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MONEY TALK

Credit Freezes Mostly Aid Those at High Risk of Identity Theft

Liz Pulliam Weston
Money Talk

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Question: How advisable is it for people to have credit-check freezes with the credit reporting companies? What hassle and expense is involved? If you sign up for a credit freeze with one credit bureau, are you signed up with all of them?

Answer: Several states allow residents to lock up or "freeze" their credit reports, preventing anyone — including themselves — from using their credit histories to establish credit. Residents who opt for such a freeze are issued a password that allows them to unlock the report when they want to apply for credit.

Credit freezes can be a terrific tool for identity theft victims and those at high risk, such as people whose personal information has been exposed to criminals in a database breach. Freezes are much more effective than previous measures, such as fraud alerts, that sometimes are ignored by lenders.

The benefit for people who aren't at high risk of identity theft, though, is less clear.

Some states that offer credit freezes limit them to identity theft victims. That includes Illinois, Texas, Vermont and Washington (although Washington expands the definition to include those who have been notified of a database breach).

In states that allow any consumer to participate — including California, Colorado, Connecticut, Louisiana, Maine and Nevada — the fee typically ranges from \$10 to \$15 per bureau, and the consumer must write to each bureau to request the freeze.

Once the freeze is in place, you can say goodbye to getting quick credit. If you try to apply at a merchant's cash register for one of those instant 10%-off credit card offers, for example, you'll be turned down because the merchant can't access your report.

Your current creditors, though, will still have access to your reports. So if you miss a payment on one card, your other card issuers can still learn about it and raise your interest rates.

If you want to lift the freeze, you must notify the bureaus and pay a fee of \$8 to \$15 per bureau. In

California, for example, such a lift costs \$10 per bureau if you want to open up your credit history temporarily, or \$30 total. If you want to limit access to one creditor, the cost is \$12 per bureau, or \$36 total. The credit bureaus have three days from the time they receive your request to lift the freeze.

For some people, the hassle and expense is a small price to pay for peace of mind. For most others, though, a credit freeze is probably overkill.

Also, as discussed in a previous column, credit freezes don't necessarily eliminate "preapproved" offers of credit that you get in your mailbox daily. If you want to cut down on those, you can sign up with the bureaus' opt-out service for free at (888) 5 OPT OUT. You'll need to key in your Social Security number and other identifying information to opt out.

Liz Pulliam Weston is the author of the books "Your Credit Score" and "Deal With Your Debt," both published by Prentice Hall. She regrets that she cannot respond personally to inquiries, but questions for possible inclusion in her column may be sent to 3940 Laurel Canyon Blvd., No. 238, Studio City, CA 91604, or via the "Contact Liz" form at <http://www.lizweston.com> . Distributed by No

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