

Credit Security Freezes Part 1 (‘It’s the Thaw That Counts’)

“Life was a lot simpler when what we honored was father and mother rather than all major credit cards.”

-- Robert Orben, U.S. magician and comedy writer

Starting January 1, 2008, a new “credit security freeze” law is in effect in Tennessee.

Q. What is a “credit security freeze”?

It means that you have requested for your credit files to be secured so that they cannot be seen by potential creditors – until you give permission.

Q. How do I place a security freeze?

Beginning January 1, 2008, send each of the three nationwide credit reporting agencies (CRA’s) a letter by certified mail with:

- Your full name, date of birth, and addresses for the past 5 years;
- Proof of current address, such as a utility bill;
- A photocopy of a government-issued ID card; and
- Payment of up to \$7.50 by check, money order, or credit card.

There is no fee for victims of identity theft who provide a copy of a police report or official document showing the identity theft.

Write to all three:

Equifax Security Freeze
P.O. Box 105788
Atlanta, GA 30348

Experian Security Freeze
P.O. Box 9554
Allen, TX 75013

TransUnion Security Freeze
P.O. Box 6790
Fullerton, CA 92834-6790

Q. When does a security freeze take effect?

The freeze takes effect within 3 business days after the CRA gets your letter. After 10 business days, you will be sent a confirmation letter with a PIN or password.

NOTE: Beginning January 31, 2009, CRA’s must provide an electronic method to request a security freeze.

Q. Can I open new credit accounts if my files are frozen?

Yes. Tennessee residents can request temporary thaws for free. To lift the freeze, you must first:

- Contact each CRA;
- Provide proper identification;
- Provide your PIN or password; and
- Set the temporary time period when your credit report may be viewed.

The freeze must be lifted within 15 minutes if the request is securely received between 6:00 AM and 9:30 PM, seven days per week.

Q. What will a creditor who requests my file see if it is frozen?

A creditor will see a message or a code indicating that the consumer’s file is frozen.

Q. Can I order my own credit reports if my file is frozen?

Yes. They are free at annualcreditreport.com or by calling 1-877-322-8228.

Q. Can an employer do a background check on my credit file?

Yes. The freeze applies only for the purpose of extending credit. Also, existing creditors may view your files.

Q. Is this helpful or harmful to consumers?

A security freeze can help prevent identity theft. If your credit files are frozen, even someone who uses your name and Social Security number probably would not be able to obtain credit in your name.

With a freeze in place, it would take longer to “sign up on the spot” for a department store credit card. This is because consumers would have to first request a temporary thaw of their security freezes.

Bottom line: Guarding against identity theft, plus letting consumers choose to be more thoughtful before loading up on more personal debt, is not a bad thing.

by Jim Hawkins, Managing Attorney, Gallatin office, Legal Aid Society

Note: This column is not intended to take the place of legal advice. All cases are different and need individual attention. Consult with a private attorney of your choice to review the facts and law specific to your case.

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