



**Federal Reserve Board of
Boston
22nd Annual National
Consumer Protection Week
April 25, 2012**

Maxine Sweet

Vice President of Public Education



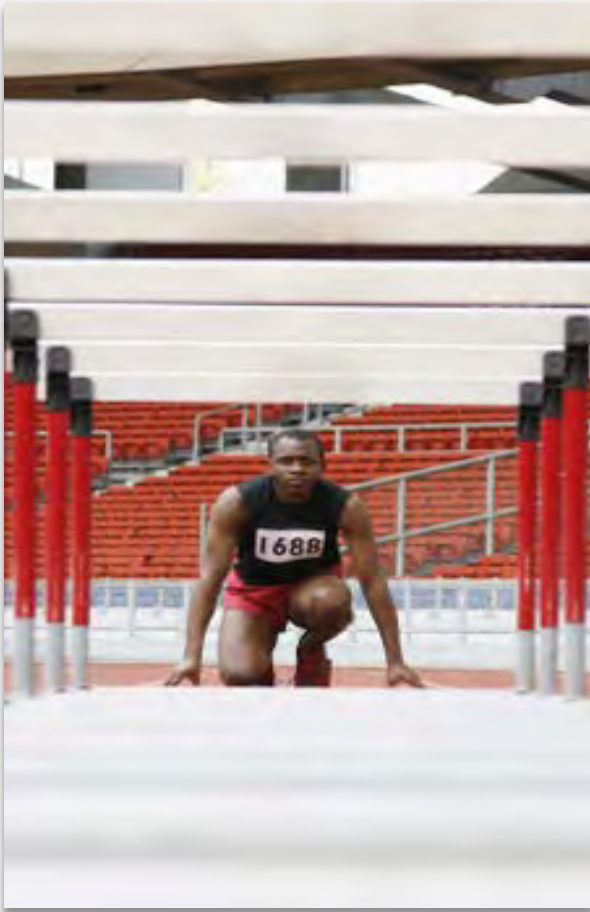
Quote from Edgar Dworksy about this presentation:



We are looking for an inside look at credit reporting agencies and credit reports. How errors happen, how you try to segregate info properly, how the process of challenging errors works, whether the 100 word statement is actually communicated to credit grantors, how Experian has multiple scores (include Vantage)...and how they differ from each other and from FICO: how long negative info remains in the report; in short – everything a group of consumer advocates would be interested in hearing about the workings of a credit reporting agency. To the extent that you or the industry are considering including other types of tradelines in reports, that would be interesting to hear. We would like to hear your comments about new-fangled credit reports offered by PRBC/Microbilt and L2C...It might be interesting to hear about your new service of selling personal credit counseling sessions. You might tell us how consumerinfo has cleaned up its act...other things you think would be interesting for us to know. To the extent you have insights into the future of credit reports (and upcoming changes)...



Everything you need to know about credit bureaus and credit scores



- Basics of credit scores
- Non-traditional data
- File One: avoiding mixed files
- National Consumer Assistance Center (NCAC)
- Credit Educator
- Experian's financial literacy outreach & resources
- "Give me a little credit"
- "Credit reporting and identity theft"
- Questions



Basics of credit scores...

A credit report DOES NOT rate your credit





What is a credit score?

- Used instead of a manual “score sheet”
- Valuable risk management tool
- Many different models, with many different scales available from many different sources
- Credit reporting companies often apply the model selected by the creditor when delivering the credit report; however, the credit scoring model, or formula, is proprietary to the developer and is not known by the credit reporting company





Risk factors are the key



- Always generated when a risk score is calculated
- Are usually included in or described in an adverse action notice
- Tell what to address in the credit history to become more creditworthy
- Are largely consistent from model to model



What's your score?

- FICO '08
 - FICO Auto Score
 - FICO Mortgage Score
 - VantageScore – V.1
 - VantageScore – V.2

- Experian Auto Risk Model
- Bankruptcy PLUS
 - FICO Auto Score
 - FICO Mortgage Score

- Credit Union Risk Model
- Telecommunications Energy and Cable Risk Model

- FICO Classic Model – V.2
- FICO Classic Model – V.3
 - Experian National Risk Model
 - Scorex PLUS



VantageScore overview

VANTAGESCORE.

<http://www.vantagescore.experian.com/>

Vantage Score Grade	
A (900-990)	Prime
B (800-899)	
C (700-799)	
D (600-799)	Non-Prime
F (501-599)	

VantageScoreSM, which is both used by lenders and now available to consumers, is the first credit score developed cooperatively by Experian and the other national credit reporting companies.

The VantageScore scale approximates the familiar academic scale, making it simple to associate your VantageScore number to a letter grade.

**Each lender determines its own credit quality tiers according to their own lending strategies. The credit tier breakdown is offered only as an approximation.*



Looks can be deceiving...

Who is the VantageScore[®] A and the VantageScore[®] F?

KONGREGATE

ADDICTING GAMES

facebook

craigslist



VantageScore[®] A

PRIVATE ISLANDS ONLINE
THE WORLD'S PRIVATE ISLAND MARKETPLACE

JobsRadar
a better job, a better life.

facebook

DegreeInfo



VantageScore[®] F



Comparing Dallas site category visits VantageScore® A and F credit

(A) Credit Categories

1. Boxing
2. Track & Field
3. Utilities (Electricity, Water)
4. Tennis
5. Airlines
6. Cruises
7. Health and Medical
8. Stock Brokerage
9. Auto Dealerships
10. Golf

(F) Credit Categories

1. Mobile Phone
2. Colleges
3. Employment
4. Gambling
5. Legal
6. Dating
7. Pay to Surf
8. Auto Dealerships
9. Video Games
10. Health and Medical



Comparing music artist sites VantageScore® A and F credit

(A) Credit Artist Sites

1. One Republic
2. Clarisse Gill
3. Bill Gaither
4. Adele
5. Reba McEntire
6. Taylor Swift
7. Lenny Kravitz
8. Queen
9. Yo-Yo Ma
10. Black Sabbath

(F) Credit Artist Sites

1. Mindless Behavior
2. Kid Rock
3. Lil Wayne
4. Bill Gaither
5. Adele
6. KISS
7. Insane Clown Posse
8. Carrie Underwood
9. Eminem
10. Lady Gaga



Transparency of credit reports and scores has been a top priority of policy makers

- FACTA (2003)
 - ▶ Free annual disclosure
 - ▶ Score disclosures by mortgage lenders
 - ▶ Educational score disclosures by CRAs
- Risk-based pricing notices (January 2011)
- Score disclosures by creditors (July 2011)
 - ▶ With risk-based pricing notice
 - ▶ With adverse action notice
 - ▶ CFPB study on score disclosures





CFPB study: The impact of differences between consumer-and creditor-purchased credit scores

- Preliminary Report (July 19, 2011)
 - ▶ There is no single score
 - ▶ Scores vary by brand and range
 - ▶ Credit scores measure probability of default and are only one, albeit important, data element in a creditor's proprietary decision system
 - ▶ A score is used, in part, to set pricing and terms
 - ▶ Focus consumer on content of the credit report





