



## Identity Theft — Is Your Child a Victim?

As adults, we are told to protect our identity and monitor our credit report for identity theft, but have you ever considered that your child might be a target as well? According to the Federal Trade Commission, child identity theft is on the rise.

A 2012 Child Identity Fraud Survey Report conducted by Javelin Strategy & Research found that one in 40 households surveyed had at least one child whose personal information, typically their social security number, had been compromised.

Children are attractive targets, because their credit history is a clean slate, and stealing their identity can go undetected for years. Since most parents aren't aware that this can be an issue, it may not be discovered until the child is older and applies for a job, car loan, or financial aid.

If you are a parent, here are a few tips to help safeguard your children's identity and credit history:

- **Give out your child's social security number only when necessary.** There are times when you will need to give out the full social security number, such as during school enrollment. However, there are also times when it may be asked for, but isn't really a requirement. In these cases, giving the last four digits should suffice.
- **Teach children to be conscious about what they share on the internet.** Identity thieves often scan social networking sites for information such as dates of birth and addresses. Also, discuss with your child basic computer security, such as the importance of keeping their passwords private and avoiding downloading material from unfamiliar sources.
- **Inspect mail addressed to your child.** Junk mail, such as preapproved credit card offers, could be a red flag that their identity has been compromised.
- **Keep all personal records in a safe place.** If you are discarding documents that contain your child's personal information, be sure to shred them before throwing them away.



- **Consider using credit monitoring and ID theft protection for your family.** For a nominal fee, companies such as Equifax can monitor your family's credit history and notify you if there have been any key changes.

If you suspect your child's identity has been stolen, check to see if they have a credit history. If they are under the age of 18, and do have a credit report, there is a good chance their identity has already been compromised.

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If your child is a victim of identity theft, here are some steps you can take to repair the damage:

- Contact each of the credit reporting companies: Equifax, Experian and Transunion.
  - Place a fraud alert on your child's credit report. You only need to contact one of the credit reporting companies to do so – they will contact the other two.
  - File a report with the Federal Trade Commission (FTC) online or call 877-438-4338. If the fraud relates to medical services or taxes, you might need to file a police report, too.
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## Five Fast Facts: Helping Your Credit Score

Here are five things you can do to build up your credit score:

1. **Pay your bills on time.**
2. **Use less than 30 percent of your total available credit.** An example would be if you have \$1,000 of available credit on your credit card, you should never have a balance more than \$300.
3. **Don't open too many lines of credit.** Having several open lines of credit, even if not all of them are in use, will raise red flags from potential lenders.
4. **Maintain a good balance of credit.** This includes installment loans, like a car loan, in addition to credit cards.
5. **Check your credit report regularly.** Checking once every 3 months should ensure that accurate information is being reported. Log on to [www.annualcreditreport.com](http://www.annualcreditreport.com) to download your free reports (one free from each of the 3 credit reporting bureaus each year).

For more information on credit reports and credit scores, visit Accel's online Resource Center at <http://www.accelservices.org/members/resources/resource-center.htm>.

## What do credit union members think about Accel?

Credit union members have the opportunity to let us know the most important benefit they received from completing a financial assessment with an Accel counselor. Here are comments from two members who recently spoke with an Accel counselor:

*"I am grateful that the counselor took time and showed his interest in my situation. I have wanted to reestablish my credit for a long time. Shawn took hours with me to go over, in depth, information regarding my home, finances and lifestyle to accomplish this task. Thank you!"*

*"Everything was courteously and professionally explained in detail. I should have heard of your company years ago!"*

As a member of First Energy Family Credit Union, you can take advantage of the *Accel* program, a **free** financial education and counseling program. To use this service, simply call 1-877-33ACCEL (332-2235) or visit them on the web at [www.accelservices.org](http://www.accelservices.org).

## Reverse Mortgage Rules Change

New York Times columnist Tara Siegel Bernard recently wrote a feature on the changing rules for obtaining a reverse mortgage ("Tighter Rules Will Make It Harder to Get a Reverse Mortgage" – September 7, 2013). Here are some highlights:

- Many borrowers will be able to access less of the value locked in their home – about 15 percent less, on average, than the previous maximum amount available.
- Starting in 2014, borrowers will need to prove that they have the resources to pay property taxes and insurance over the life of the loan. (If they cannot, they will have to set that money aside.)
- Also, starting in 2014, lenders will determine eligibility by analyzing all applicant income sources to determine how much money is left over after paying typical living expenses, as well as reviewing credit history.
- There will be a limit on the amount of money that can be withdrawn in the first year – 60 percent of the eligible sum or the sum of the mandatory obligations plus ten percent, whichever is greater.

"A reverse mortgage can help some homeowners," said Nick DeMeester, Accel housing manager. "While there will be more paperwork involved in the process going forward, our housing counselors can help you sort out the new rules and regulations." If you have questions about reverse mortgages or housing questions in general, Accel offers counseling, free of charge, at (877) 332-2235.

