

Credit Reporting

Case Managers: Requesting a free credit report is required from each of the three Consumer Reporting Agencies on behalf of each youth in foster care over the age of 16. You have the results..... **Now What?** Below are tips to guide you through the

Federal Law Says...

The Child and Family Services Improvement and Innovation Act (Public Law (Pub. L.) 112-34) was signed into law on September 30, 2011. This law requires agencies to obtain annual consumer credit reports for youth age 16 and older placed in foster care.

How To Clear A False Report

It is required by federal law to clear false credit before the youth is discharged from foster care. Below are steps to assist you:

- 1. Discuss the activity with the youth.**
 - ✓ Ask if they are aware of anyone using their identity to secure finances for housing, utilities, cell phone....
- 2. Call each company where an account was fraudulently opened or misused.**
 - ✓ *This information is listed on the report.*
 - ✓ *Explain to the company the case involves a youth under age 18 in your custody and ask for steps to remove the inaccuracies.*
- 3. After receiving more information from companies, discuss the need/desire to file a police report.**
- 4. If needed, contact the Credit Reporting Agency where activity was identified;**
 - ✓ *Place an initial fraud alert on youth's name;*
 - ✓ *Consider a credit freeze for youth's name;*
- 5. If needed, file a report with the Federal Trade Commission (FTC) www.ftc.gov or call 1-877-IDTHEFT (1-877-438-4338);**
 - ✓ After the report is filed, print it and provide it to the local Policy Department.

ND Consumer Protection

1-800-472-2600



What Do These Results Mean??

Information to assist with interpretation of a report can be found at National Identity Theft Resource Center website: <http://www.idtheftcenter.org/index.php>

Involving the Youth

Children & Family Services (state office) will obtain the credit report for youth identified as in foster care from the FRAME system and will send the case manager the results.

At the next monthly face to face meeting, **case managers will:**

- 1. Explain** the importance of understanding one's credit history and what it can do for a future credit score.
 - a. What is good credit history?
 - b. Why is it important to have a good credit history and credit score?
- 2. Teach** the youth how to request and review a credit report. Simply go over the documents you receive; which will provide youth knowledge of where to obtain their own free credit report post age 18 www.annualcreditreport.com.
- 3. Identify** if the youth has been subject to identity theft and work with the youth to resolve any discrepancies to their name before they are discharged from care.

Case Manager FRAME Entry: Obtaining a credit report is a learning opportunity and should be reflected as a provided service for the purposes of National Youth in Transition Database (NYTD) federal reporting. Select "**Budget-Financial Management**" in FRAME under **Independent Living Services (NYTD)** each time a credit report is obtained then discussed with the youth.

Credit Report Info

Youth in foster care: North Dakota requests three free credit reports on your behalf once you reach the age of 16. This will continue each year that you remain in foster care. Trans Union, Equifax, and Experian are Consumer Reporting Agencies who send reports to the state telling us if you have a credit report on file. Please note youth under the age of 18 usually do not have a credit report because they have no legal capacity to sign or apply for credit (credit cards, loans, etc).

Federal Law Says...

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Why Would Someone Steal My Identity?

When someone uses a minor's personal information to commit fraud, it may be to get a job, state benefits (EBT card), gain a credit card, receive medical care, a car loan, or even a house mortgage.

You may know this person very well or not at all? These people often times are not using your name to hurt you; only to help themselves. However, it does in fact hurt you.... It will hurt your credit for life if it is not corrected.

"R U Kidding Me, This Happens?"

Yes, this in deed does happen. If someone uses your name and information to take out a **\$13,000 car loan** and does not get caught... it would show up on your credit report. This means you should be paying this loan, but you did not even know it existed. It could be sent to collections and ruin your credit.



What Is a Credit Report?

It is a record of a person's credit activities. It lists any credit card accounts or loans that a person has, balances and how regularly payments are made, as well as personal identifying information.

Why Is ND Requesting A Credit Report For Foster Youth Over Age 16?

To simply confirm that no such report exists in your name. However, if a credit report does exist it may indicate that there is a need to correct information and take action to protect your identity and future credit worthiness before you become an independent young person paying your own bills and requesting your own credit report.

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How Do I Start A Credit History?

1. Open a checking or saving account to establish a relationship with a bank.
2. At age 18+, apply for one free low limit credit card (*Pay it off every month*).
3. Budget your money wisely.
4. Pay your bills on time (rent, utilities, etc).

Remember to put some money in SAVINGS each month!