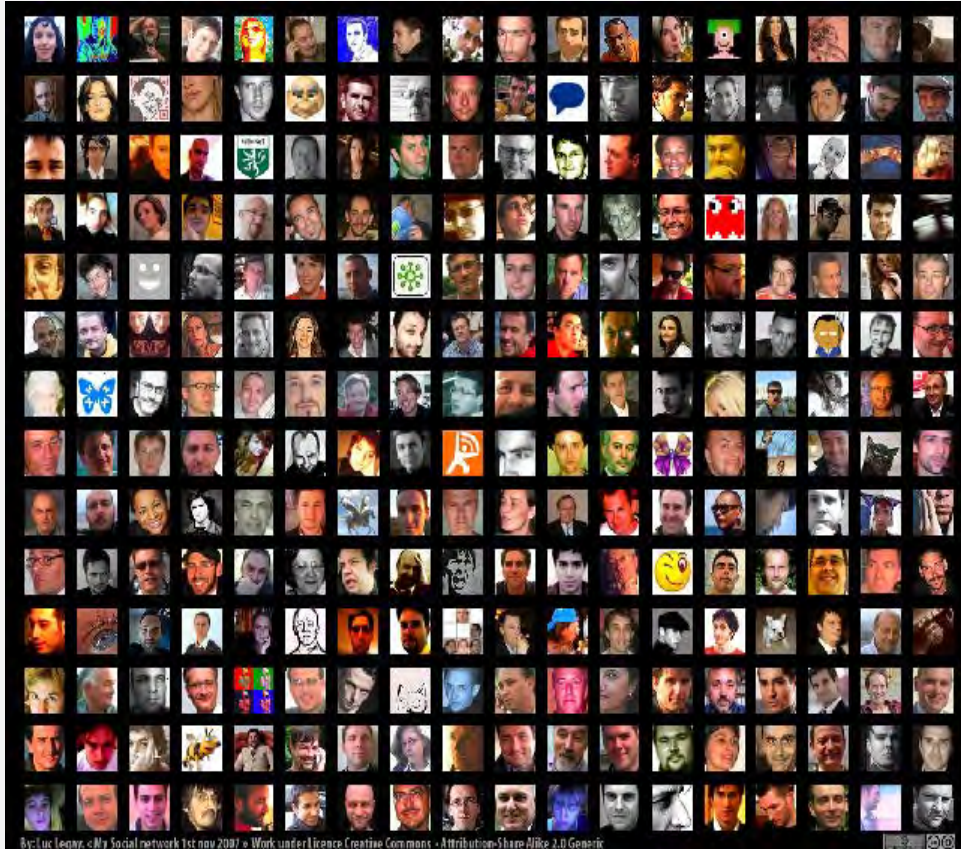
CFPB Study: next steps

- Correlation analysis of commercial and consumer education scores
 - ▶ Each bureau has provided its custom and proprietary scores
 - ▶ FICO is providing its score
- Each bureau is providing 250,000 randomly-selected and de-identified credit profiles to CFPB
- CFPB Staff will run all bureau and FICO scores and compare how they rank consumers on the probability of default scale
- CFPB may recommend changes to credit score disclosures





Non-traditional data...



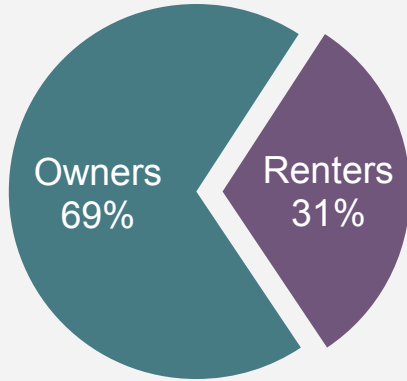
- PRBC
- L2C
- Rent Bureau



Rental Data

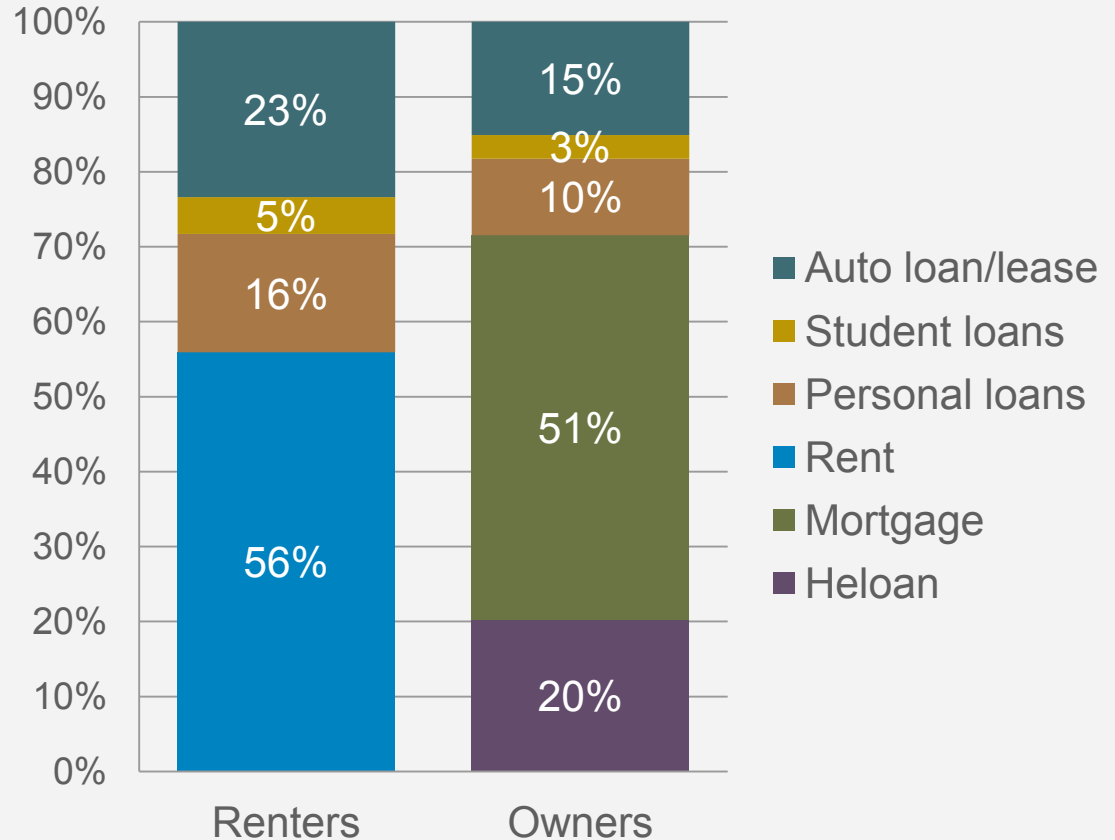
Why is it Important?

U.S. population



- 96 million of the nation's 300 million residents rent
- Significant portion of a renter's recurring expenditure not previously captured on a credit report

