

# get ready

MGIC

KEYS TO SUCCESSFUL HOMEOWNERSHIP

## Preventing Identity Theft

Having a good credit standing says a lot about a person. It takes some work and some sacrifice to maintain a harmonious balance between income and expenses by buying what you can afford and paying off debt in a timely manner. A good credit standing goes a long way on a mortgage application. It shows a lender that a mortgage applicant understands the responsibility of keeping up with payments and is likely to do so. But it doesn't take much to get thrown off balance, especially if your good standing falls prey to an identity thief.

### Get Ready to learn how to...

## Protect your credit by protecting your identity

If you carry a wallet or a purse, or if you have a credit card or a Social Security number, guess what? You're at risk for identity theft!

The good news is, you can protect your identity and minimize your chances of an identity theft.

### What is identity theft?

Identity theft happens when someone uses your personal information — like your name and Social Security number or your credit card number — to commit fraud in your name.

LEARN MORE ABOUT PREVENTING IDENTITY THEFT



## What's your "ID IQ"?

Measure your ID savvy by answering the following questions. Keep track of how many times you answer "yes" or "no."

- Do you shred or destroy every bill, credit card statement and bank statement that comes to your home before you throw it out?
- Have you ever seen a copy of your credit report?
- Do you know what a "fraud alert" is?

**If you answered yes to all three,** then you know some of the important steps to protect your identity and reduce the potential damage from identity theft.

**If you answered yes to two out of three,** then you're definitely "cramping the style" of many identity thieves. But there is still more you can do to minimize the chance of an ID theft and the toll it can take.

**If you answered yes to one or none of the questions,** well, you have company. Many of us don't know that a few steps can make a real difference in reducing the risk of identity theft.

## Identity thieves can do a lot of damage...

- They can go on spending sprees using your credit card.
- They can open a new credit card account, using your name and Social Security number.
- They can get cell phone service in your name with your credit history.
- They could even get arrested and give your name to the police.

People whose identities are stolen frequently spend lots of time and money cleaning up the mess the thieves have made of their good name and credit records. They may lose out on job opportunities, loans for education, housing or cars. And they may even be arrested for crimes they didn't commit.

## How to protect one of your most important assets — your identity

How do thieves steal your identity? Unfortunately, there are a lot of ways — from sophisticated computer hacking to low-tech "dumpster diving" into your trash to plain, old-fashioned stealing your wallet or purse. But you can take some practical steps to minimize your risk and to reduce the damage if your identity is stolen. To help all of us in the fight against identity theft, the Federal Trade

Commission has embarked upon a national outreach campaign. The campaign's theme is summed up in three key words — Deter, Detect, Defend.

## Deterring identity theft

An ounce of prevention is worth a pound of cure, and the same holds true for identity theft: Making it difficult for thieves to get their hands on your personal information can reduce your risk. Here are the key steps to deter an identity theft:

- **Don't give out personal information** over the phone, through the mail, or over the Internet unless you are sure who you are dealing with. Sometimes this is a judgment call.
- **Safeguard your personal information** in a secure place at home, especially if you have roommates, employ outside help or are having work done in your home.
- **Shred financial documents** and paperwork with personal information on it before you throw them out.
- **Protect your Social Security number.** Don't carry your card in your wallet or write it on a check.

## Warning signs of identity theft

Because identity thieves are not taking anything you can see, the theft often goes unnoticed until it is too late. However, early detection of potential theft can make a big difference.

### Here are some signs to look for:

1. Unexpected account statements or credit cards you did not apply for
2. Unexpected denial of credit or offered a much higher interest rate than expected
3. Bills that no longer arrive
4. Calls or letters about a purchase you did not make
5. Inaccurate information on your credit report

## Detecting identity theft

With identity theft, early detection is key. In addition to taking the preventive steps mentioned above, detect suspicious activity by routinely monitoring your financial accounts and billing statements.

Doing so can help you catch a potential problem before it gets out of hand. For instance:

- **Read your credit card statements** and financial accounts carefully, looking for any charges you did not make.
- **Check your credit report regularly.** Your credit report has information about you, including accounts you have and how you pay your bills. It helps banks and other businesses decide whether to extend you credit or insurance, and on what terms.

