

What do I do if I think my identity has been stolen?

If you suspect your identity has been stolen, you can put an alert on your credit report by calling the reporting agencies (listed on previous page). You should also contact your bank, your employer, and depending on the circumstances, you may wish to contact the local police department.

Why should you be concerned if you suspect your identity has been stolen?

When a thief opens an account in your name and does not pay the bills, your credit score may be damaged.

A thief could open a bank account in your name and write checks for which the account has insufficient funds.

A thief could clone your ATM or debit card and make withdrawals in your name.

How do they get my information? What can I do to prevent identity theft?

Dumpster diving → you should always shred personal, identifying information.

Theft of your wallet or purse → keep personal information in a safe place.

Pretending to be a representative of a financial institution, and sending you emails requesting personal information → never give personal information unless you are sure about who you are communicating with.

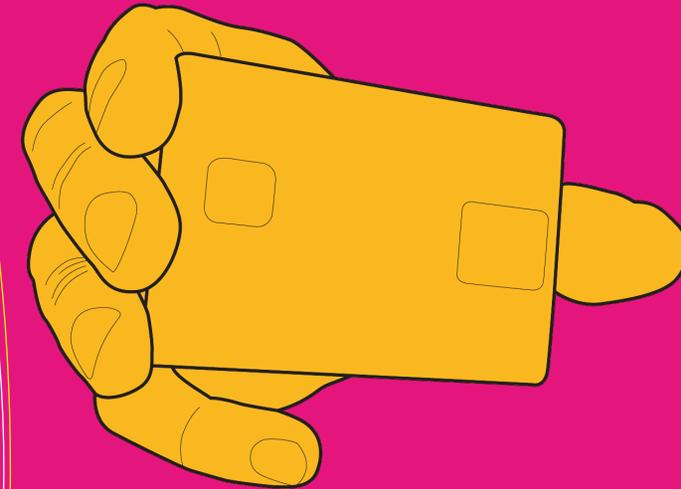
Using a change of address form to change your billing address → call your credit card company if you do not receive a bill that you should have received.

CHILDREN'S LAW CENTER
OF MINNESOTA
450 Syndicate Street N.
Suite 315
St. Paul, MN 55104
651.644.4438
www.CLcMn.org

© 2012 Children's Law Center of Minnesota. All Rights Reserved.

CHILDREN'S LAW CENTER OF MINNESOTA

Know Your Rights



CREDIT CARDS
rights and responsibilities

CONSUMER
CREDIT

and

IDENTITY
THEFT

INFORM
NAVIGATE
EMPOWER

What is a CREDIT CARD?

A credit card is a card issued by an institution such as a bank or a store, which allows you to make purchases and pay for them at a later date. The credit card company will charge you an interest rate on the balance (the amount you owe) if you do not fully pay off your card each month. This interest rate will be shown as an annual percentage rate, or APR. **The APR tells you how much interest you would pay on your balance if you had it for a year** (but you will probably be charged interest monthly).

How do I get a credit card?

In Minnesota, if you are under 18, you can only get a credit card if your parent or guardian requests one for you. If you are under 21, you must submit an application and pick one of two options to show you will be able to pay your bill:

1. **Have someone (a parent, guardian, spouse, or other person over 21) co-sign for the card;** this means they are agreeing to be liable for the debt if you don't pay it.
2. **Provide financial information** (such as information about your salary) showing that you'll be able to pay your bill.

What happens if I don't pay my bill?

Not paying your credit card bill can lead to serious consequences.

Even if you pay the minimum payment, your purchases will start to accumulate interest that you will also have to pay. If you get behind on your payments, it will also hurt your credit score, which can make it harder for you to get loans, apartments, and even jobs.

Can I just pay the minimum payment?

Credit card companies will let you make a minimum payment that is just a small percentage (usually 3%) of what you owe. However, you'll pay interest on whatever you don't pay in the bill, and will end up spending a lot more money than you originally owed.

*** For example, if you spend \$2000 on your credit card, your minimum payment is 3%, and your APR is 18%, it would take you 11.5 years to pay off your credit card if you were only making minimum payments, and you would pay \$1698 in interest in addition to the original \$2000.**

CREDIT SCORES

A credit score is a rating that a consumer reporting agency (such as Experian, Equifax, or TransUnion) gives you, based on your credit history, to help lenders decide how likely you are to pay your debts. Having high balances or missing payments hurts your score; making your payments on time helps your score. Negative information can stay on your credit score for up to 7 years.

Why does my score matter?

Lenders use this information to decide whether to give you credit (such as a credit card or loans for your school, a car, or a house). Landlords use it to decide whether or not to rent an apartment to you. Employers may use it to decide whether to hire you.

How do I find out what my credit score is?

You can get ONE free credit report from each of the 3 reporting agencies (Experian, Equifax, or TransUnion) each year by going to annualcreditreport.com or by calling 1-877-322-8228.

What do I do if my credit card is lost or stolen?

Report the card as lost or stolen to the issuer of the card IMMEDIATELY. You may be liable for unauthorized charges (charges someone has made on it without your approval) of up to \$50, but once you report the card as lost or stolen, you cannot be required to pay any more unauthorized charges.

What is Identity Theft?

Identity theft is when someone uses your personal information (such as your name and social security number) for themselves. They may use this information to open credit cards or other accounts in your name (including bank accounts, phone or utility accounts, or loans), or obtain government IDs and government benefits in your name.

(Identity Theft information continued on back page)