

**DEPARTMENT OF HUMAN RESOURCES
SOCIAL SERVICES ADMINISTRATION
311 WEST SARATOGA STREET
BALTIMORE, MARYLAND 21201**

DATE: October 1, 2013

POLICY #: SSA # 14-7
(Supersedes and Replaces Policy SSA # 13-7)

TO: Directors, Local Departments of Social Services
Assistant Directors, Services

FROM: Carnitra D. White, Executive Director
Social Services Administration

RE: Identity Theft, Credit Report and Repair for Youth

PROGRAMS AFFECTED: Out-of-Home Placement Services

ORIGINATING OFFICE: Out-of-Home Placement

ACTION REQUIRED OF: All Local Departments

ACTION DUE DATE: October 15, 2013

CONTACT PERSON: Jill Taylor, Program Manager
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PURPOSE:

This policy directive serves as guidance to the Local Departments of Social Services (LDSS) for providing **Identity Theft Prevention, Credit Report Services, and assistance with Credit Repair** for youth age 14 and older committed or under the guardianship of a LDSS. The policy outlines the steps the Department of Human Resources (DHR), Social Services Administration (SSA) will follow with respect to accessing consumer credit reports for youth in Out-of-Home Placement. Additionally, the policy provides instructions to the LDSS as it relates to accessing free consumer credit reports, reviewing credit reports with foster youth, and if necessary, how to correct erroneous information.

This policy directive supersedes and replaces Policy Directive SSA # 13-7.

BACKGROUND:

On October 1, 2011, the “Child and Family Services Improvement and Innovation Act” (Public Law (P.L.) 112-34) added a new section to 42 U.S.C 675(5) (I) with respect to assuring that youth in foster care receive without cost a copy of a consumer credit report annually until discharged from foster care and receive assistance in interpreting and resolving any inaccuracies in the credit report.

What is a Consumer Credit Report?

A consumer credit report is a record of a person’s history of borrowing and repaying debts. This detailed report of financial behavior includes: credit card accounts, identifying information and matters of public record (i.e., liens, bankruptcies, overdue child support, et cetera). There are nationwide Credit Reporting Agencies (CRAs) which function as private companies that sell the information on consumer credit reports to creditors, insurers, employers and other businesses that use it to evaluate a person’s credit worthiness. There are three (3) recognized nationwide CRAs in the United States (Equifax, TransUnion and Experian).

Do Youth in Foster Care have a Consumer Credit Report?

Youth younger than 18 years old are not eligible to enter into a legal contract for credit and therefore should not have a consumer credit report on file. If a credit report does exist for a person younger than 18 years old, it may be due to error, credit fraud or identity theft. The CRAs will not knowingly disclose credit report information for a minor, except to the parent/guardian or custodian of the child. In most cases, when requesting a credit report for a youth younger than 18 years old, DHR/SSA will simply be confirming that such a report does not exist. When a consumer credit report does exist for a youth younger than 18 years old, there is likely a need to correct information and take action to protect the identity and future credit worthiness of the youth.

What is child identity theft?

Child identity theft happens when someone improperly uses a minor’s personal information to apply for credit and loans. Misuse of a child’s identity is often discovered when the youth begins to apply for credit and loans upon turning 18 years of age or thereafter. A consumer credit report is needed to determine whether a youth’s information is being misused. If someone is misusing a youth’s personal information and committing fraud, immediate action is required to rectify the matter.

ACTION:

DHR/SSA will provide the LDSS with consumer credit reports for youth ages 14-17 in Out-of-Home Placement annually. DHR/SSA staff will obtain the appropriate names and information through MD CHESSIE. DHR/SSA will then access the three (3) nationwide CRAs and submit the appropriate demographic information required to process youth's consumer credit reports. The Assistant Director of Services in the LDSS will receive an encrypted email with a copy of the youth's consumer credit report upon availability.

Youth Age 14 to17

Once results are received the LDSS shall:

- Discuss the results of the credit report with each youth, emphasizing the importance of credit in their lives. This conversation should be documented on the youth's transitional plan. For youth younger than 18 years old, they may not legally enter into a contract for credit and therefore no credit history should technically exist.
- There are two (2) major types of credit issues that adversely impact credit, both of which must be resolved to restore credit worthiness – credit fraud and credit error. If fraudulent credit history or credit error exists, these discrepancies must be resolved by the caseworker and youth filing a dispute with the respective CRA within 30 days of receiving the credit report. All CRAs have online forms to dispute credit report information or a letter may be written explaining the credit issue. The caseworker shall include copies of all evidence, court documents or other materials that identify the source of the credit issue(s). If the credit issue(s) cannot be resolved by the caseworker and youth within 6 months in consult with the CRAs, then the matter may be referred by the Assistant Director of the LDSS to the Out-of-Home Placement Unit of SSA for review and assistance.
- To prove that the child is a minor, send the CRAs a copy of the child's birth certificate or other documentation of age, such as a redacted court order, and a letter requesting them to remove all accounts, application inquiries, and collection notices from the credit report associated with the youth's name or personal information. Documentation may also be needed to verify that the youth is in foster care and the agency is authorized to act on the youth's behalf.
- If a consumer credit report was created for the youth as a result of identity theft, consider placing an initial fraud alert on the report. An initial fraud alert requires potential creditors to verify a person's identity before extending credit. To place an initial fraud alert, contact any one of the three CRAs. The company that you call must contact the other two CRAs. All three CRAs will place the initial fraud alert on the report they have for the child.
- If there is a credit report for the child, you can also consider placing a credit freeze. If you place a credit freeze (also known as a security freeze), potential creditors cannot get the child's credit report, which makes it less likely an identity thief can open new accounts
- Document the steps taken in Contact Notes in MD CHESSIE, as well as in the Service Log. Document steps taken in the Maryland Youth Transition Plan "Money Management".

- Maintain a hard copy of the credit reports and letters of dispute in the case file.

Youth Age 18 to 20

LDSS Caseworkers Responsibilities

- Caseworker shall provide computer access and instruction to assist youth 18 years old or older with obtaining his/her consumer credit report by accessing www.annualcreditreport.com during the month of their birthday, and every year thereafter, until he/she ages out of care.
- A youth 18 or older may refuse to obtain his/her consumer credit report and/or refuse to have credit issues corrected. The youth's decision shall be documented on the transitional plan, and in MD CHESSIE contact notes. The youth shall be counseled with respect to the ramifications of these decisions.
- Discuss the results of the consumer credit report check with the youth, emphasizing the importance of credit in their lives; this conversation shall be documented on the youth's transitional plan.
- If fraudulent credit history exists or a credit error is discovered, the caseworker shall assist the youth in contacting the CRA to have the information corrected. It is the caseworkers responsibility to assist the youth in following up and providing documentation if necessary to the CRA. If the credit issue cannot be resolved by the caseworker and youth in consult with the CRAs then the matter may be referred by the Assistant Director for review and assistance. The Assistant Director may consult with the Social Services Administration for assistance.
- Document the steps taken in contact notes in MD CHESSIE, as well as in the Service Log. Document steps taken in the Maryland Youth Transition Plan "Money Management" Section on page five.
- A hard copy of the consumer credit reports and any follow up letters of dispute will be maintained in the case file.