

THE ALERT

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You Will Be Able to Get Free Credit Reports to Check on Fraud

For the first time, free credit reports from three major credit reporting companies will be available once a year for Seniors and others to check on their own credit standing.

The free credit report provision is just one of the changes contained in the new Fair and Accurate Credit Transactions Act passed by Congress late last year.

However, the free

reports will not be available until December 1 of this year under the rules proposed by the Federal Trade Commission.

Now reports are free only if you have been denied credit, insurance or employment because of your credit standing. Reports also are free if they are inaccurate because of

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We Are Changing Our Senior Helpline Hours

To talk to an attorney or to receive a call back from an attorney, phone the Helpline at 216-861-5479 on Tuesday or Thursday from 1 to 4 p.m.

If you have an emergency that can't wait or you just want to make an application for Legal Aid's services, call 216-687-1900 any weekday between 9 and 11:30 a.m. and between 1 and 4:30 p.m.

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THE ALERT IS THE NEWSLETTER OF
THE OLDER PERSONS LAW OFFICE OF THE LEGAL AID SOCIETY OF CLEVELAND
1223 WEST SIXTH STREET, CLEVELAND, OH 44113
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fraud, if you are on a public assistance program or you are unemployed and plan to look for a job within 60 days. Usually the reports cost about \$9 each.

The new law also will give you access to your credit score.

The ability to review your credit standing is seen as a aid to fighting identity theft.

Identify theft occurs when someone “steals” your identity and opens credit accounts in your name without your knowledge or makes unauthorized charges on an existing account.

Often times the crime goes undetected because the victim does not learn of the theft until long after it occurs.

That is why it is recommended that everyone regularly check their own reports with the three major credit reporting agencies to find out if they have been victims of identity theft.

The Federal Trade Commission says some 27.3 million people have been victimized by identity theft in the past five years, more than 9.9 million last year.

While some identify theft occurs because of the carelessness of the victims who discard bills and credit card receipts without shredding them or because they fail to safeguard their personal information, it also occurs through sophisticated

theft of computerized records over which consumers have little or no control.

Another change in the new law requires merchants and restaurants to print out only the last five digits of a credit card number on receipts after December 1.

That change, too, is aimed at making identify theft a little more difficult since some thieves steal carelessly discarded receipts to obtain credit card numbers to use to order merchandise by phone.

Of course, many businesses already print out just the last digits of credit card numbers on receipts.

The new legislation also allows consumers who think they may be victims of identity theft to place “fraud alerts” in their credit reports to alert financial institutions not to open new accounts or extend additional credit without contacting them. It is possible to do that now under some circumstances.

However, one consumer group questioned how effective a tool the “fraud alerts” will be since it found where they have been used they have not been totally effective in stopping the issuance of new credit cards. In fact, in more than 50% of the “fraud alert” cases reviewed by the Identify Theft Resource Center new cards were issued.

Another part of the new law will set up a national fraud

alert system, so that victims of identify theft will have to make only one call to report the crime, rather than having to track down every credit card issuer.

The new law also will require businesses to notify consumers that negative information about them will be reported to the credit bureaus.

This may give early warning to victims of identify theft if the negative information relates to someone using their identify to make purchases and not paying for them.

The new law also requires mortgage lenders to reveal credit scores to applicants of home loans without charging for that information.

Additionally, loan applicants who are not given the best rate available from a lender must be notified of that fact by the lender.

While some people may regard their credit standing as unimportant, a good credit rating can mean getting a more favorable rate on a car loan or a mortgage or getting a loan or mortgage at all and even may affect the ability to rent a house or apartment of the renter’s choice.

It is important to review your credit report and to challenge any incorrect items.

The three major credit reporting agencies which will be required to provide free credit reports later this year are Equifax, Experian, and

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Trans Union. (See list)

Although some of the laws provisions may be favorable to consumers, others may not be so favorable .

For instance, the Consumer Federation of America is critical of the new law's provision that prevents states from enacting stronger laws in some areas of identity fraud and credit rights. That provision was effective December 31, 2003.

Once your credit is bad, you need to be aware that firms which offer to repair your credit for a fee can do no more than you can do for yourself.

Such firms may claim they can remove negative information about you from credit reports. The truth is that if the information is accurate, it cannot be erased until the time provided by law.

For instance, a record of a bankruptcy will remain in a credit file for 10 years and a foreclosure will be reported for a period of seven years.

Be wary of offers to monitor your credit information for fraud for a fee.

The Wall Street Journal quotes a spokesman from the U.S. Public Interest Research Group as warning that such credit monitoring services offer little protection and prey on consumer's fears.

If you think your identity has been stolen, here's what you should do:

Contact the fraud departments of any one of the three major credit bureaus to place a fraud alert on your credit file. The fraud alert requests creditors to contact you before opening any new accounts or making any changes to your existing accounts. As soon as the credit bureau confirms your fraud alert, the other two credit bureaus will be automatically notified to place fraud alerts, and all three credit reports will be sent to you free of charge.

Close the accounts that you know or believe have been tampered with or opened fraudulently.

File a police report. Get a copy of the report to submit to your creditors and others that may require proof of the crime.

File a complaint with the Federal Trade Commission (FTC). It maintains a database of identity theft cases used by law enforcement agencies for investigations. A complaint also helps the FTC learn more about identity theft and the problems victims are having so that it can better assist them.

