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How To Set Up Fraud Alert On Your Credit File

There's good news for anyone who is worried that their financial information has fallen into the wrong hands. Consumers now have a new tool at their disposal: they can place a "Fraud Alert" on their credit file.

Fraud Alerts help prevent anyone from opening new accounts in your name. They act as a red flag on your credit report, visible only when businesses access your file to possibly extend your credit. To place an alert on your account, call one of the three credit reporting agencies and ask them to flag your credit file for fraud. Within 24 hours, an alert will be attached to your credit file and your name will be removed from pre-approved credit and insurance applications for two years.

Types of Fraud Alerts

1. An **"Initial Alert"** will be active on your credit report for 90 days. Use this if someone has gained access to personal information that could be used to open accounts in your name, such as your Social Security number, or your date of birth. Once an initial alert is in place, potential creditors will need to verify your identification prior to extending credit, so you should provide them with a phone number where you can be easily reached. The alert will help to ensure that you are the only one opening accounts in your name.
2. An **"Extended Alert"** is recommended if your identity has been stolen. With an extended alert, your credit file will remain guarded for seven years. In addition, your name will be removed from lists marketing prescreened credit offers for five years. Members of the military on active duty are eligible for "Military Fraud Alert." This alert allows members of the military to prevent anyone from opening accounts in their name while they are overseas.

Helpful Hints

- Experian, Equifax, and Trans Union (the three credit-reporting agencies) share data, so after calling one company, the other two will be notified.
- If you need to apply for a loan during the period that your credit file is on alert, notify your lender.
- To remove a fraud alert, you will need to send requests in writing to one of the three credit-reporting agencies.

Equifax: www.equifax.com
1-888-766-0008

Experian: www.experian.com
1-888-397-3742

TransUnion: www.transunion.com
1-800-680-7289

Source: American Bankers Association/Financial Education Corporation