

 <b>VERMONT</b> DEPARTMENT FOR CHILDREN AND FAMILIES Family Services Policy Manual		<h1>138</h1>
Chapter:	Special Casework Issues	
Subject:	Credit Checks for Youth 14 and Older in DCF Custody	Page 1 of 4
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## Purpose

To outline the methods for ensuring youth in DCF custody aged 14 and older receive a free credit report and help interpreting and resolving any inaccuracies annually.

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## Introduction

The Child and Family Services Improvement and Innovation Act ([Public Law 112-34](#)) and the Preventing Sex Trafficking and Strengthening Families Act ([Public Law 113-183](#)) amended the federal definition of “case review system” in Section 475(5) of the Social Security Act to require that each youth in DCF custody aged 14 and older receive a free credit report and help interpreting and resolving any inaccuracies annually until discharged from custody.

Building and maintaining credit is vital to successful transition from foster care. Information on credit reports is used to evaluate applications for credit, employment, insurance, and renting or buying a home. Monitoring credit reports is one of the best ways to discover identity theft. As minors, youth under the age of 18 cannot legally secure credit on their own behalf. If a credit report exists for a person younger than 18, it may be due to error, fraud or identity theft.

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## Definitions

**Credit Report:** A record of a person’s credit activities. It lists any credit card accounts or loans the person has, the balances, and how regularly payments are made, as well as identifying information.

**Nationwide Credit Reporting Agencies (CRAs):** Private companies that sell the information in credit reports to creditors, insurers, employers and other businesses that use it to evaluate a person’s applications for credit, insurance, employment, and renting or buying a home. There are three nationwide CRAs – Equifax, Experian, and TransUnion.

## Policy

The Family Services Division will work with the three Nationwide Credit Reporting Agencies (Equifax, Experian, and TransUnion) to provide and assist all youth in DCF custody aged 14 and older in determining if they have a credit history by requesting a credit report for them.

The division will have a centrally located administrative staff person to manage the credit check process. This individual shall be responsible for the following:

- Conducting a monthly database query to identify youth aged 14 and older who have come into DCF custody or are due for a yearly credit report check.
- Completing formal requests with Equifax, Experian, and TransUnion for all youth identified by the query process.
- Monitoring receipt of reports resulting from requests.
- Notifying the youth’s social worker, administrative assistant, supervisor, and district director of credit report results.
- Initiating the remediation process with the respective Credit Reporting Agencies for youth under the age of 18 with identified credit report issues.
- Conveying information to social workers regarding youth whose credit reports contain identified issues which represent real costs incurred by the youth.

### Legitimate Fines Incurred by Youth

Children and youth in DCF custody under the age of 18 are minors and therefore are not legally capable to sign a contract or apply for credit on their own. As a result, they are generally not able to incur debt reflected on a credit report. There are some limited exceptions to this in the case of juvenile court orders for fines, or restitution which may appear on a youth’s credit report. In cases where fines exist that are the responsibility of the youth, this information will be communicated to the assigned social worker to work with the youth on an appropriate payment plan.

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## Identity Theft

The primary purpose of the credit checking process is to discover if youth in DCF custody are victims of identity theft. In cases where credit reports are run consistent with this policy and indicate an issue (often referred to as a “hit”) that is not a court ordered fine, the central office administrative staff person requesting the credit report will initiate a series of steps with the Credit Reporting Agencies to remove the credit report “hits” and protect the youth’s credit from further identity theft.

### Remediation Efforts Following a Youth’s 18<sup>th</sup> Birthday

There are times when remediation efforts to correct fraudulent entries on a youth’s credit report are not resolved prior to the youth turning 18 and leaving DCF custody. In these cases, the youth will be provided with all the pertinent information to continue remediation efforts. This information should be provided to the youth no later than 90 days prior to the youth’s 18<sup>th</sup> birthday. This information will be discussed at the youth’s “90 Day” exit meeting.

### Resources

- [Federal Trade Commission-Consumer Information on Child Identity Theft](#)
- [Federal Trade Commission-Consumer Information on Identity Theft](#)
- [Federal Trade Commission-Guide for Identity Theft Victims](#)
- [Annie E. Casey Foundation's Youth and Credit Report](#)
- [Annie E. Casey, Accessing Credit Reports for Foster Youth](#)
- [Annie E. Casey, Youth and Credit: Protecting the Credit of Youth in Foster Care](#)

## Tasks

### Central Office Administrative Tasks:

- Conduct a monthly database query to identify youth aged 14 and older who have come into DCF custody or are due for a yearly credit report check.
- Complete formal requests with Equifax, Experian, and TransUnion for all youth identified by the query process.
- Monitor receipt of reports resulting from request.
- Notify the youth’s social worker, administrative assistant, supervisor, and district director of credit report results.
- Initiate the remediation process with the respective credit agencies for youth under the age of 18 with identified credit report issues.
- Convey information to social workers regarding youth whose credit reports contain identified issues which represent real costs incurred by the youth.

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**Supervisor Tasks:**

- Monitor the completion of credit checks based on the receipt of monthly notifications as outlined in the administrative tasks section of this document.
- Monitor the incorporation of credit check results into the youth’s case file and the Over 14 Case Plan.
- In cases where the credit check indicated the fines have been incurred by the youth, monitor and support the remediation of those issues by the social worker in coordination with the youth.

**Social Worker Tasks:**

- Upon receipt of credit check information from the central office administrative staff person, record the completion and results of credit reports in case files and on the Over 14 Case Plan for all youth 14 and older in DCF custody.
- Provide the youth’s custody order to the central office administrative staff person upon request.
- Assist youth in creating payment plans and remediating credit issues if a youth incurred an expense (such as a court fine) that is legitimate.
- If the youth will turn 18 prior to the completion of remediation efforts, provide all pertinent information to the youth at least 90 days prior to their 18<sup>th</sup> birthday and discuss at the “90 Day” exit meeting.

**District Director Tasks:**

- Monitor the overall administration of this process in accordance with this policy.