

House Financial Committee  
Testimony for HB 2134  
Presented by Jo Lyle, Resident of Manhattan

CREDIT FREEZE LEGISLATION FOR MINORS

Thank you Chairperson DeGraaf, Vice Chairperson Kelly, Ranking Minority Member Frownfelter and members of the committee for allowing me to testify. My name is Jo Lyle and I have been a resident of Manhattan, Kansas for over 40 years. Currently I am retired after teaching accounting at Kansas State University for over 30 years with a masters in accounting and a CPA.

I am asking your assistance in passing legislation that would protect the credit of children/minors in the state of Kansas. Currently 15 other states have passed such legislation. Currently in Kansas a parent or guardian cannot request that a credit report for a minor under the age of 18 be frozen unless that child's credit has actually been stolen or used inappropriately.

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 subject to identity theft than adults.

This increases the probability that a parent or the minor would not catch such a crime until reported to a collection agency, or until the individual applied for some sort of credit or financial aid. As a result a minor may turn 18 and unfortunately have to deal with this problem after requesting a report from the three major credit bureaus (Equifax, Experian, and TransUnion). 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.

The identity theft of children take three major forms:

- 1 – Crooks seize the identity of a child by using their Social Security number.
- 2 – Illegal aliens will use a stolen Social Security number of a child to be able to get work and appear to be legal in the workplace.
- 3 – A family member will impersonate a child using their Social Security number to get new lines of credit in the child's name. This is by far the most common form of child identity theft.

Currently the credit bureaus offer "credit monitoring services" that in reality provide no protection against identity theft and are a product solely for generating revenue for these companies. It is in the financial interest of the credit bureaus to keep people in monitoring programs because once credit is frozen, they may not share information in credit files. Sharing credit information is how the credit bureaus generate revenue.

Please help the children of Kansas by passing legislation giving parents or guardians the ability to protect their children at birth.

Thank you very much for your time.

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