How To Contact Credit Bureaus Now

Equifax

www.equifax.com

To order your report, call: 800-685-1111 or write: P.O. Box 740241, Atlanta, GA 30374-0241

To report fraud, call: 800-525-6285 and write:

P.O. Box 740241, Atlanta, GA 30374-0241

Hearing impaired call 1-800-255-0056 and ask the operator to call the Auto Disclosure Line at 1-800-685-1111 to request a copy of your report

Experian -

www.experian.com

To order your report, call: 888-EXPERIAN (397-3742) or write:

P.O. Box 2002, Allen TX 75013

To report fraud, call: 888-EXPERIAN (397-3742) and write:

P.O. Box 9530, Allen TX 75013

TDD: 1-800-972-0322

Trans Union -

www.transunion.com

To order your report, call: 800-888-4213 or write:

P.O. Box 1000, Chester, PA 19022

To report fraud, call: 800-680-7289 and write:

Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92634

TDD: 1-877-553-7803

Don't Pay Big Bucks to Borrow Your Own Tax Refund

It's time to begin thinking about income taxes again.

When you do, choose your tax preparer very carefully.

Stay away from tax preparers who promise "fast cash refunds," "express money" or "instant refunds."

If you fall for one of those promises, you will be giving yourself a loan.

And you will be borrowing your own money at a very high cost.

Typically, such "instant" or "quick refunds" will cost you anywhere between \$30 and \$90.

The interest rate you will be paying will probably be from 60% to more than 700%.

If you are willing to wait a short time, you will get your refund directly from the Internal Revenue Service.

Since this "fast money" is really a loan, you have to repay all that you borrowed—even if your refund is smaller than you expected or it is held up or denied.

The best bet, if you are a low-income senior, is to find an AARP Tax Aid Site or a Volunteer Income Tax Assistance (VITA) site near you. At either, you can get free tax help. Usually, the sites are located in senior or community centers, libraries or even city halls.

To find the closest AARP Tax Aid Site, phone toll free 1-888-227-7669 after January 15.

Call 1-800-TAX-1040 to find a VITA site near you.

On the subject of taxes, if you are employed and are a low-income earner check to see if you qualify for an Earned Income Tax Credit.

If you qualify, you may be entitled to a larger refund

or a cash payment even if you owe no taxes.

Household adjusted gross income limits for the EITC program are \$33,692 for a single parent or head of household with two children; with one child it is \$29,666 and with no children it is \$11,230. For a couple filing jointly add \$1,000 in each category.

Your investment income cannot be more than \$2,600 to qualify for an Earned Income Tax Credit.

For other requirements on how to qualify for the credit, check with IRS or your tax preparer.

If your federal income tax refund is held up or if you get a letter from the Internal Revenue Service about your refund, contact The Legal Aid Society of Cleveland at 216-687-1900 any weekday between 9 and 11:30 a.m. and between 1 and 4:30 p.m.

Remember to Get Help with Winter Heating Bills

Low income seniors aged 60 and older and disabled adults may qualify for financial help to pay winter heating bills through the federally-funded Home Energy Assistance Program (HEAP).

Cuyahoga County seniors may contact the

Department of Senior and Adult Services HEAP coordinator at 216-420-6830.

Seniors in other counties may call 1-800-282-0880.

To qualify for the energy assistance programs, household

income for single persons must be \$13,470 or less for 12 months. For two persons it must be \$18,180 or less.

For households with more members, add \$4,710 for each additional person.

Applications for energy assistance must be filed before March 31, 2004.

SENIOR CITIZEN CENTERS AND LEGAL AID OFFICES

CUYAHOGA COUNTY

For information or to make an appointment in Cuyahoga County
 phone the Senior Helpline
 on Tuesday or Thursday between 1 p.m. and 4:30 p.m.
 at 216-861-5479

EAST SIDE

WEST SIDE

Buckeye Senior Center
 11802 Buckeye Road
 216-491-8450

Maple Heights Senior Center
 15901 Libby Road
 216-587-5481

Lakewood Office on Aging
 16024 Madison Avenue
 216-521-1515

Emeritus House Senior Center
 (at Indian Hills)
 1554 East 193 Street
 216-289-8586

Martin DePorres Center
 1264 East 123 Street
 216-268-3909

Metro Health Hospital
 2500 Metro Health Drive
 216-778-5551

Fairhill Institute
 12200 Fairhill Road
 216-421-1350

Murtis H. Taylor Center
 13422 Kinsman Avenue
 216-283-4400

Parma Senior Resource Center
 7001 West Ridgewood
 440-885-8155

Goodrich-Gannett Center
 1368 East 55 Street
 216-432-1717

Stella Walsh Recreational Center
 7345 Broadway Avenue
 216-441-0111

West Side Legal Aid Office
 3408 Lorain Avenue
 216-961-6630

Helen S. Brown Senior Center
 16100 Euclid Avenue
 216-761-8410

Woodland Branch
 Cleveland Public Library
 5806 Woodland Avenue
 216-623-7109

DOWNTOWN

Hough Opportunity Center
 8555 Hough Avenue
 216-421-5400

Downtown Legal Aid Office
 1223 West Sixth Street
 216-687-1900
 Extension 5336

For information or to make appointments outside Cuyahoga County
 phone the offices listed below

LAKE COUNTY

Lake-Geauga Legal Aid, 8 North State Street, Painesville, OH 44077
 440-352-6200 or TOLL FREE 1-888-808-2800

LORAIN COUNTY

The Legal Aid Society of Lorain County, 538 West Broad Street, Elyria, OH 44035
 440-323-8240 or TOLL FREE 1-800-444-7348

ASHTABULA COUNTY

Ashtabula County Legal Aid, 121 East Walnut, Jefferson, OH 44047
 440-576-8120 or TOLL FREE 1-866-873-9665

**The Legal Aid Society
of Cleveland
1223 West Sixth Street
Cleveland, Ohio 44113**