Monthly recurring expenditure



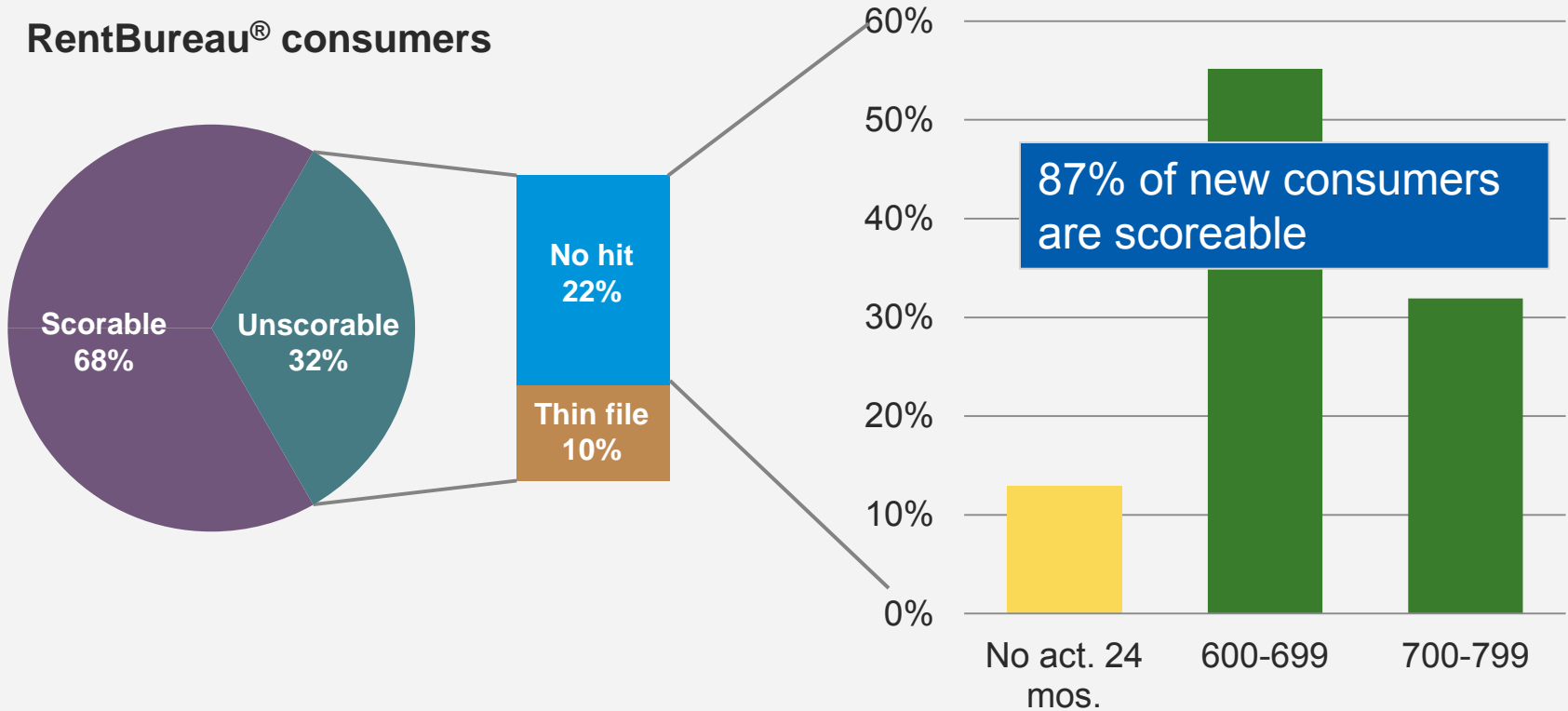


Impact to VantageScore

Increase scoreable population

Rental trades improve scores for existing consumers and help score previously unscorable consumers

RentBureau® consumers



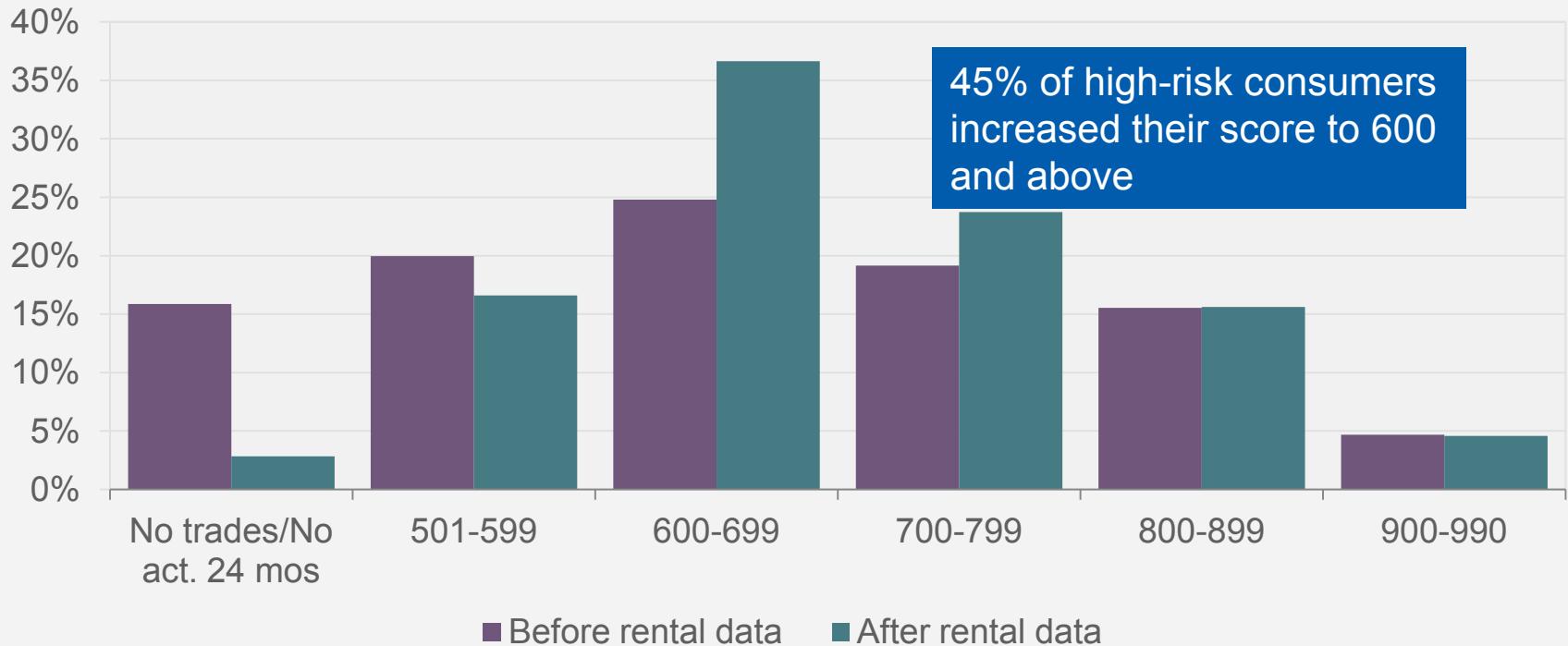


Impact to VantageScore

Impact to credit scores

Rental trades improve scores for existing consumers and help score previously unscorable consumers

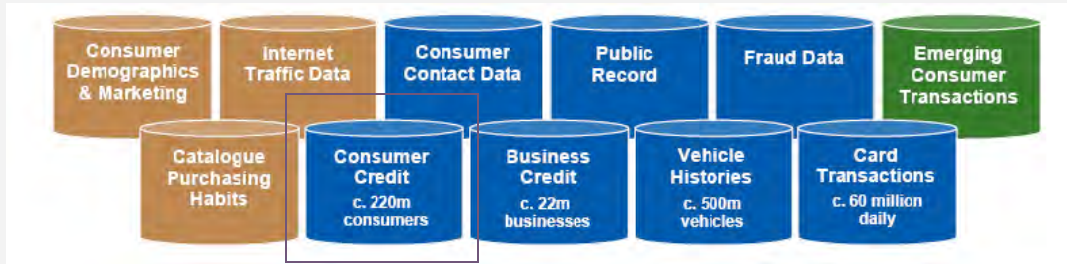
VantageScore® analysis — all consumers with rental trades





File One

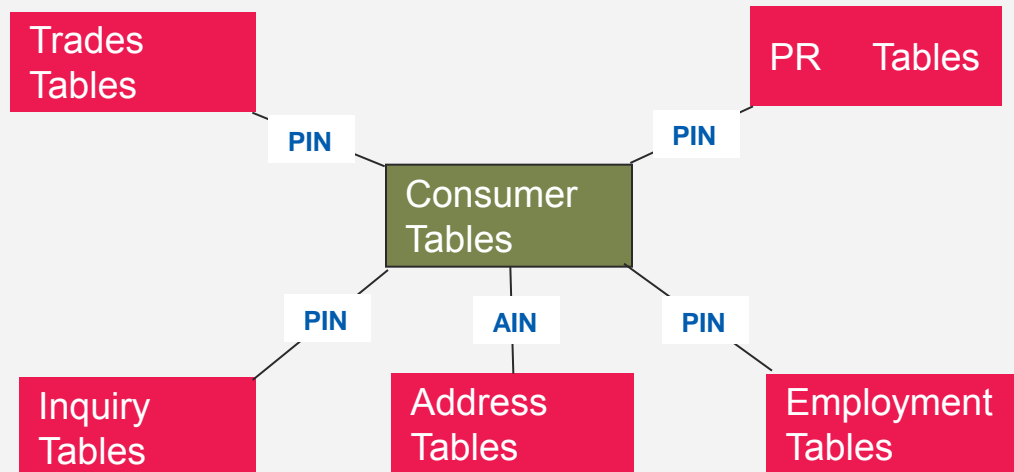
Industry's premier credit information database



Designed for flexibility, speed, and accuracy.

