name and county/state], the government agency that has legal custody of the youth. [Name of youth] is a minor residing in [State name] and should have no credit report in [his][her] name. We are writing to dispute all transactions on [name of foster youth]'s credit report.

The disputed information on the credit report includes the following:

[Brief summary of what is listed on the credit report that should not be there. Example: [Name of youth]'s credit report lists that there is a mortgage of \$250,000 in his name. The mortgage was taken out in 1979, [name of youth] was born in 1997.]

Attached to this letter is the Uniform Minor's Status Declaration form, which includes [name of youth]'s identifying information, a copy of court documents indicating [name of youth]'s status as a youth in foster care issued by the court of [court name], and a certified copy of [name of youth]'s birth certificate.

Thank you for your assistance.

Sincerely,

[Your name]

[Insert Uniform Minor Status declaration form]

[See <http://www.consumer.ftc.gov/sites/default/files/articles/pdf/pdf-0095-uniform-minor-status-declaration.pdf>]

Credit report dispute template for youth 18 or older in foster care – activity occurred when minor

You're saying: "There should not be credit activity from before the youth turned 18."

Use the sample letter on the next page if you want to tell a credit bureau that there is inaccurate information on a credit report for someone in foster care who is 18 or older related to accounts that were opened when he or she was a minor and that you want to dispute it.

How to use this template:

1. Read the background below.
2. Fill in the youth's information on the template letter and edit it as needed to fit his or her situation. Transfer the template to the Department for Children and Families letterhead.
3. Print and mail the letter with all necessary documentation. Keep a copy for your records.
4. Ensure the error has been removed by requesting confirmation from the credit bureau or pulling a new file for the youth. If you have trouble removing the error, work with the youth to have him or her submit a complaint to the CFPB:
<http://www.consumerfinance.gov/complaint/>

Background

This letter tells the credit bureau that a caseworker has reviewed the youth's credit report with the youth and has found an error on the credit report. This letter provides the credit bureau with the background information necessary to begin the dispute process.

Template letter begins on the next page. Transfer the template to Department for Children and Families letterhead.

[Your name]
[Title and relationship to the youth. E.g., Caseworker for [youth's name]]
[Name of Child Welfare Agency]
[Your return address]
[Date]

[Credit Bureau Name]
[Credit Bureau Address]

Re: [Youth's Name, Child Credit Report Error]

Dear [Name of Credit Bureau Contact],

I am writing to dispute [Name of youth]'s credit report. [Name of youth] is in foster care and residing in [State name]. A credit report was pulled for [name of youth] on [date] by [name of caseworker or administrator that pulled the report] who is employed by [Child Welfare Agency name]. After reviewing the credit report, [Name of youth] and I have determined that there is an error on [his][her] credit report. We are writing to dispute this error.

Below is the personal information of [name of youth]:

[Name]
[Date of Birth]
[Social Security Number]
[Any other identifying information that was used to run a search for the credit report]

The disputed information on the credit report is the following:

[Brief summary of what is listed on the credit report that should not be there. Example: [Name of youth]'s credit report lists that there is a mortgage of \$250,000 in his name. The mortgage was taken out in 2000. [Name of youth] was born in 1994, and therefore was a minor when the transaction occurred.] We are requesting that the item(s) be deleted, as required by section 611 of the Fair Credit Reporting Act, 15 U.S.C. §1681i.

Attached to this letter is a copy of court documents indicating [name of youth]'s status as a youth in foster care issued by the court of [court name] and a certified copy of the youth's birth certificate.

Thank you for your assistance.

Sincerely,

[Your name]

Credit report dispute template for youth 18 or older in foster care

You're saying: "There is an error on the credit report for this youth in foster care."

Use the sample letter on the next page if you want to tell a the credit bureau that there is inaccurate information on a credit report for someone in foster care who is 18 or older related to accounts that were opened when he or she was an adult and that you want to dispute it.

How to use this template:

1. Read the background below.
2. Fill in the youth's information on the template letter and edit it as needed to fit his or her situation. Transfer the template to Department for Children and Families letterhead.
3. Print and mail the letter with all necessary documentation. Keep a copy for your records.
4. Ensure the error has been removed by requesting confirmation from the credit bureau or pulling a new file for the youth. If you have trouble removing the error, work with the youth to have him or her submit a complaint to the CFPB:
<http://www.consumerfinance.gov/complaint/>

Background

This letter tells the credit bureau that a caseworker has reviewed the youth's credit report with the youth and has found an error on the credit report. This letter provides the credit bureau with the background information necessary to begin the dispute process.

Template letter begins on the next page. Transfer the template to Department for Children and Families letterhead.

[Your name]
[Title and relationship to the youth. E.g., Caseworker for [youth's name]]
[Name of Child Welfare Agency]
[Your return
address] [Date]

[Credit Bureau Name]
[Credit Bureau Address]

Re: [Youth's Name, Child Credit Report Error]

Dear [Name of Credit Bureau Contact],

We are writing to dispute [Name of youth]'s credit report. [Name of youth] is in foster care and residing in [State name]. A credit report was pulled for [name of youth] on [date] by [name of caseworker or administrator that pulled the report] who is employed by [Child Welfare Agency name]. After reviewing the credit report, [name of youth] and I have determined that there is an error on [his][her] credit report. We are writing to dispute this error.

Below is the personal information of [name of youth]:

[Name]
[Date of Birth]
[Social Security Number]
[Any other identifying information that was used to run a search for the credit report]

The disputed information on the credit report is the following:

[Brief summary of what is listed on the credit report that should not be there. Example: [Youth]'s credit report lists that there is a student loan balance of \$2,000 that is overdue. The youth does not have a student loan with this company.] We are requesting that the item(s) be deleted, [or request another specific change to correct inaccurate information], as required by section 611 of the Fair Credit Reporting Act, 15 U.S.C. §1681i.

Attached to this letter is a copy of court documents indicating [name of youth]'s status as a youth in foster care issued by the court of [court name] and a certified copy of the youth's birth certificate. Also include information that would support the dispute, for example, canceled checks, proof of address if the disputed item came from the youth's residence, etc.

Thank you for your
assistance. Sincerely,

[Your name]