

Credit Reports

The Department of Children and Families shall provide free consumer credit report to each youth in out-of-home placement who is 14 years of age or older, at least once each year until the youth is transitioned from DCF care. Understanding credit is an important part of financial capability. **For questions on this process please feel free to contact the Transitional Supports and Success Division.**

Credit Report Practice and Procedure Guide

Using procedures developed by the DCF Fiscal Services Division (FSD) and the three major consumer credit reporting agencies, the FSD is responsible for securing consumer credit reports for every youth age 14 or over in out-of-home placement on a yearly basis. Youth 18 and over will need to sign a consent for FSD staff to secure consumer credit reports, or the assigned Transitional Specialist can teach the youth how to obtain the report him - or herself by using the free web service "annualcreditreports.com." The credit reports shall be sent to the youth's Transitional Specialist, who shall explain the information and, in conjunction with FSD staff, assist the youth with resolving any inaccuracies. The youth's attorney shall also be provided with a copy by the Transitional Specialist and shall be asked to assist with the interpretation and resolution of issue. Resolution of problems may require the Transitional Specialist to communicate with creditors. The credit reporting agencies may require copies of the youth's birth certificate and the court order of commitment before expunging information. The Transitional Specialist shall make all reasonable efforts to obtain the birth certificate and court order for the FSD staff. Any credit fraud or identity discovered shall be reported to the Office of the Chief State's Attorney. FSD staff will batch all reports that need to be resolved and send them to the Office of the Chief State's Attorney on a monthly basis.

Transitional Specialist Responsibilities

The Transitional Specialist will provide the credit report to the youth and help the youth interpret it. The Transitional Specialist will explain any problems and advise the youth about what will be done to resolve them. The Transitional Specialist shall send a copy of the credit report to the youth's attorney.

Credit Fraud and Identity Theft

In any case in which a youth's identity or credit has been illegally used, the FSD staff will notify the Office of the Chief State's Attorney, using the DCF-778, "Credit Report Letter to State's Attorney," in consultation with the DCF Office of Legal Affairs as needed. On monthly basis, the FSD staff will batch all records where a youth's identity or credit has been illegally used and send them to the Office of The Chief State's Attorney.

What is a Credit Report?

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. There are three nationwide CRAs (TransUnion, Equifax and Experian).

What Information is in a Credit Report?

A credit report contains identifying information, lists of accounts, credit inquiries, items of public record, and positive and negative entries.

Identifying Information - The person's name (including nicknames and abbreviations), addresses (current and past), Social Security number, date of birth and employment information used to identify an individual.

Credit Accounts - The type of accounts (credit card accounts, mortgages or home equity loans, and installment accounts, like car loans), the date the accounts were opened, any credit limits, loan amounts, account balances and payment history. This includes the contact information for the holder of the account.

Credit Inquiries - When a person applies for credit or a loan, the lender may ask for a copy of the borrower's credit report. The credit inquiries section of a credit report will list lenders who have accessed a person's credit report within the last two years.

Public Records and Collections - Information including bankruptcies, foreclosures, lawsuits, wage garnishments, liens and judgments from state and county courts, and overdue debts from collection agencies.

Positive Accounts and Negative Items - Positive information includes the payment of loans and other debts. Negative items include late payments and debt that was charged-off or was sent to a collection agency. Account numbers and addresses for creditors also are listed.

Should Youth in Foster Care Have a Credit Report?

Most youth do not have credit reports. Therefore, if a credit report does exist for a person younger than 18, whether in foster care or not, it may be due to error, fraud or identity theft. The credit reporting agencies will not knowingly disclose credit report information for a minor except to a parent, guardian or custodian of the minor. Therefore, in most cases, a child protection agency requesting a credit report for a youth in care will simply be confirming that no such report exists. However, when a credit report does exist for a youth, it indicates that

there is likely a need to correct information and take action to protect the identity and future credit worthiness of the youth.

What is Identity Theft?

Youth identity theft happens when someone uses a minor's personal information to commit fraud. A thief may steal and use a youth's information to get a job, government benefits, medical care, utilities, car loans or a mortgage. Avoiding, discovering and undoing the damage resulting from the theft of a youth's identity can be a challenge. Adults can monitor their own credit reports every few months to see if someone has misused their information and order a fraud alert or credit freeze on their credit files to stymie further misuse. A thief who steals a youth's information may use it for many years before the crime is discovered. Youth in foster care are particularly vulnerable to identity theft because their personal information is often shared widely among various caregivers, service providers and school. The misuse of the youth's identity may not be discovered until the youth exits the foster care system and applies for a cell phone, job, student loan or apartment. When a youth in foster care is a victim of identity theft, there may be a credit report associated with the youth, but it may contain errors in the identifying information, like the date of birth and address. This is because the thief may use the youth's Social Security number, but his or her own date of birth and address. The child protection agency may have knowledge of different birthdates, Social Security numbers and names used for the youth in foster care and providing this information to the CRAs will help them determine if a credit report does exist for the youth.

Must a Child Protection Agency Contact All Three Credit Reporting Agencies?

Yes. Federal law states that youth who have attained 14 years of age must receive, without cost, a copy of *any* consumer report. Therefore, the agency must have a copy of the credit report, if one exists, from each of the three main CRAs: TransUnion, Equifax and Experian.