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## **“News from the Nest”**

Welcome to our newsletter. Please email us at: [Mary@NestBuilderFinancial.com](mailto:Mary@NestBuilderFinancial.com) with your suggestions, comments or questions.

### ***The Equifax Breach***

The Equifax data breach affected about 143 million people. See if your data was exposed here: <http://www.equifaxsecurity2017.com>. Whether the response shows you were affected or not, it's reasonable to assume that at least one of the myriad breaches have given cyber criminals access to your personal identity information such as your name, birthdate, Social Security number and even some driver's license numbers.

So, what's the big deal?

With this combination of data, the offenders can apply for credit cards and personal loans in your name, run up debt, and ruin your good credit history. That makes it difficult to get a mortgage, refinance, buy a car, or get a new job because all these actions generally require a credit check. Also, recovery can cost you countless hours.

They may even be able to get a driver's license in your name, then get a speeding ticket or be in an accident and you could be subject to a warrant for arrest. This happened to about 4% of reported identity theft victims last year.

The credit card companies will reissue new cards to people whose numbers were stolen in this breach, which is a nuisance but not as critical as the theft of Social Security numbers and birthdates. That will be an ongoing problem.

You don't have the power to stop breaches, but you can limit the damage by setting up Fraud Alerts and Credit Freezes.

### ***Credit Freeze***

Issuing a credit freeze is the best single line of defense to protect your financial data. It freezes access to your records to just those with whom you already have an account. This prevents identity thieves from opening new accounts in your name. because creditors need to see your credit report before approving a new account.

A credit freeze may also help protect your credit score because it prevents excess credit inquiries from lowering your score. With a freeze in place, you are still entitled to get free annual credit reports from [www.annualcreditreport.com](http://www.annualcreditreport.com).

Freezing your credit information is a little hassle. You must contact each of the agencies to request a freeze, often at a nominal cost of \$10 or less. When you need to unfreeze your credit history, there is often another nominal charge and it may take a couple of days for access. You would typically want to ask the party who needs your credit information which credit reporting bureau they use and unfreeze just that report.

Note, Equifax is not charging a fee to issue a freeze, and is working on a structure that will make it easier for consumers to freeze and unfreeze their credit reports at will.

### ***Fraud Alert***

In addition to credit freezes, you can issue a fraud alert which means that creditors should not issue credit to you without contacting you directly to get your approval. Fraud alerts are typically temporary, with a duration of just 90 days.

Fraud alerts do not offer the peace of mind that a freeze does, but might be helpful during a quest for credit where you have unfrozen your report. You can have both a fraud alert and credit freeze active, or either one, but do at least one now.

## How to Protect Your Identity

Start by reviewing your credit reports at all credit reporting agencies. For the 3 main agencies, you can go to [www.annualcreditreport.com](http://www.annualcreditreport.com) which is the official government site. If you've checked your reports within the last 12 months you may have to pay a small fee for an updated report.

You can call or go online to freeze your credit. It is easy enough to freeze your credit online; either way just remember to keep the passcode or PIN they provide in a secure place because you'll need it to unfreeze your credit report. If you lose it, it will take longer to unfreeze and you may miss out on an opportunity to, for example, buy a specific car or house to someone else who may have ready access to their credit report.

- [Equifax](#) or by phone at 1-866-349-5191
  - [http://www.equifax.com/cs/Satellite?pagename=contact\\_us](http://www.equifax.com/cs/Satellite?pagename=contact_us)
- [Experian](#) or by phone at 1-888-397-3742
  - <http://www.experian.com/corporate/personal-services-contacts.html>
- [TransUnion](#) or by phone at 1-800-916-8800
  - <https://www.transunion.com/customer-support/contact-us>

We recently learned of a fourth credit agency, Innovis, where you can also issue a credit freeze:

- [Innovis](#) or by phone at 1-800-540-2505
  - <https://www.innovis.com/personal/securityFreeze>

Note that Innovis provides a free annual credit report as well, but they will mail the credit report to your home.

Issuing a fraud alert is easier because you need only contact one of the 3 main reporting agencies and they must notify the other 2 agencies. For Innovis, you must go to their website to set up the fraud alert. Again, a fraud alert does not offer as much protection as a credit freeze.

Consumer Reports says the youngest victim of identity theft is a one-month old baby. With the child's Social Security number, thieves would typically have years before any theft is reported, until the child applies for a scholarship or job when a credit report would be requested. In Illinois and Wisconsin, and 21 other states, a parent can freeze a minor's financial identity.

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*“The information consumers willingly, and oftentimes unwittingly, unleash on social-media websites sets off a feeding frenzy among fraudsters looking to steal everything from your flat-screen TV to your identity...”*

*John Sileo*



*Mary Erl, CFP®*