

Credit History Repair - Credit Repair Steps And What You Do After Identity Theft

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Imagine the public outcry if 27 million Americans discovered that their most private medical and financial health records had been stolen! No way, impossible. Yet, a single laptop computer containing all of these veterans and active-duty servicemen and women actually "went missing".

The internet, PCs and laptops, cell phones and blackberries, online and offline data storage, and a raft of information technologies are leaving you vulnerable to identity theft and credit card fraud. Bad guys know about the credit bureaus, the banks and other institutions, and even the state governments which actively "sell" the data records to the direct marketing industry. Where's your "privacy" in this unregulated market? You guessed it. It's gone once a bent individual turns his or her attention to your file.

Result? Several million Americans each year eventually discover that they've become victims of identity theft, to the tune of up to \$20 billion or more in fraudulent purchases. The bad guys easily get away, but you're left holding the bag. Even though you didn't make the purchases, and even though you're not legally responsible to reimburse the firms who sold gear to the fraudsters...guess what? You get a bad credit record!

Credit History Repair - First Move Close All Accounts.

Time is of the essence. As soon as you suspect, or know, that you've become a victim of identity theft, you must contact 100% of your creditors and advise them to suspend credit and not authorize any purchases to your account. Who do you call? Department stores, banks, petrol, travel, finance institutions...any firm that issues credit cards to you.

"Victims" Trigger The Credit Repair Process.

Remember, the credit card firms don't know and don't care about your identity theft problem until it rolls up to their front door.

Over 85% of commercial identity theft is reported by victims rather than the credit card issuing firms. Most often victims are unsuspecting. Suddenly huge bills come in, reflecting unknown purchases, or you make a run-of-the-mill credit application and you're turned down inexplicably. Only now does "the penny drop" and you realize that personal data has been stolen and some bad guy is out there impersonating you while racking up thousands of dollars of fraudulent expenses.

Credit Repair - Second Move "Credit Freeze".

In 20 States you can order a "credit freeze" which will lock-down both the credit bureaus as well as any credit-issuing firm from doing anything unless and until they receive your permission. In other words, no new credit cards can be issued by anyone until you authorize it.

Who Opposes Credit Freeze Consumer Anti Fraud Defenses?

Remarkably, the credit bureaus, financial institutions, the identity theft fraudsters and even the US Congress oppose the States' grant of identity theft protection in the form of the consumer-directed credit freeze authority. Why? It's all about business-as-usual where the credit bureaus only make money when they're analyzing or selling a credit history record to a firm considering offering you a credit card. Financial institutions create a business model that's all about issuing more-and-more credit cards, and then earning transaction fees and interest income. Meaning what? Neither of these groups has an "economic incentive" to reduce credit card fraud, even where they're "holding the bag" for liability payments of nearly \$50 billion in 2006.

The US Congress in summer 2006 is considering stripping-down State "credit freeze" laws, making them junior to Federal protections which, incredibly, offer a credit freeze-like protection only for those consumers who can produce a police report verifying that they're victims of identity theft and credit fraud. In other words and in a testament to the upper limits in legislative absurdity, you can't preemptively obtain identity theft protections unless you can prove that you've been burgled.

Credit History Repair - Your Direct Liabilities And Expected Costs.

You'll be lucky to get out of the credit repair process without investing something like 600 hours of your personal time, and it may take you years in order to obtain an honest and true credit history repair. You'll be contacting major credit bureaus like Equifax, Experian or TransUnion which maintain credit records on over 90% of Americans.

Needing Professional Assistance.

You'll likely need a lawyer and an accountant, and you'll pay them professional fees to help you sort out your credit repair. Also, you need the investigative fire power necessary to canvas the entire credit market in order to identify whether other fraudulent credit cards have been issued, using your bank accounts, passwords, mother's maiden name, credit card numbers, address, birth date, or any other personal information. Remarkably, nearly 20% of "reported identity theft" cases turn out to be situations where a family member who has access and detailed knowledge turns bad and rips-off the identity of another family member.

What You May Pay In "Losses".

In many states identity theft victims are limited to the first \$50.00 of transaction losses, leaving the industry's remaining \$50 billion "fraud tab" to be paid for by businesses. Credit history repair is critical following identity theft. Learn what to do, how to contact the major credit bureaus, and the practical avoidance strategies for not becoming a victim of credit card fraud or identity theft.

Identity Theft Prevention Tips: <http://www.wise4living.com/lidtheft/recovery.htm>

Credit Report Repair After Identity Theft: <http://www.wise4living.com/lidtheft/credit-report.htm>

Author Robin Derry is publisher for <http://www.wise4living.com/> a specialty information site that gives solutions to health, household, sport, travel and legal needs.