

February 19, 2015

Re: Testimony in support of HB 6403 - An Act Concerning Security Freezes on Children's Credit Reports.

Co-Chair Senator Carlo Leone
Co-Chair Representative Matthew Lesser

Banking Committee
February 19, 2015 10:00 AM
Room 2B of the LOB

Written testimony by:

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Senator Leone, Representative Lesser and other distinguished committee members, I want to thank you for this opportunity to address HB-6403.

Child identity theft is one of the worst forms of identity theft because it often goes unnoticed for years. When a child's identity is stolen, criminals can use their identity to buy homes, open new lines of credit, and qualify for medical and government benefits. Children are increasingly more likely to have identities stolen as a result of this age gap where no protection is afforded. According to the 2012 Child Identity Theft Report, children are 35 times more likely to be a victim of identity theft than adults.

Currently in CT there is no way for a parent to establish a credit identity in their child's name and then freeze it until the child becomes an adult. Several states including Delaware, Oregon, Wisconsin and Maryland have addressed this issue and passed legislation to require the three credit bureaus allow parents to establish and freeze a child's credit.

A credit freeze is one of the most effective tools against economic ID theft available to consumers. It allow you to seal your credit reports and use a personal identification number (PIN) that only you know and can use to temporarily "thaw" your credit so that legitimate applications for credit and services can be processed. That added layer of security means that thieves can't establish new credit in your name even if they are able to obtain your personal information and IDs. As an adult you are able to freeze your credit with the three credit bureaus but are not able to for a child unless you live in one of the states mentioned above.

Using a monitoring services, which is different and a lot less effective than a credit freeze, does NOT help stop a thief from ruining a child's identity. At that point it is too late and a lot of work needs to be done to restore a person's credit. Clearing up fraudulent claims on a credit file can take from several months to several years, and it can also create undue stress for the individual that is the victim of identity theft. A credit freeze stops a thief from the beginning and will not allow them to open new lines of credit.

As a parent, I worry that someone can ruin my son's credit and limit his options trying to apply for financial aid for college, in addition to other financial needs in his future.

Thank you for your consideration on this matter. I believe this is an important issue, and urge the committee to support HB 6403 to ensure that parents in Connecticut have the ability to protect their children's identity.