The three major consumer reporting companies — Experian, TransUnion and Equifax — are required by law to give you a free copy of your credit report each year if you ask for it. You can get your free credit report at [www.annualcreditreport.com](http://www.annualcreditreport.com), a central website run by these three companies.

## Defending your stolen identity

*What if you become a victim?*

*The answer: Act quickly.*

**Place a “fraud alert” on your credit report** by contacting the fraud department at any of the three nationwide credit reporting companies. A fraud alert tells creditors to follow certain procedures to protect you before they open new accounts or make certain changes to an existing account. Each of the three nationwide consumer reporting companies has toll-free numbers to place a fraud alert. But you just need to place one call, because the company you call is required by law to notify the other two.

Once you place a fraud alert on your file, you can get a free copy of your credit report from each of the three nationwide consumer reporting companies. Review your credit reports carefully, so you can figure out what fraudulent accounts may have been opened. And then, close them.

**File a police report and get a copy.** Your creditors may require it for documentation. Plus, a police report will help you get information from creditors about the fraudulent accounts.

## Close all the accounts that were opened or used fraudulently.

After you speak to someone in the company’s fraud department about closing the account, follow up in writing and send copies of the documents that support your claim. Send copies, not originals. You can use the FTC’s ID Theft Affidavit ([www.ftc.gov/bcp/online/pubs/credit/affidavit.pdf](http://www.ftc.gov/bcp/online/pubs/credit/affidavit.pdf)) to simplify the process.

**After you’ve resolved a disputed charge with a company,** ask for a letter stating that the matter has been closed. Keep copies of your papers and correspondence, and a record of all your conversations with companies where accounts were opened or used fraudulently.

**Finally, file a complaint with the Federal Trade Commission.** You can go to [ftc.gov/idtheft](http://ftc.gov/idtheft) or call 1-877-ID-THEFT. Reporting your complaint can help law enforcement officials across the country with their investigations.

These are just the basic steps you can take to protect yourself from identity theft or to repair damage that has already occurred.

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## More ways to prevent identity theft

**Stop pre-approved credit offers.** Remove your name from the marketing lists of the three credit reporting agencies to reduce the number of pre-approved credit offers you receive.

You can opt out of having pre-approved credit offers sent to you for two years by calling 1-888-5-OPTOUT (567-8688) or visiting [www.optoutprescreen.com](http://www.optoutprescreen.com). **NOTE:** *You will be asked for personal information, including your Social Security number, however the information remains confidential and is only used to process your request to opt out of receiving pre-screened offers of credit.*

### **Stop other “junk mail” and telemarketing.**

The Direct Marketing Association offers Mail, Telephone and E-mail Preference Services, which allow you to opt-out of direct mail marketing, telemarketing and/or direct e-mail marketing from many national companies. Visit [www.dmachoice.org](http://www.dmachoice.org) for more information.

**The Federal Trade Commission also has a do-not-call list.** For more information visit FTC's National Do-Not-Call Registry at [www.donotcall.gov](http://www.donotcall.gov) or call 1-888-382-1222.

## To learn more...

**To learn more about other actions you can take to protect yourself,** check out the Federal Trade Commission website at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft). Take a look at *Take Charge: Fighting Back Against Identity Theft* the FTC's comprehensive guide. Or order a copy. It's free.

**Right now, as you read this,** there are criminals out there looking for identity information to steal. They like identity theft because it can be such a so-called “easy” crime. They do their best work when no one is paying attention, when information is easy to get, because they think the damage will go undetected.

**But you're paying attention now.** By following the “three D's” of identity protection — Deter, Detect, Defend — you can make it a lot more difficult for thieves to walk away with your identity. And a difficult crime is a less attractive crime.

Source: Talking About Identity Theft: A How-To Guide, developed by the Federal Trade Commission (FTC), the nation's consumer protection agency, as part of its ongoing work to educate consumers about identity theft. To learn more about ID theft and how to deter, detect, and defend against it, visit [ftc.gov/idtheft](http://ftc.gov/idtheft). Or request copies of ID theft resources by writing to: Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Ave., NW, H-130, Washington, DC 20580.

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