

2021

# Protect Your Finances and Credit

GOLD

HOW YOU SHOULD BE DOING IT  
CLARK O. MERCER

## CREDIT BUREAUS

Everyone should have their credit frozen with all three credit bureaus. Period. It's called a security or credit freeze, it's easy, fast, and free. Contrast that with repairing your credit which is very difficult and costly. As Clark Howard says, "Freezing your credit with all three major credit bureaus is the single most important thing you can do to protect yourself against identity theft and stop criminals from opening lines of credit in your name".

You must contact each bureau individually to freeze your credit, but for each bureau, the steps are very similar. The easiest way is to do so online, but calling can be convenient too. I've listed those websites and phone numbers below.

BUREAU	ONLINE	BY PHONE
Experian	<a href="https://www.experian.com/freeze/center.html">https://www.experian.com/freeze/center.html</a>	888-397-3742
Transunion	<a href="https://www.transunion.com/credit-freeze">https://www.transunion.com/credit-freeze</a>	888-909-8872
Equifax	<a href="https://www.equifax.com/personal/credit-report-services/credit-freeze">https://www.equifax.com/personal/credit-report-services/credit-freeze</a>	888-298-0045 or 800-349-9960

## MY EXPERIENCE AND OPINION

Years ago I was a victim in these three high profile data breaches.

- 2013 Target: 70 million records stolen
- 2014 Home Depot: 56 million cards stolen
- 2015 U.S. OPM: 21 million Federal employee's private information stolen

At that point I decided to do something about protecting my identity and credit. Identity and credit are different, but they are closely intertwined. Of course you can incessantly monitor your credit, but that is reactionary, and the wrong approach. Freezing your credit is proactive and superior. Note: a freeze is different than a lock - a lock may cost money and is not often needed. I have had my credit, and my wife's credit frozen with the three credit bureaus since 2015. That was six years ago at the time of this writing. Since then we've been safer, and we've never regretted it. I now believe this should be - and eventually will be - everyone's default credit posture.

Data breaches, and stolen personal information are now common place, and it's getting worse. Whether you know it or not, leaked Personally Identifiable Information (PII), can be used to steal your identity and credit. Below are just a few recent data beaches. If nothing else, this should convince you that virtually everyone will continue to have their information exposed.

- 2012 LinkedIn: 165 million user accounts compromised including 117 million passwords
- 2013 Experian credit bureau: 200 million personal records exposed
- 2017 Equifax credit bureau: 148 million peoples personal data compromised
- 2019 Facebook: 533 million users data exposed
- 2021 LinkedIn: 700 million users data stolen <sup>1</sup>

## HOW YOU SHOULD BE DOING IT

Freeze your credit with all three credit bureaus. On rare occasion when your credit needs to be pulled, do the following:

1. If possible, find out which bureau will be used for the pull / inquiry
2. Temporarily thaw your credit with that bureau for predetermined dates

Occasions for your credit to be pulled are rare. Everyone is different, but in the six years mine has been frozen, I've had to temporarily thaw it three times. In 2015 there was a small cost for a thaw depending on which state you lived in (\$10 in Utah). However, on Sep 21<sup>st</sup>, 2018 federal law made freezing/unfreezing (thawing) free.<sup>2</sup> When I temporarily thawed mine again in 2018, I noticed it was free. When your credit is frozen, thawing it is a required step before someone can pull your credit. Below are some examples of the most common of those events.

1. Obtaining a loan (e.g. to buy a house or a car)
2. Opening a bank account
3. Switching cellular providers (e.g. change from AT&T to T-Mobile)

You typically do not need to thaw your credit to do things like apply for a job, rent an apartment, or buy insurance<sup>3</sup>, and frozen credit does not affect your credit score. When I thawed my credit, it was effective in about 15 minutes. According to the Federal Trade Commission, the three major credit bureaus are required to thaw it (lift a freeze) within one hour if the request is made online or by phone.<sup>2</sup> There are various articles online about credit freezing and thawing, the pros and cons, and the questions and answers. I've referenced some at the bottom of this paper. After having my credit frozen for years now, it is my solid opinion that everyone should freeze their credit.

When you initially freeze your credit, each bureau will give you a secret PIN. Keep that in safe, secure, and convenient locations. For example you might print it to keep in your fire safe, and also keep a copy in your online password safe like [Bitwarden](#) or OneDrive for convenience. You will need that PIN for temporary thaw or to lift the freeze, so it's important it's in a safe place, and you don't lose it. Most times you will know beforehand that you will need your credit pulled, so you can schedule a temporary thaw window in advance. You can choose the start date and duration of the thaw, and it automatically freezes again once that time period expires. Freezing your credit today is easier and more convenient than when I did it in 2015. Freeze yours today and be safer tomorrow.

## CITATIONS AND FURTHER INFORMATION

1. The 57 Biggest Data Breaches (Updated for 2021)  
<https://upguard.com/blog/biggest-data-breaches>
2. Free credit freezes are here  
<https://consumer.ftc.gov/blog/2018/09/free-credit-freezes-are-here>
3. What To Know About Credit Freezes  
<https://consumer.ftc.gov/articles/what-know-about-credit-freezes-and-fraud-alerts>
4. How to Freeze Your Credit  
<https://clark.com/credit/credit-freeze-and-thaw-guide>  
<https://nerdwallet.com/article/finance/how-to-freeze-credit>
5. How to Freeze Your Child's Credit  
<https://clark.com/protect-your-identity/credit-freeze-for-child>