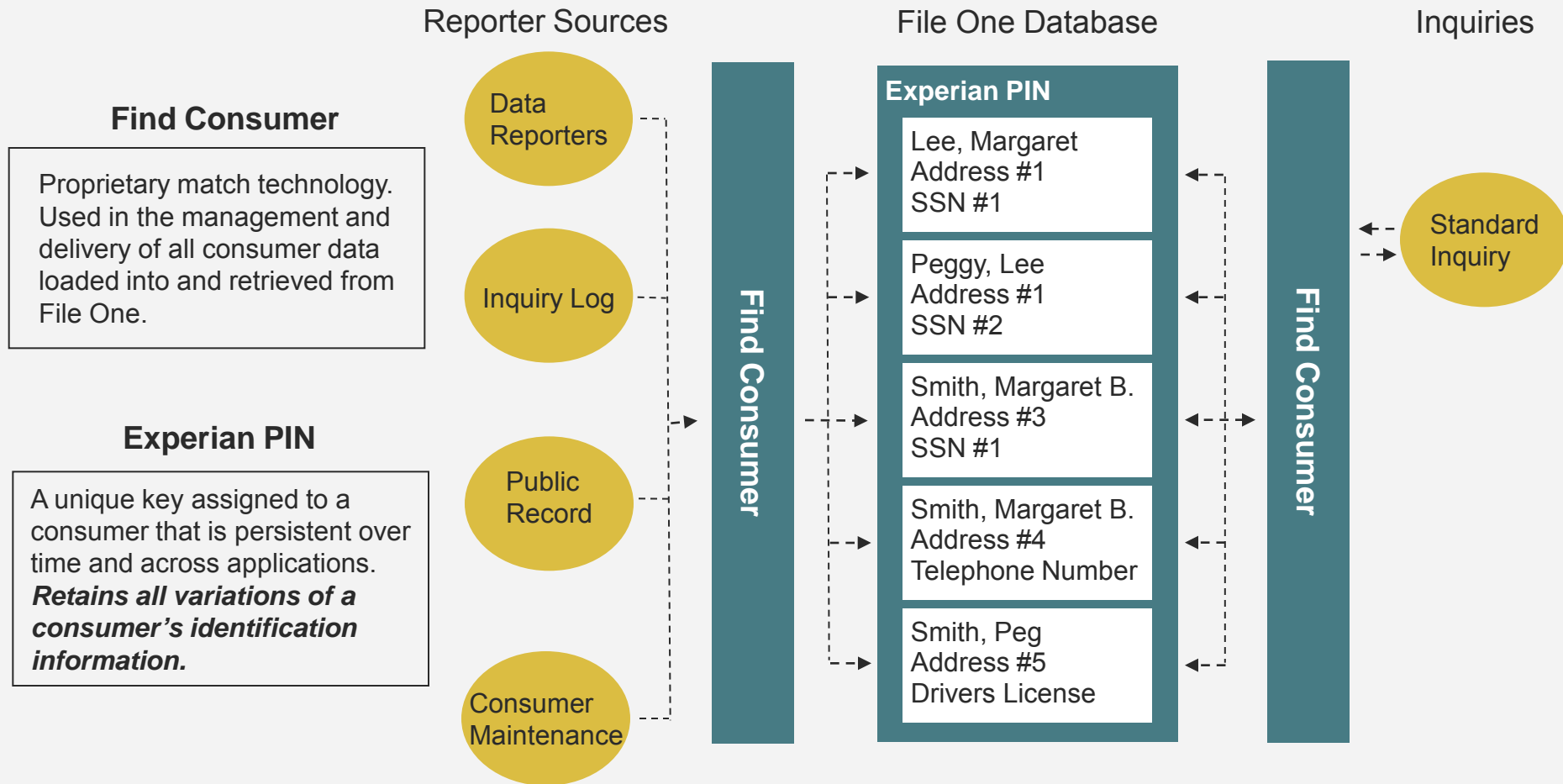
Leverages the power of Experian's proprietary PIN Technology.

File One Database Structure





Find Consumer and PIN Search & Match Engine

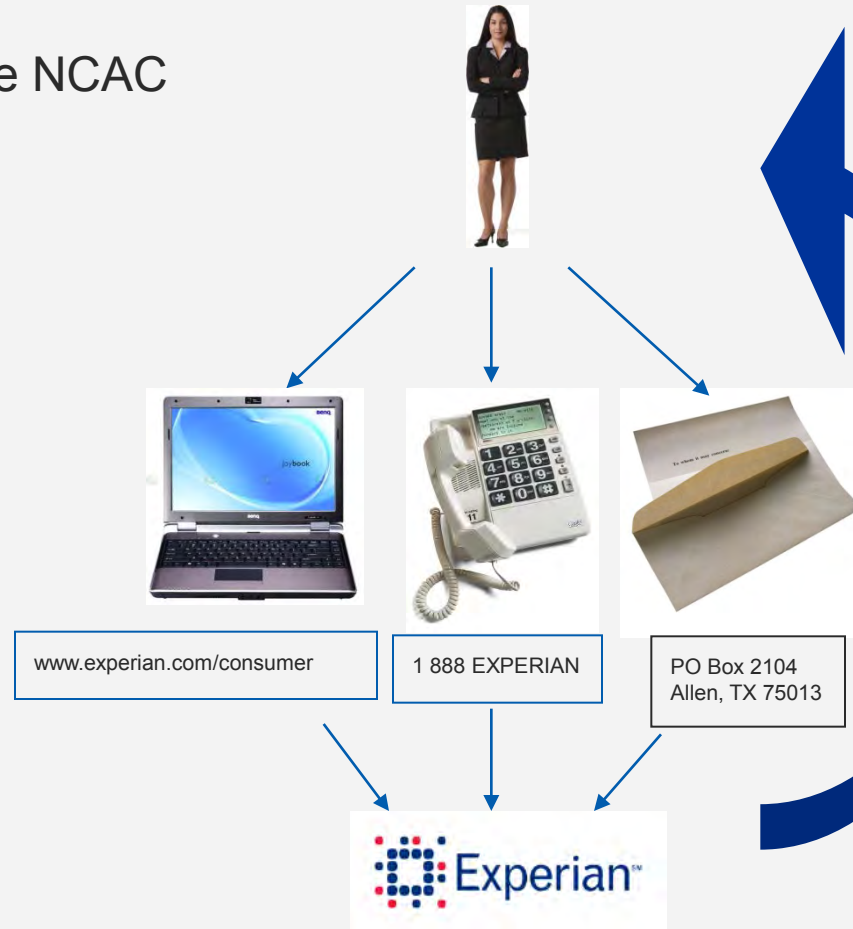




National Consumer Assistance Center...

Consumers primarily contact the NCAC for the following reasons.

