

Consumer Credit Reports

NC LINKS Policy

Federal law (42 U.S.C. 675(5)(I)) requires that each young person in foster care under the responsibility of the State that has attained 14 years of age or older receives, without cost, a copy of any consumer credit report every year until they are discharged from foster care.

County child welfare agencies must:

- Provide a copy of the young person’s credit report from each of the three Credit Reporting Agencies (Equifax, Experian, and TransUnion) once a year;
 - Agencies can utilize <https://www.annualcreditreport.com/index.action> for free annual credit checks for all three credit reporting agencies.
- Review the young person’s credit report with them and document the conversation inf the case record; and,
- Assist in resolving any inaccuracies within the report, as needed.

Consumer Credit Reports

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

Nationwide Credit Reporting Agencies (CRAs) are private companies that sell the information in credit reports to creditors, insurers, employers, and other businesses that use it to evaluate a person’s applications for credit, insurance, employment, or renting a home.

Credit Reporting Agencies

| | Equifax | Experian | TransUnion |
|-----------------|--|---|--|
| Protocol | Each agency responsible for case management for youth in foster care must have their own agreement with Equifax to run credit checks on behalf of these youth. | Each agency responsible for case management for youth in foster care must have their own agreement with Experian to run credit checks on behalf of these youth. | Each agency responsible for case management for youth in foster care must have their own agreement with TransUnion to run credit checks on behalf of these youth. |
| Contact | To obtain agreement information from Equifax, email dedicatedsupport@equifax.com or call 1-888-279-8852 | To obtain agreement information from Experian, email publicsectorsupport@experian.com | To obtain agreement information from TransUnion, email agency name, mailing address, and point of contact name to fostercare@transunion.com . |

Steps to Clearing a Youth or Young Adults Credit Report

1. Check with your agency for the name and contact information of your designated point of contact at the credit reporting agency and what the specific dispute process is for that company.
2. To dispute an item on a young person's credit report that is incorrect, the credit reporting agency may require the following documents:
 - a. A cover letter addressed to the credit reporting agency containing:
 - The personal identification information of the youth
 - A brief summary of the dispute, including an explanation of the error and, if the error pertains to an account in the name of the youth (such as a cell phone), any documentation of the error (such as a bill or receipt that provides evidence of payment)
 - Contact information for the person at the county child welfare agency where results should be sent
 - b. You may be asked to provide supporting documents such as:
 - A copy of the court order authorizing the agency to act on behalf of the youth
 - A certified copy of the youth's birth certificate
 - The Federal Trade Commission's (FTC) Uniform Minor Status Declaration form
 - Check with your agency or the credit reporting company to verify which documents are required
 - Ensure error has been removed by requesting confirmation from the credit reporting company or pulling a new credit report for the youth
3. If you suspect that the youth has been or will be a victim of identity theft, for example, an account or loan has been opened in the youth's name – you can request that the credit reporting company place a one-year fraud alert on the youth's file. Fraud alerts require creditors to verify the identity before granting credit, making it harder for a thief to open fraudulent new accounts.
4. You can also request a seven-year fraud alert if you submit an identity theft report to demonstrate that an identity theft has occurred.
5. You can also request a security freeze, also known as a credit freeze, which stops creditors from getting a credit report until the freeze is lifted.

Fraud Alerts and Credit Freezes

| What it is | What it does | How to get it | What it costs | How long it lasts |
|------------|--------------|---------------|---------------|-------------------|
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LINKS Resource Guide: Consumer Credit Reports

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|-------------------------------------|--|---|------|---------------------------------------|
| Initial fraud alert | Requires creditors to verify identity before granting credit and makes it harder for a thief to open fraudulent new accounts | Contact one credit reporting company. It will share your request with the other two companies | Free | 1 year |
| Extended fraud alert | Requires creditors to verify identity before granting credit and makes it harder for a thief to open fraudulent new accounts | Contact one credit reporting company. It will share your request with the other two companies | Free | 7 years |
| Security freeze (aka credit freeze) | Stops creditors from getting your credit report unless you lift the freeze | Contact each credit reporting company | Free | Remains until removed by the consumer |

Building Blocks of Youth Financial Capability

- **Executive Function:** The ability to plan ahead, remember information, multitask, solve problems, and control impulses. To foster the development of executive function, allow young people to practice patience, planning, problem-solving and other foundational skills and cognitive processes
- **Financial Habits and Norms:** The values, standards, routine practices, and rules to live by that are used to navigate daily financial activities. To foster the development of financial habits and norms allow youth to draw meaning and connection from hands-on and real-world scenarios and experiences and apply them to their own set of practices.
- **Financial Knowledge and Decision-Making Skills:** This includes familiarity with financial concepts and competency in research and analysis. To foster financial knowledge and decision-making help youth evaluate financial information and recognize when they should seek out more information before making financial decisions.

For more, visit this link to the [Consumer Financial Protection Bureau's website on the building blocks of financial capability](#).

Relevant Federal Statutes

42 U.S.C. 675(5)(I) states “each child in foster care under the responsibility of the state who has attained 14 years of age receives, without cost, a copy of any consumer credit report (as defined in section 603(d) of the Fair Credit Reporting Act) pertaining to the child each year until the child is discharged from care, receives assistance (including, when feasible, from a court-appointed advocate for the child) in interpreting and resolving any inaccuracies in the report”.

Additional Reading & Resources

Consumer Financial Protection Bureau – www.consumerfinance.gov

- [Your Money, Your Goals](#) – A set of financial empowerment materials for organizations that help people meet their financial goals by increasing their knowledge, skills, and resources.
- [Booklets](#) – These colorful, compact booklets can help you talk with people about money topics that are important to them. Each booklet contains simplified tools from the Your Money, Your Goals toolkit all focused on common financial stressors like debt, being behind on bills, savings, and credit.

[Consumer.gov](#) – This website can help youth manage their money, understand credit, identify scams, and prevent theft.

[MyMoney.gov](#) – This website contains financial education resources for young people, caregivers, and educators. It is organized around the My Money Five principles: spend, earn, save and invest, protect, and borrow.

[Money Smart for Young People](#) – The Federal Deposit Insurance Corporation (FDIC) offers Money Smart, a financial education curriculum designed to teach basic financial topics to people with low and moderate levels of income. Tools are available for different age groups and in nine languages.

[Quick Tips for Managing Your Money \(from the FDIC\)](#) – This web page provides strategies and practical guidance to help young adults and teenagers with borrowing, saving, banking, and avoiding scams.

<https://www.fostercreditcheck.org/> – Foster Credit Check is a great resource to help navigate the federal credit check mandate for youth in foster care. They support youth and young adults in understanding their credit and teach them how to reconcile discrepancies on their credit reports.