



# Office of Consumer Protection

Talk to your family. Talk to your friends. Talk to us.

MONTANA DEPARTMENT OF JUSTICE • CONSUMER PROTECTION

SENATE JUDICIARY

EXHIBIT NO. 2

DATE 1/12/11

FILE NO.

SB60

## Security Freeze

A security freeze is one of the most effective ways to prevent identity theft. By putting a security freeze on their credit files, Montanans can prevent those files from being shared with potential creditors. (See Sections 30-14-1726 to 1736 of the Montana Code Annotated.)

A security freeze allows consumers to proactively "lock up" their credit information so no one can access it without their permission. This prevents a thief from falsely using someone else's identity to take out a new mortgage, apply for a credit card or get financing.

The freeze is easily lifted if consumers plan to make a major purchase, open a new credit card or take out a loan.

A security freeze will not:

- lower your credit score
- prevent you from getting your own credit report
- stop credit card companies from sending you pre-approved credit offers. To stop most pre-approved credit offers, call 888-5OPTOUT (888-567-8688) or go online to [www.optoutprescreen.com](http://www.optoutprescreen.com). You can choose to opt out for five years or permanently.

**Background Checks** -- A freeze will prevent an employer from getting your credit report as part of a background check. You have to lift the freeze to allow a complete background check, just as you do to apply for credit.

## Using a Security Freeze

### Cost

It costs \$3 to place a security freeze on your credit files with a credit bureau, for a total of \$9 to freeze your files with all three credit bureaus. For a security freeze to be effective for married couples, both spouses have to freeze their separate credit files. The total cost for a couple is \$18.

There is no fee for identity theft victims who have filed a police report of identity theft to freeze their files.

To have a freeze temporarily lifted also costs \$3 per credit bureau. There is no fee to permanently remove a security freeze.

## To Request a Security Freeze

To place a security freeze on your credit files, you must write to each of the three credit bureaus. You may use this [security freeze form letter](#) or create your own letter.

- Provide identifying information including, at a minimum, your name, address and Social Security number.
- Pay the \$3 security freeze fee by check or credit card, unless you are an identity theft victim. If you are a victim, provide a copy of the police report of identity theft.
- For a security freeze to be effective for married couples, both spouses have to freeze their separate credit files, via separate letters requesting the freeze. The total cost for a couple is \$3 x 3 credit bureaus x 2 people = \$18.
- Send separate letters to each of the three credit bureaus. For married couples, both spouses must request to freeze their credit files via separate request letters:

#### Equifax Security Freeze

P.O. Box 105788  
Atlanta, GA 30348  
(800) 525-6285

#### Experian Security Freeze

P.O. Box 9554  
Allen, TX 75013  
(888) EXPERIAN (397-3742)

#### TransUnion Security Freeze

P.O. Box 6790  
Fullerton, CA 92834-6790  
(800) 680-7289

- The credit bureaus must place the freeze on your files within five business days of receiving your written request. If you are a victim of identity theft, they must place the freeze within 24 hours of getting the police report and information confirming your identity.
- Each of the credit bureaus will send you written notice that the freeze is in place within five days of it going into effect. This confirmation will include:
  - a Personal Identification Number (PIN)
  - instructions on how to lift or remove the freeze

### **To Temporarily Lift a Security Freeze**

To open a new credit account, take out a new loan or allow a background check, consumers need to temporarily lift the security freeze on their credit files. It can be lifted for a specific period of time or for a specific creditor.

- Contact each of the credit bureaus by phone and use your Personal Identification Number (PIN).
- Specify whether you want to temporarily lift the freeze for a specific date range or creditor.
- Pay the \$3 lift fee to each credit bureau.

The credit bureaus must lift a freeze no later than three business days after receiving your request.

### **To Permanently Remove a Security Freeze**

You can permanently remove a security freeze at any time by calling the credit bureaus and using your PIN. There is no fee for permanently removing a security freeze.

The credit bureaus must remove the security freeze within three days.

### **Who Can Still Access a Frozen Credit File?**

When a file is protected by a security freeze, a creditor who requests that file will get a message or a code indicating that the file is frozen. However, when you have a security freeze on your credit file, certain entities can still access it.

- Your report can still be released to your existing creditors or to collection agencies acting on their behalf. They can use it to review or collect on your account.
- Other creditors may also use your information to make offers of credit, unless you opt out of receiving such offers.
- Government agencies may access your report for collecting child support payments or taxes, or for investigating Medicaid fraud. Government agencies may also access it in response to a court or administrative order, a subpoena or a search warrant.

### **Fraud Alerts**

A fraud alert:

- is a special message that people who suspect they may be identity theft victims can have placed on the report a credit issuer receives when it checks a consumer's credit rating
- tells the credit issuer there may be fraudulent activity on an account
- can help protect consumers against identity theft
- can slow your ability to get new credit, but does not stop you from using existing credit cards or other accounts

A fraud alert is not the same as a security freeze. While a fraud alert may slow down issuing new credit, it does not stop it. A security freeze will stop someone else getting new credit in your name.

### **Contact Consumer Protection**

If you have questions or concerns about using a security freeze, contact the Office of Consumer Protection at (406) 444-4500 or (800) 481-6896.