- Request a credit report
- Purchase a credit score
- Dispute information
- Place a security freeze
- Place a fraud alert
- Opt out





Dispute resolution

Dispute process



Consumer contacts Experian providing reason why they feel information is inaccurate (www.experian.com/dispute, toll-free number on report, in writing)

Web and phone disputes processed immediately / mailed requests processed within regulated five-day window

Phone and mail disputes go through initial internal review. If we cannot resolve dispute, request for dispute is sent to data furnisher for investigation

Data furnisher researches and responds to Experian, resulting in either no change, update or deletion

Review data furnisher's response

Consumer's file updated per agent review or data furnisher's instructions

Results sent to consumer within regulated window, either by U.S. Mail or email notification that results are ready to be reviewed

If consumer still disagrees with information, they may add a statement explaining why they feel it is inaccurate, and / or contact the data furnisher directly, and / or provide Experian with additional relevant information about the dispute; Experian will then conduct a new investigation



Dispute resolution

Customer service – personnel and processes

Personnel



- Hiring strategy focused on delivering exceptional customer service
- Twelve-week training class
- Training curriculum includes customer service

Process / system



- Stop the Clock initiative allows the agent to take the necessary time to resolve the consumer issue
- Red Carpet Call Dialogue – dialogue is more consumer-friendly
- Telephone verification process whereby the agent immediately contacts the creditor on an effort to assist the consumer with their dispute
- Fax process allows consumers to fax documentation in emergency situations
- Significant upgrade made to our IVR to allow consumer to be quickly directed to the right agents to resolve their issues

Feedback



- Customer service quality audit for agent evaluation
- After call Customer Satisfaction survey – our score consistently averaged 4.7 out of 5
- An external consulting firm conducted qualitative research aimed at increasing callers' satisfaction with their overall experience – with the help of agent focus groups, significant changes were made as a result of this research
- Enhanced Customer Satisfaction Survey score with the Customer Effort Score – this score determines how much effort the consumer took to resolve their concern



National Consumer Assistance Center (NCAC)

Roadmap to enhanced customer service

Highly efficient customer-focused center of excellence

Revised incentive plan, agent rewards and recognition

Share more information to better engage agents

Implemented low-effort customer service (CES score)



National Consumer Assistance Center (NCAC)

Proactively seeking customer input

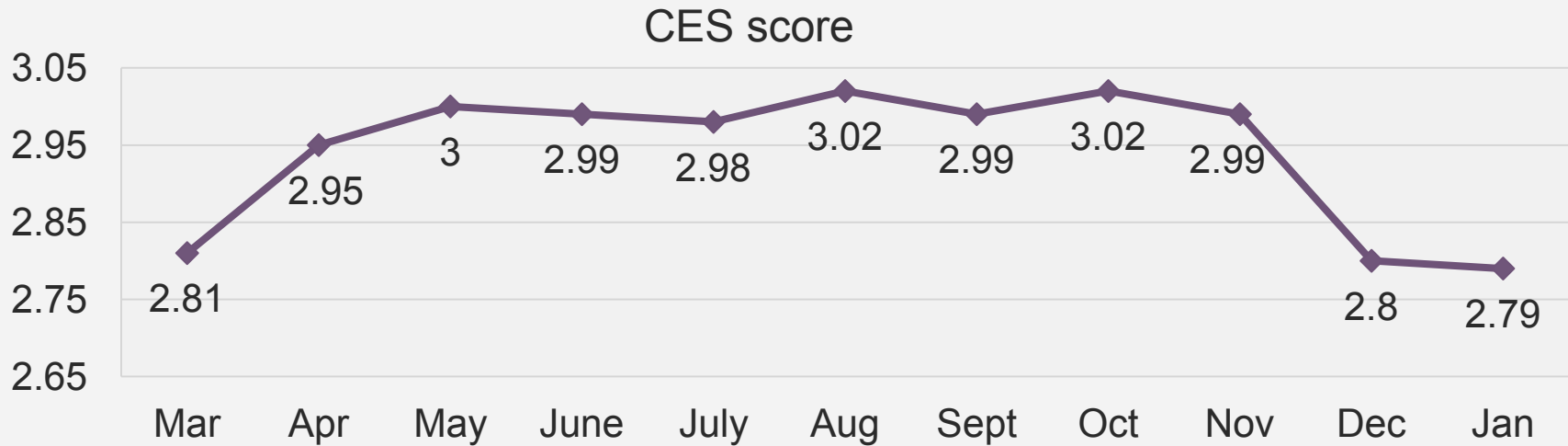
Targeted interviewing to hear the **true** voice of the customer



- Aligns with the **low customer effort** philosophy
- The process encourages open dialogue with the customer
- Prompts a free-form discussion with the customer
- Increases agent buy-in to the audit feedback



National Consumer Assistance Center (NCAC) True customer satisfaction



- Customer–reported average effort score for financial service industry is 2.8
- Reducing customer effort
 - ▶ Fewer call backs and escalations
 - ▶ Decreased talk time
 - ▶ Positive word-of-mouth
 - ▶ Supports Experian’s brand



What is on my credit report?



What does my credit score mean?

John Johnson's Score
750 Score Date:
May 4, 2010



What can I do to change my situation?





Experian Credit EducatorSM

The Service – What is it?

CONSUMER CREDIT REPORTING BASICS
IMPROVE YOUR CREDIT BY INCREASING YOUR KNOWLEDGE.



Experian Credit Educator The Service Includes...

Credit report basics	<ul style="list-style-type: none">▪ Explanation of credit report<ul style="list-style-type: none">▸ Review each line item within a credit report▸ Hard versus soft inquiries▸ Potentially negative and positive items
Credit scores	<ul style="list-style-type: none">▪ Explanation of a credit score<ul style="list-style-type: none">▸ Review score factors▪ How creditors utilize scoring models▪ What types of information can improve or decrease score
Value Added Services	<ul style="list-style-type: none">▪ Rules of Thumb▪ Account management tips▪ Credit management for life events



Voice of the consumer

“ It was very encouraging and helpful to speak directly to an Experian representative. I feel like credit clinics are gimmicks, and I’m **very pleased** with the service! ”

“ I appreciated the information I received; it **provided clarity** on my situation. ”

“ The **service was spot on**. I would have signed up for the service earlier if I would have known it was available. ”

Score



How helpful was this call today?

97.6%



How likely are you to act on the knowledge you received?

96.4%



Media response

The screenshot shows the top portion of a Yahoo! News article. At the top left is the 'YAHOO! NEWS' logo. To its right is a search bar with the text 'Search'. Below the logo is a navigation menu with categories: HOME, U.S., WORLD, BUSINESS, ENTERTAINMENT, SPORTS, TECH, POLITICS, SCIENCE, and HEALTH. Below the navigation menu is another search bar with the text 'News Search' and a yellow 'News Search' button. To the right of the search bar are links for 'Videos', 'Photos', 'Trending Now', 'Vitality', 'Who Knew?', and 'Odd Ne'. The main headline of the article is 'Credit Education Just a Phone Call Away'. Below the headline is the 'USNews' logo and the byline 'By Jeremy Simon | U.S. News & World Rep'. At the bottom of the article header are social sharing buttons for 'Email', 'Recommend' (with a count of 15), 'Tweet' (with a count of 11), and 'in Sh'.

With a 20-minute phone call to [Experian](#), I was able to verify that my credit is in good shape, but learned that there are still some things I could be doing better.

Experian recently launched its Credit Educator service. With its new service, the credit bureau--which is better known for maintaining consumer credit reports--offers one-on-one [credit report](#) and [credit score](#) education. Consumers who place a call to the credit bureau not only get access to their Experian credit reports and [VantageScore](#) credit scores, but they can also get their specific questions answered by specially trained representatives. Although the service typically costs \$29.95, as a reporter armed with a promotional code from the company, I recently was able to try the service for free.



Experian's financial literacy outreach & resources...

Combining these three distinct but closely related functions enables us to amplify our resources and results while achieving our core mission for each.

Corporate Responsibility

Aligns corporate practices with global initiatives
Embeds social, environmental, education, community and ethical standards into our business practices
Aims to ensure that Experian is an insightful, responsible, globally aware company
Provides framework for risk management initiatives

Corporate Relations

Rod Griffin

Public Education

Educates consumers because Experian is uniquely positioned to do so and it is the right thing to do
Aims to help consumers live credit smart

Emily Sukman

Community Involvement

Empowers employees to make a difference
Active partner in communities
Rewards employees for their volunteer work
Supports Corporate Responsibility initiatives
Enriches employees business skills



Promoting knowledge through grants and partnerships

Collaborating

Jumpstart Coalition Teachers Conference

NFCC Financial literacy assessment tool

TakeCharge student video contests

InCharge Homebuyer online workshop

National Bankers Association Historically black colleges and universities



Engaging

Generational trend data

Increased outreach through social media

Web site with tools for employers



Where Does Your Generation Use The Most Credit?

