



VPLC

Virginia Poverty
Law Center



For Virginia's
Children

Supporting Security Freezes for Children in Foster Care

Children and credit

Children are more at risk for identity theft than adults: in 2011, a study found that children's risk of identity theft is more than 50 times that of adults.ⁱ In 2017, more than one million children were victims of ID theft.ⁱⁱ

Identity theft and foster children

- Children in foster care are at particularly high risk: they frequently have their identities stolen or misused by caregivers or foster parents, to gain access to credit (or for background search purposes).ⁱⁱⁱ
- In Virginia, typically 10% of children in foster care are found to have their credit misused.
- Federal law dictates that when a child is in foster care at age 14, the state must do annual credit checks, and fix any issues with the child's credit that are discovered. While Virginia follows the federal law, fixing someone's credit after the fact can be costly and time consuming, and issues may still arise later.
- Now that the Fair Credit Reporting Act makes security freezes free, it is recommended that parents take steps to protect their child's credit.^{iv} The state should do the same for children in their custody: this would not only help protect the credit of these children so that they do not experience problems as they enter adulthood, but would save the state from costly fixes to a child's stolen credit, and ensure that youth can timely apply for federal financial aid as they apply to colleges.

How do HB 1730 and SB 1253 help?

HB 1730/SB 1253 would modify the existing credit-check law for children in foster care, and mandate that if a child is in foster care, their credit would be frozen until they leave, or need it unfrozen to apply for a cell phone or financial aid for college

Annual credit checks would still be conducted, but the need to resolve issues surrounding a foster child's credit should be greatly reduced.

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ⁱ https://www.cylab.cmu.edu/_files/pdfs/reports/2011/child-identity-theft.pdf

ⁱⁱ <https://www.javelinstrategy.com/coverage-area/2018-child-identity-fraud-study>

ⁱⁱⁱ Little, Allison Dare, "Financial fraud and child abuse," *Reclaiming Children and Youth*, 23(2), 54-57 (2014) <https://www.cyc-net.org/Journals/rcy/rcy-23-2.html>

^{iv} <https://www.consumer.ftc.gov/articles/0497-credit-freeze-faqs>