

Get Ready Series #4

Preventing identity theft

If you have a driver's license, credit card or Social Security number, you're at risk for identity theft. Having your identity stolen can derail your goal of achieving and maintaining good credit in preparation for buying a house.

What is identity theft?

Identity theft is when someone uses your name or personal information to commit fraud in your name, such as:

- Going on spending sprees using your credit card
- Opening credit card accounts or signing up for services in your name
- Making claims on your health insurance plan
- Claiming your tax refund before you do
- Committing crimes and pinning the blame on you

Identity theft can cause lingering damage to your good name and credit standing. Cleaning up the mess can be expensive and time-consuming. It's important to protect and minimize your chance of identity theft so your dream of homeownership doesn't get postponed.

How to lower your risk of identity theft

There are many ways thieves can steal your identity, from high-tech ploys (computer hacking or phishing emails) to lowly means (going through your trash or stealing your wallet). But you aren't helpless. Making it difficult for thieves to get their hands on your personal information can reduce your risk.

The Federal Trade Commission (FTC), the nation's consumer protection agency, recommends you:

Don't give out personal information over the phone, internet or through the mail if you don't know who you're dealing with.

Use caution with emails from strangers. Don't open or download files or click on links from senders you don't know. Be careful of emails asking you to log in and update account information. Instead, go directly to the company's website and look for account messages.

Don't overshare on social media. Your publicly posted information can be used to guess passwords or answers to forgot-password "challenge" questions.

Use strong passwords and keep them private.

Safeguard your personal information in a secure place at home.

Be careful when disposing anything with your personal information, such as prescription bottle labels, old computers, cell phones, tablets and other personal devices. Shred financial paperwork before throwing it out.

Protect your Social Security number. Don't carry your card in your wallet or write your number on a check. If a business asks for it, ask why they need it, how it will be used, and what happens if you choose not to share it.

Stop pre-approved credit offers. Remove your name from the marketing lists of the 3 consumer credit reporting agencies – Experian, TransUnion and Equifax – to reduce the number of pre-approved credit offers you receive. Call 1-888-5-OPTOUT (567-8688) or go to OptOutPrescreen.com.

Stop other "junk mail" and telemarketing. Opt out of direct mail marketing, telemarketing and/or direct email marketing. Visit DMAchoice.org for more information. Get on the do-not-call list at DoNotCall.gov or call 1-888-382-1222.

Signs your identity may have been stolen

Early detection is key, so be on the lookout for suspicious activity by routinely monitoring your financial accounts and billing statements:

- Review credit card statements and financial accounts carefully; look for charges you didn't make
- Check your credit report regularly. It has information about you, including your accounts and how you pay bills. Experian, TransUnion and Equifax are required by law to give you a free copy each year if you ask for it. Go to AnnualCreditReport.com to do so

Warning signs to look for:

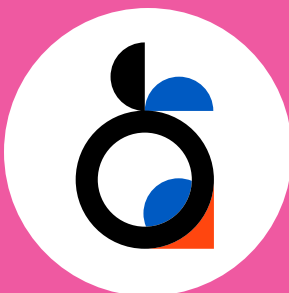
- Unexpected account statements or credit cards you didn't apply for
- Unexpected denial of credit or much higher interest rate offered than expected
- Bills you expect to receive in the mail don't arrive
- Calls or letters about a purchase you didn't make
- Inaccurate information on your credit report
- Bills from medical providers for services you didn't use

What to do if you become a victim of identity theft

Act quickly to minimize the impact of the theft on your credit standing by taking these steps:

1. Place a "fraud alert" on your credit report by contacting the fraud department at any of the 3 nationwide credit reporting agencies.
2. Request a copy of your credit report from each of the 3 credit reporting agencies to review.
3. File a police report and get a copy. Your creditors may require it for documentation.
4. Close accounts that were opened or used fraudulently. After speaking with the company's fraud department, follow up in writing and send copies (not originals) of the documents supporting your claim. After resolving a disputed charge with a company, ask for a letter stating that the matter has been closed. Keep copies of everything and make a record of all your conversations.
5. File a complaint with the FTC. Go to IdentityTheft.gov or call 1-877-ID-THEFT (438-4338). The FTC also provides more in-depth information on how to protect yourself from and mitigate the effects of identity theft.

Notes:



Find helpful tools, information and stories about the homebuying process at **readynest.com** by **MGIC**.