While every generation finds the largest portion of their debt attributed to mortgages, there is an apparent credit gap when comparing generations' credit habits to each other and the national averages. Wonder how debt numbers and credit scores rank by generation?

Greatest Generation

(age 66+)



REDUCING
overall debt

HIGHEST
credit scores

Baby Boomers

(age 47-65)



STRONG &
STEADY
in pursuit of
the American
Dream

Generation X

(age 30-46)



HIGHEST
amount of debt

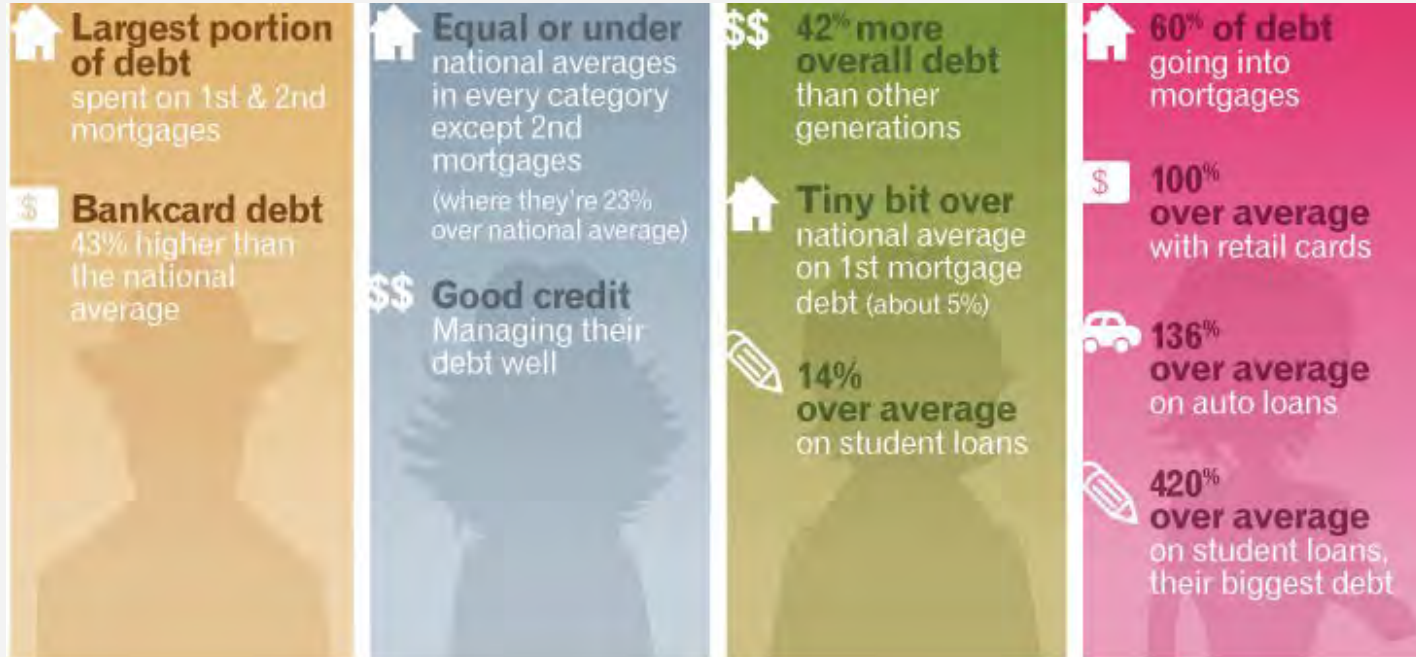
SECOND
TO LOWEST
credit scores

Generation Y

(age 19-29)



BUILDING
CREDIT
with student
loan and auto
loan payments



For more information, visit www.livecreditsmart.com



Personally sharing our knowledge and expertise

Teaching

Harvard University and
Iowa State University students

Federal Reserve Consumer Protection Week
national conference

Institute for Financial Literacy
national conference

Arizona Foster Care state employees

Employee Education Ambassadors



Driving financial literacy initiatives through service on boards and committees

Leading

JumpStart/Call For Action/InCharge Debt Solutions

Orange County Community Relations Council

JumpStart Education/Communication

National Consumers League – LifeSmarts



Do you WANT a credit report?



Why is it important?

- ▶ Your credit report serves as your financial references to companies with whom you want to do business
- ▶ Lenders use credit reports and credit scores to gauge the likelihood that you will pay back a loan
 - A strong credit history enables you to obtain a credit card, home and auto loans and many other valuable credit services, and can affect the amount that you pay for those services
- ▶ Reports are also used in other non-lending situations – employment, apartment rental, cell phones, utilities, etc.



Give me a little credit



Credit
It is a privilege you earn

The choice is yours





What is credit?



- Obtaining goods or services and paying for them at a later date under agreed upon terms
- Credit cards, mortgages and car loans
- Service contracts: cable television, telephone, utility service
- Financial trustworthiness



