

March 2005 Commentary

Reviewing your Credit Reports

"Regard your good name as the richest jewel you can possibly be possessed of - for credit is like fire; when once you have kindled it you may easily preserve it, but if you once extinguish it, you will find it an arduous task to rekindle it again. The way to gain a good reputation is to endeavor to be what you desire to appear." - Socrates

While everyone might desire to protect their good name, it isn't always directly in their power to do so. That said, it's becoming a little easier for consumers to protect against identity theft. With the passing of the Fair and Accurate Credit Transactions Act of 2003, consumers across the country either now have or will soon have the ability to request free credit reports. By monitoring their credit reports, consumers can detect fraud in their credit files and stop it early. Lower credit scores can cost consumers extra money in finance charges. In addition, consumers can be denied access to credit, insurance, electric and phone service, and even a job. This new law will enable consumers to check their credit reports each year to make sure they are error free and request that any incorrect information be corrected.

Congress directed three national consumer reporting companies, Experian, Equifax and TransUnion to run the program. Consumers can go to www.annualcreditreport.com to obtain information on how to access the free reports, or credit reports can be ordered by calling 877-322-8228. This program is now rolling out nationwide; please see the chart below for the rollout date that applies to your area.

A credit report contains a consumer's identification information, payment history with creditors, inquiries made by financial institutions, and information in public records, such as liens, foreclosures and bankruptcies. The consumer reporting companies collect and sell this information to lenders and other businesses that use it to evaluate applications for credit cards, home mortgages, insurance, and employment. Therefore, it is important that everyone ensures that their credit reports are accurate and free of erroneous information.

"To make no mistakes is not in the power of man; but from their errors and mistakes the wise and good learn wisdom for the future." - Plutarch

When are Free Annual Credit Reports available in my State?

Eligibility for an annual free credit report is determined by your state of residence based on the rollout schedule set by federal law. Look below to see when a free credit report becomes available in your state through this website (www.annualcreditreport.com).



1	Western States	December 1, 2004
2	Midwest States	March 1, 2005
3	Southern States	June 1, 2005
4	Eastern States & all U.S. Territories	September 1, 2005

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Ideas for Protecting your Personal Information

We often give out our name, address and phone number without a second thought. In a perfect world, our personal information would be protected. Unfortunately, this is not always the case. In addition to reviewing credit reports, there are other steps you can take to protect your personal information and guard against scams.

1) Make a photocopy of all the contents of your wallet or purse and put it in a safe place. Then, if you ever lose your wallet, it is easier to remember what you've lost and who to call to cancel credit cards and replace items. Remember to make a new photocopy as the contents of your wallet change.

2) Many retail stores ask for your name, address and telephone number when you make a purchase. If the store cannot give you a satisfactory reason for collecting the information, don't give it out. Always read the fine print on sales agreements. By signing you may also be giving the organization permission to add your name to a marketing list. Check the "no thanks" box, or write and initial a short note on the document saying you don't want your personal information shared with anyone else.

3) Many stores offer "rewards" or "points" programs. Often stores see your participation as consent to share your information without directly asking for your permission. If you want to avoid getting junk mail or other promotional material, either don't join these programs, or ask the stores not to share your personal information.

4) Information collected on product warranty cards is very often used for marketing purposes. You are not required to send in a completed warranty card - your receipt is all you need to make a warranty claim.

5) If you don't want your personal information out there, avoid filling out ballots for "free draws" or other promotions. These are surefire ways to get your name, address and telephone number on a junk mail or telemarketing list. You can always add your telephone number to the national do not call list; go to www.donotcall.gov to sign up.

6) To reduce the number of pre-approved credit card offers: go to www.optoutprescreen.com This website is the official Consumer Credit Reporting Industry Opt-Out Prescreen website. You may request to Opt-Out from pre-approved offer lists for 5 years or permanently. By opting-out you will remove your name from lists for pre-approved offers of credit or insurance obtained from the following consumer credit reporting companies: Equifax, Experian, Innovis and TransUnion. However, you may continue to receive commercial mailings based on lists from other sources.

7) There is a new type of Internet piracy called "phishing." It's pronounced "fishing," and that's exactly what these thieves are doing: "fishing" for your personal financial information. What they want are account numbers, passwords, Social Security numbers, and other confidential information that they can use to loot your checking account or run up bills on your credit cards. In the worst case scenario, you could find yourself a victim of identity theft. Never provide your personal information in response to an unsolicited request, whether it is over the phone or over the Internet. E-mails and Internet pages created by phishers may look exactly like the real thing. If you believe the inquiry may be legitimate, contact the financial institution yourself. Never provide your password over the phone or in response to an unsolicited Internet request. A financial institution should never ask you to verify your account information online. Review account statements regularly to ensure all charges are correct. If your financial institution offers electronic account access, periodically review activity online to catch suspicious activity.

An excellent source of additional information is located at www.ftc.gov/credit. This government website contains information on fake credit reports, debt collection, lending abuses, email scams and many other topics. It also includes tips on avoiding credit card fraud and avoiding identity theft.