

PERSPECTIVE



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Make an Annual Credit Report Check a Reality

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» **Personal Information:**

Social Security number, birthday, employment status and address

» **Inquiries:** Everyone who has reviewed your credit report in the past two years

» **Credit Information:** Bank and credit accounts, credit limits, loans, balances and payment history

Are you familiar with the Willie Sutton Rule? When asked by a reporter why he robbed banks, Sutton stated, "Because that's where the money is."

You can apply the same logic to identity theft. The more money you have and the better your credit, the more likely you are to become a target of identity theft.

The 2005 Fair and Accurate Credit Transactions Act (FACT Act) assures that consumers may request their credit report annually from the three major credit bureaus at no cost. Knowing what is on your credit report and getting errors corrected promptly can be your best defense against identity theft. It may also be one of the best ways to show you are credit worthy. More than one in five consumers have an error in their credit file, which may make them look riskier than they are.¹

CORRECTING ERRORS

If there is incorrect information on your report, both the credit company and the information provider that reports to the credit company are responsible for updating inaccurate information.² Take advantage of your rights under this law and contact the credit company and the information provider in writing to explain what you believe is inaccurate.

If you suspect identity theft as the reason for inaccurate information, you have the option to request the credit company to place a "fraud alert" in your file to let potential creditors know that you may be a victim of identity theft. A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you. However, it also may delay your ability to obtain credit.

The credit company must complete an investigation of your claim, usually within 30 days, and report their findings to you if the dispute results in a change. If the investigation does not resolve your dispute, you can ask that a statement of dispute be included in your file and future reports.²

An annual credit check is critical to your financial future. Ask your financial advisor for more tips on protecting your credit and identity, and solving credit disputes.

» **Public Records:**
Collection agency actions,
bankruptcies,
foreclosures, lawsuits

¹ cnbc.com, *The Real Problem with Credit Reports is the Astounding Number of Errors*, September 2017

² consumer.FTC.gov, *Disputing Errors on Credit Reports*, February 2017

Source: TransUnion



Budgeting for a Rainy Day

Life is full of unexpected events. You lose your job. A tree falls on your roof. The basement floods in a downpour. Since most of these incidents come with a significant price tag, it's easier to cope if you have an emergency fund.

HOW MUCH SHOULD YOU PUT IN AN EMERGENCY FUND?

Your savings goal will depend on your income and expenses, but experts suggest as a general rule of thumb you should have three to six months' salary available.³

WHERE SHOULD YOU KEEP THE MONEY?

Whether you need a few thousand dollars or tens of thousands of dollars to safeguard your family against unexpected events, it's important to make the money easy-to-access in a separate savings account. One of the best ways to accumulate emergency assets is to set up automatic deposits from your paycheck or checking account to your emergency fund.

DON'T TOUCH IT.

Putting money aside for a rainy day is a question of your willingness to sacrifice a little today for security tomorrow. If your emergency fund is separate from your other accounts, you won't be tempted to spend it on something else.

Only 29 percent of Americans have enough emergency savings to last six months, and 18 percent have enough to cover three to five months. That means less than half of Americans are prepared for an emergency.⁴ Maintaining a separate emergency fund can help cover expenses when that rainy day arrives.

³ bankrate.com, *How to Start and Build an Emergency Fund*, July 2018

⁴ cnbc.com, *How Much Should You Put in an Emergency Fund*, June 2018

The information contained in this newsletter is derived from sources believed to be accurate. You should discuss any legal, tax or financial matters with the appropriate professional. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any security.



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