The three national credit reporting companies



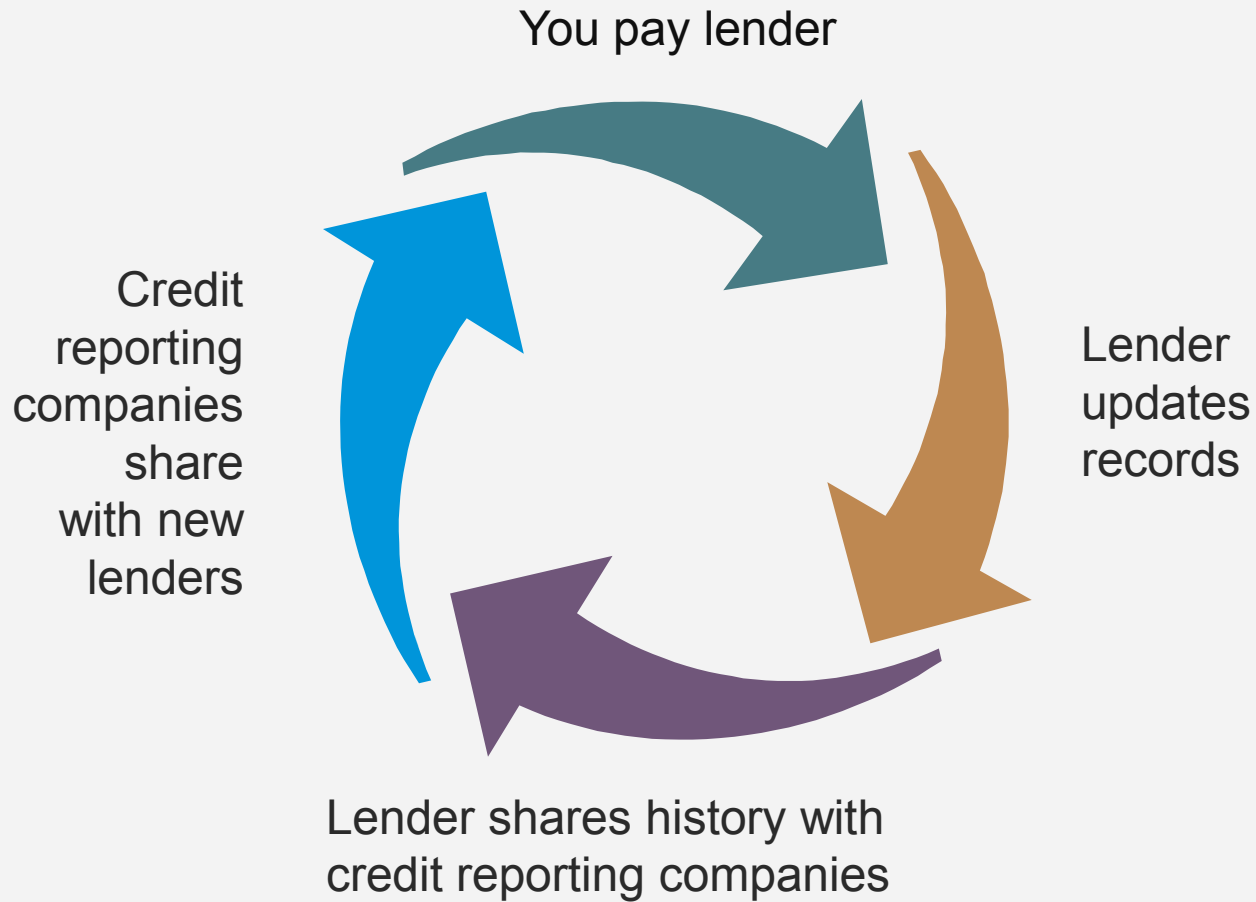
EQUIFAX



- Credit reporting companies serve consumers and businesses by making possible:
 - ▶ Instant credit
 - ▶ Lower-cost credit
 - ▶ Nationwide credit
 - ▶ Widespread availability
 - ▶ Account management



The credit cycle





Credit reporting companies are like libraries

Credit reporting company clients check out information ...



... If they have a permissible purpose under the law



Defining credit reports and their importance



- What is a credit report?
 - ▶ Your personal credit report includes a record of your financial accounts and obligations and the identification information associated with them
 - ▶ This report is sometimes called a credit file or a credit history
 - ▶ Credit reporting companies collect and organize data about your credit history from your creditor's and public records



Defining credit reports and their importance



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The Fair Credit Reporting Act

Permissible purposes

- Open or manage credit accounts
- Offers of credit
- Employment purposes
- Underwrite insurance
- A business transaction initiated by the consumer
- Court order or federal jury subpoena
- Valuation of risk of an investor
- Eligibility for government license
- Disclosure to consumer





The players in the credit cycle





What's in a credit report?



- Identifying information
- Account information
- Public record information
- Inquiries
- Dispute instructions



Initiating a dispute

- Must get report directly from Experian
 - ▶ Toll-free number on report gives you access to customer service
 - ▶ Report number identifies you and your record
 - ▶ You and customer service representative will be looking at the same information in the same order
- Can dispute online, by telephone or by mail
- Dispute must be specific





Processing a dispute

- Credit reporting company verifies with the source of the information (creditor or court)
- Must allow up to 30 days for processing
- Source verifies, corrects or updates
- Secure electronic mail system is used
- Creditors required to report corrections to all databases
- Consumer can add statement of dispute if issue is not resolved with source





Information comes from you

Information you provide in an application for credit, housing, or insurance is reported to credit reporting companies

APPLICANT INFORMATION A married applicant may apply for a separate account **PLEASE PRINT IN BLACK INK**

Your First Name Christina Middle Initial LOU Last Name LEWIS Social Security Number 1508-7-514

Street Address 5 Holly Way None

Years in Home 1 Number of Dependent Children 0 Home Phone With Area Code None Business None Monthly Rent/Mortgage 3-17-64

Do You Own Rent Own Mobile Home Live With Parents Other

Monthly Income - Total All Sources None Employer None Years on Job None Occupation None

*You need not furnish alimony, child support, or separate maintenance income information if you do not want us to consider it in evaluating your application. Include co-applicant income if applicable.

CREDIT INFORMATION

Checking/Savings Checking Savings Bank Loan MasterCard/Visa Discover AMEX/Others Department Store Other

CO-APPLICANT - Also Responsible for Account **AUTHORIZED BUYER** - Allow Person to Purchase on Account Spouse: Yes No

Name (First, Middle Initial, Last) None Occupation None Business Phone With Area Code None Years on Job None

If I do not qualify for a JCPenney Credit Account, please consider this as an application for a Starter Account offered through JCPenney Card Bank, NA.

Signature Christina Lewis Date 3-27-11 Co-Applicant Signature None Date of Birth (Co-App) None

CREDIT INSURANCE ENROLLMENT AREA

YES I wish to protect my JCPenney Account with Credit Insurance for the cost as described on the enclosed insert. I understand the insurance is not required. **APPLICANT (SIGN TO ENROLL)** Date of Birth None

NO I waive my right to enroll for Credit Insurance at this time. **SPOUSE'S NAME** None Date of Birth None

In signing this enrollment form, I authorize J.C. Penney Company, Inc. to reimburse to J.C. Penney Life Insurance Company and J.C. Penney Casualty Insurance Company amounts equal to the premiums becoming due under the policy applied for and full such amounts with my JCPenney Credit Account. I agree to pay such amounts when billed.

For Store Use: Account Number 369 Associate Number 0607-2



How long is information kept on a report?



Open accounts in good standing	Indefinitely
Closed accounts in good standing	10 years
Late or missed payments	7 years
Collection accounts	7 years
Civil judgments	7 years
Chapter 7 bankruptcy	10 years
Chapter 13 bankruptcy	7 years
Unpaid tax liens	10 years
Paid tax liens	7 years
Credit inquiries	2 years



What's NOT in a credit report?



- Credit reporting companies do not store:
 - ▶ Criminal background
 - ▶ Medical information
 - ▶ Buying habits / transaction data
 - ▶ Bank account information
 - ▶ Credit scores



Common myths about credit reporting

**When paid,
the bad debt
will go away**

**The credit
reporting
company
denied me
credit**

**I'm not
responsible for
those charges
on our account**

**A divorce
decree
separates
joint accounts**

**Consumers must
give their
permission for a
report to be issued**

**Requesting your
own report and
preapproved
offers harm
your credit history**

**There is only
one credit score
and it is on
every report**



What is a credit score?

- Used instead of a manual “score sheet”
- Valuable risk management tool
- Many different models, with many different scales available from many different sources
- Credit reporting companies often apply the model selected by the creditor when delivering the credit report; however, the credit scoring model, or formula, is proprietary to the developer and is not known by the credit reporting company





Risk factors are the key

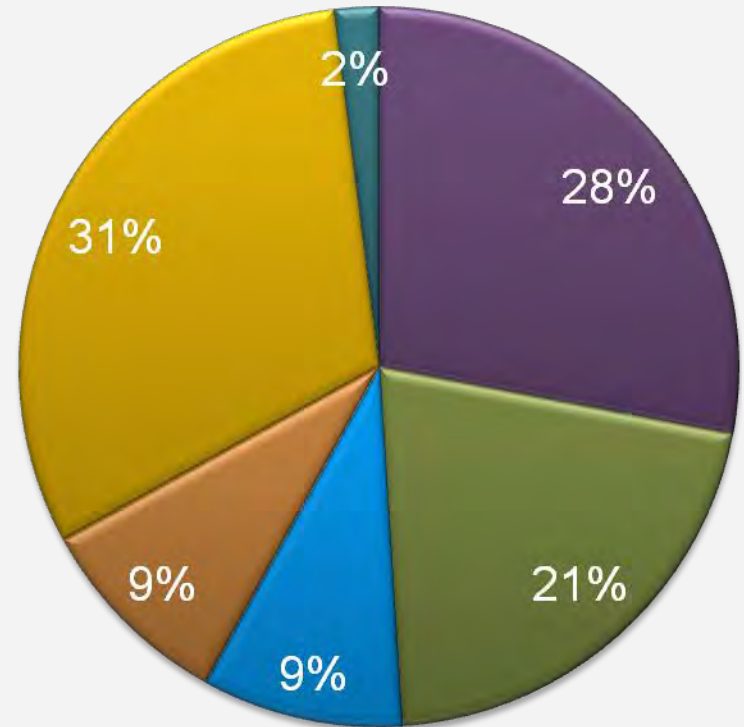


- Generated when a risk score is calculated
- Tell the consumer what to address in their credit history to become more creditworthy
- Are largely consistent from model to model
- Are usually included in or described in an adverse action notice
- Experian provides risk factors to consumers with the scores it provides through its direct-to-consumer services



