



ABA News to Use

Keeping banking's frontline personnel informed

A New Tool for Consumers in Fraud Protection

There's good news for anyone who worries that their financial information has fallen into the wrong hands. Consumers now have a new tool at their disposal; they can place a "Fraud Alert" on their credit file.

Fraud Alerts help prevent anyone from opening new accounts in your name. They act as a red flag on your credit report, visible only when businesses access your file to possibly extend you credit. To place an alert on your account, call one of the three credit reporting agencies and ask them to flag your credit file for fraud. Within 24 hours, an alert will be attached to your credit file and your name will be removed from preapproved credit and insurance applications for two years.

An "Initial Alert" will be active on your credit report for 90 days. Use this if someone has gained access to personal information that could be used to open accounts in your name, such as your Social Security number, or your date of birth. Once an initial alert is in place, potential creditors will need to verify your identification prior to extending credit, so you should provide them with a phone number where you can be easily reached. The alert will help to ensure that you are the only one opening accounts in your name.

An "Extended Alert" is recommended if your identity has been stolen. With an extended alert, your credit file will remain guarded for seven years. In addition, your name will be removed from lists marketing prescreened credit offers for five years. In order to qualify for an extended fraud alert, you will need to provide proof of identity theft, such as a police report.

Active duty members of the military are eligible for a "Military Fraud Alert." This alert allows members of the military on active duty to prevent anyone from opening accounts in their name while they are overseas.

Some helpful tips:

- Experian, Equifax, and Trans Union (the three credit-reporting agencies) share data, so after calling one company, the other two will be notified.
- If you need to apply for a loan during the period that your credit file is on alert, notify your lender.
- To remove a fraud alert, you will need to send requests in writing to one of the three credit reporting agencies.

For more information, visit www.aba.com and click on “Consumer Connection.”

For information about ABA News to Use, or to suggest subjects for future articles, please contact ABA's [Brian Nixon](#).