



By: James Van Winkle, General Counsel

## **Identity Theft and You**

In 2003 congress passed the “Fact Act” requiring numerous agencies to issue regulations and guidelines regarding the prevention, detection and mitigation of identity theft. It also requires that the agencies identify patterns and practices that are associated with identity theft, otherwise known as “red flags.” The National Association of REALTORS® created a page of FAQ on this topic entitled Identity theft red flags and address discrepancies. Here is the link to that page: <http://www.realtor.org/topics/identity-theft-red-flags-and-address-discrepancies/frequently-asked-questions>.

The IRS on January 11, 2016 published various video clips presented by heads of several state revenue departments. The six videos contained helpful information about how to keep your identity and private information safe. Those videos include various tips to keep in mind in order to prevent identity theft such as making sure you have virus protection, having a good strong security system, and knowing who you are communicating with. Make sure you do business with a legitimate website, and check your online accounts often to make sure you are familiar with the activity that is going on. For additional information on this topic, check out: [www.irs.gov/taxessecuritytogether](http://www.irs.gov/taxessecuritytogether) or [www.irs.gov/identitytheft](http://www.irs.gov/identitytheft).

## **How identity theft affects you in your real estate business**

Does this law apply to you as an agent or broker? The answer is yes, if you use credit reports as a part of your business. A real estate agent is required to comply with the rules regarding address discrepancies. If you are a covered creditor you must comply with the “red flag” requirements. If you use credit reports in your business you are required to develop a procedure that ensures the credit report relates to your customer and not someone else.

Make sure that if you receive a notice of address discrepancy you should compare the information in the credit report with the information supplied by your client, so that you can match the date of birth; phone number and employment data with the information in the credit report. You can find helpful information about this topic information by calling the Federal Trade Commission (FTC) at (202) 326-2252 or NAR’s office in Washington DC at (202) 383-1102.

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