Vantage Score

- **Payment History**
Repayment behavior (satisfactory, delinquency, derogatory)
- **Utilization**
Percentage of credit amount used/owed on accounts
- **Balances**
Amount of recently reported balances (current and delinquent)
- **Depth of Credit**
Length of credit history and types of credit
- **Recent Credit**
Number of recently opened credit accounts and credit inquiries and other recent account activity
- **Available Credit**
Amount of credit available





The Scale:

A:	<u>900 – 990</u>	Super prime
B:	<u>800 – 899</u>	Prime plus
C:	<u>700 – 799</u>	Prime
D:	<u>600 – 699</u>	Non-prime
F:	<u>501 – 599</u>	High risk



Ten rules for managing credit



1. Establish a credit report
2. Always pay as agreed
3. Get a credit card
4. Use caution in closing accounts
5. Apply for credit judiciously
6. Time is key
7. Demonstrate stability
8. Have a plan
9. Put credit to work for you
10. Share your knowledge



Centralized source for free reports

www.annualcreditreport.com



- One every twelve months
- Single contact point
 - ▶ Telephone – 877 322 8228
 - ▶ Mail
 - ▶ Internet
- Fee for credit score disclosure



Resources

- **Free annual FACT Act credit report**
 - www.AnnualCreditReport.com
 - Access to free report from each of the three credit reporting companies
- **Experian**
 - www.Experian.com/crediteducation
 - Ask Experian advice column, sample consumer report, frequently asked questions
 - www.LiveCreditSmart.com
 - Credit trends and information to inspire consumers to use credit wisely
 - **Experian Credit Educator: 877-901-6909**
 - Personalized review and guidance about your credit report and score by an Experian professional for a nominal fee.
 - ProtectMyID.com
 - For fee service that monitors credit report and other sources to provide early alert to identity theft and services to aid in rapid recovery
 - www.FreeCreditScore.com
 - For fee subscription to credit monitoring and unlimited Experian credit reports and scores
 - www.LowerMyBills.com
 - Free online service for consumers to compare low rates on monthly bills and reduce the cost of living
 - www.PriceGrabber.com
 - Free online comparison shopping service to help consumers find lowest prices for goods and services
 - www.ClassesUSA.com
 - Free assistance in locating college education resources
 - www.AutoCheck.com
 - For fee vehicle history reports to help consumers make good pre-owned auto purchasing decisions

- Education partners
 - www.lifesmarts.org
 - www.jumpstart.org





Credit is a privilege and a convenience
Debt is an investment

The choice is yours





Credit reporting and identity theft



The role of credit reports in new account fraud

- Credit reports are accessed only when the identity thief uses stolen identifying information to apply for credit
- Credit reporting can help you discover and recover from new account credit fraud
- Credit reporting often prevents new account fraud by helping lenders identify fraudulent applications





Experian's fraud prevention tools

- Lenders utilize a number of tools from Experian to identify and stop fraudulent applications:
 - ▶ Authentication Services
 - ▶ Fraud ShieldSM
 - ▶ Precise IDSM
 - ▶ HunterSM





How can you discover new account fraud?

- Credit reports
- Calls from unknown creditors or collection agencies
- Get your credit report annually
- Subscribe to a credit monitoring service





Take immediate action

Four key steps



Notify law enforcement



Make an online report with the Federal Trade Commission at www.consumer.gov/idtheft



Contact credit reporting companies



Contact sources reporting fraudulent information



Do you think you may be a victim?

- Contact any one of three credit reporting companies online or through automated telephone system
- Request an initial security alert
 - ▶ Asks lender to take additional precautions before granting credit
 - ▶ Can include an unverified telephone number
 - ▶ Automatically deleted after 90 days





Do you think you may be a victim?

- Consumer is automatically opted-out of preapproved credit offer lists for six months
- Free credit report is available to the consumer
- Fraud recovery and assistance information is provided
- Request for the alert is shared with the other national credit reporting companies





Found evidence of fraud in your credit report?

Next steps



- Consumer initiates investigation through Experian with the information source
- Consumer reporting company provides source contact information
 - ▶ Consumer should contact source directly as well
 - ▶ Source may require completion of fraud affidavit or other documentation as part of investigation



Next step

Add a seven-year victim statement

- Extended fraud victim statement can be added
 - ▶ Consumer must provide identity theft report
 - ▶ Asks lenders to call before granting credit
 - ▶ Shared with other national credit reporting companies
 - ▶ Automatically deleted after seven years
- Two additional reports may be requested free of charge within 12 months to monitor for fraudulent activity





Summary

Experian's fraud alerts



- Initial security alert
 - ▶ Reason to believe he or she might be a fraud victim
 - ▶ Alerts creditors that the consumer recently has been victimized
 - ▶ Remains 90 days
- Extended fraud victim alert
 - ▶ Consumer may submit a valid identity theft report and add an extended alert to warn creditors they have been victimized
 - ▶ May include two telephone numbers
 - ▶ Remains seven years



Summary

Experian's fraud alerts



- Active duty alert
 - ▶ New alert for members of the U.S. military who are on active duty
 - ▶ Helps protect them from potential fraud and identity theft
 - ▶ Remains 12 months



Additional fraud victim services

Security freezes



- Consumers may place a security freeze on their credit report
 - ▶ A security freeze prevents a consumer's credit information from being accessed unless they have an existing relationship with the business
 - ▶ Consumers must plan ahead before applying for new credit or services if their credit file is frozen



How do you freeze your credit file?

- Consumers must request a security freeze from each credit reporting agency separately
- Process for placing a freeze varies by state and for each credit reporting company
- In general, freezes can be placed with Experian by:
 - ▶ Accessing www.experian.com/freeze
 - ▶ Writing to Experian and submitting all of the required identification information
- Certain state laws contain legislation calling for special requirements such as toll free numbers, freezes for minors, overnight mail and expedited processing times



How do you remove a freeze?

- Process for removing a freeze varies by state and for each credit reporting company
- Consumers must use PIN provided by the credit reporting agency to temporarily or permanently remove a freeze before applying for new credit
- In general, freezes can be temporarily or permanently removed with Experian by:
 - ▶ Accessing www.experian.com/freeze
 - ▶ Calling 1 888 EXPERIAN
 - ▶ Writing to Experian and submitting all of the required identification information
 - ▶ Freezes can be temporarily removed for a certain time frame or to be accessed only by a specified creditor



How much does it cost to freeze my file?

- Freeze laws vary by state in terms of fees, age allowances and methods of placement and removal
- Residents of states without file freezing legislation can place or remove a freeze on their file for a \$10 fee
- Security freezes are provided at no charge to fraud victims
- Prices for placing or removing a freeze vary by state for non-victims





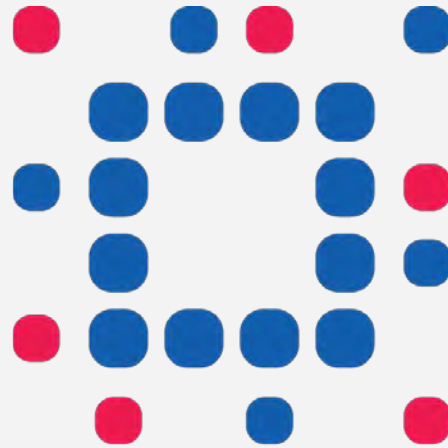
The battle cannot be won in isolation

- Partnership is the key to stopping identity theft:
 - ▶ National credit reporting agencies
 - ▶ Credit grantors
 - ▶ Data providers
 - ▶ Law enforcement
 - ▶ Government agencies





Questions?



ExperianSM

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