



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Administration on Children, Youth and Families
1250 Maryland Avenue, S.W.
Washington, D.C. 20024

December 5, 2014

Dear Child Welfare Director:

On September 29, 2014, the President signed into law the Preventing Sex Trafficking and Strengthening Families Act (Public Law 113-183). Among the law's provisions is an expansion of the requirement that child welfare agencies ensure that youth in foster care receive a copy of any consumer report, commonly called a "credit report," annually until discharged from care, and that they be assisted in interpreting the credit report and resolving any inaccuracies. Currently, the requirement applies to youth in foster care ages 16 and older; beginning September 29, 2015, the requirement will apply to all youth in foster care who are age 14 or older. As you prepare to implement the new provision, we encourage you to consider taking additional steps to protect our Nation's most vulnerable children and youth from identity theft.

Timing and Frequency of Inquiries: Child welfare agencies are required to obtain the credit report annually for affected youth in foster care. We are aware that some child welfare agencies are using an annual batch process to obtain credit reports, submitting the request at a single point in time. This approach may miss some youth who are required to receive an annual credit check, because they leave care before the check is completed. Child welfare agencies should consider submitting batch requests more frequently, such as *monthly, quarterly* or *every six months* to ensure that the credit histories of all affected youth are checked annually.

Expand the Population: While the new law will require checking credit reports for youth in care annually beginning at age 14, it is important to realize that identity theft can affect children and youth of any age and it may, in fact, be easier to remediate inaccuracies on the credit report when the child is younger. Therefore, we encourage you to consider extending credit protections beyond the required population. Some states are now implementing or are considering implementing a process of checking the credit reports of *all children* in foster care. Your state may wish to consider steps such as:

- Establishing procedures to check the credit history at the time that a child or youth enters foster care and then incorporating any follow-up or remediation as part of the case plan;
- Implementing procedures to check the credit reports of the younger siblings of any youth who has been identified as a victim of identity theft; or

- Checking the credit report of any child or youth prior to their exiting to adoption or legal guardianship.

Proactive Protection. In addition to checking credit reports and addressing any inaccuracies, child welfare agencies may want to explore using other protections available through the credit reporting agencies, such as a fraud alert available under federal law, or state procedures that either “freeze” the credit report of a young person who has had their identify stolen or used inappropriately or that prevent the creation of a credit report for a minor child in foster care. We encourage you to work with the credit reporting agencies to gain an understanding of the options they have available for protecting the identities of children and youth in foster care.

Thank you for considering the steps you can take to protect children and youth in foster care from identity theft. We hope that implementation of these provisions will also provide an avenue to empower youth by deepening their understanding of credit, money management and other financial issues, preparing them for a successful adulthood. We look forward to learning from your experiences, so that we can continue to develop best practices in this area.

Sincerely,

/s/

JooYeun Chang
Associate Commissioner
Children’s Bureau