

Consumer Financial
Protection BureauContact us **(855) 411-2372**[HOME](#) [INSIDE THE CFPB](#) [GET ASSISTANCE](#) [PARTICIPATE](#) [LAW & REGULATION](#) [SUBMIT A COMPLAINT](#)[HOME](#) > [BLOG](#) > HOW TO PROTECT VULNERABLE CHILDREN FROM CREDIT REPORTING PROBLEMS

MAY 1 2014



How to protect vulnerable children from credit reporting problems

BY [SARAH BAINTON KAHN](#)

We've been hearing from foster youth who've experienced identity theft. One young man described moving into his first apartment and all of the new responsibilities that came with this milestone. When he went to set up his utilities, he found out that someone else's unpaid account appeared on his credit report.

Credit reporting touches the financial lives of nearly each and every American. For young people in foster care or aging out at 18, it is important to check whether there are credit reports in their names and to correct or dispute inaccurate information in the reports.

Youth in foster care are particularly susceptible to identity theft because they often lack a permanent address, and their personal information is frequently shared among numerous adults and agency [databases](#).

That's why we've been talking to child welfare agencies, youth organizations, and community and financial institution partners that are committed to helping foster youth make sound financial decisions as they transition out of care. Several of the young people we've met with discussed the vital role child welfare caseworkers played in their lives. Without adult guidance, young people often have to learn by trial and error.

STEPS TO TAKE

Here are some steps child welfare caseworkers and their agencies can take to help ensure that youth in foster care start their adult lives with healthy credit.

1. Check minors' credit reports before they turn 18.

The Child and Family Services Improvement and Innovation Act requires child welfare agencies to check credit reports for youth in foster care when they are 16, and every year after until they age out of care. It's best to correct credit reporting errors before a young person turns 18 because his or her birthdate may make it easier to demonstrate that the credit report is incorrect. Incorrect credit reports can be more difficult to clean up later and can hinder a young person's ability to live independently.

2. Dispute and correct any errors found in the report.

Not sure how to dispute and correct errors? Here are some suggestions. We've provided some sample letters you can use to contact credit bureaus and creditors:

- [Dispute an error for a minor](#)
- [Dispute an error for a youth who is 18 or older if the error occurred before his or her 18th birthday](#)
- [Dispute an error that happened at 18 or older for youth who remain in foster care until age 21](#)

For more information on how to dispute errors found in credit reports, check out [Ask CFPB](#).

3. Educate youth in foster care on the importance of maintaining good credit.

Making sure youth leave foster care with clean credit is extremely important. It's also important to teach young people how to protect their financial futures and make financial choices that will help them achieve their goals. That begins with reviewing credit reports each year and disputing any errors.

If you work with youth in foster care, here's how you can [help them start and maintain good credit](#). If you're a parent, here's how you can

[help your kids start and maintain good credit.](#)



[NO COMMENTS »](#) | CATEGORIES: [CREDIT REPORT](#) | [FINANCIAL EMPOWERMENT](#) | [YOUNG AMERICANS](#)

The CFPB blog aims to facilitate conversations about our work. We want your comments to drive this conversation. Please be courteous, constructive, and on-topic. To help make the conversation productive, we encourage you to read our [comment policy](#) before posting. Comments on any post remain open for seven days from the date it was posted.



[Privacy policy and legal notices](#)

[Accessibility](#)

[Plain writing](#)

[No FEAR Act](#)

[FOIA](#)

[USA.gov](#)

[Office of Inspector General](#)

[Ombudsman](#)



Visite nuestro sitio web en español

ESPAÑOL

[Contact us](#) | [Newsroom](#) | [Jobs](#) | [Open government](#)