

HELOC Fraud: A new ID theft threat

By Denise Richardson

The number of ways criminals can get their hands on your identity has just expanded by one. Fraudsters can open a Home Equity Line of Credit (HELOC) in your name and leave you holding the bill.

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(function() {  
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];  
s.type = 'text/javascript';  
s.src = 'http://widgets.digg.com/buttons.js';  
s1.parentNode.insertBefore(s, s1);  
})();
```

As reported on MSN, Mike Calcutt of Minnesota had his home equity line hacked to the tune of \$88,593 and, despite being able to show that whoever faxed in the requests for access were using a signature of his that had been scanned and not signed, he has to pay back the bank. Every cent--plus a late fee he accrued while he was fighting to prove that he was the victim of fraud.

It seems that since banks and other financial institutions have cracked down on credit card mis-use, the thieves have turned to other, more lucrative and less protected means to steal your money. If they can't get your credit card, maybe they can get your checking account. If they can't get your checking account, maybe they can get a foothold in your home equity line.

This form of fraud isn't quite recognized by banks the way you may think. All those bank ads that claim that you'll owe no more than a token fee (if that) in the case of identity theft don't cover HELOC fraud (or other types of ID theft). And all those Pollyanna's who say that even if fraud happens to them they won't owe the money --had better think again.

With so much evidence to show that identity theft and cyber-crimes are indeed on the rise, why oh why do some in the media continue to insist that everything is rosy and that services that help you protect or restore your identity are unnecessary? I'd bet that Mr. Calcutt would have something to say about that.

In the mean time, do what you can to prevent this new fraud from happening to you.

Do a little role playing with your bank. Ask them what would happen if, for instance, someone faxed a request to access your home equity line of credit. Would the bank require some more accurate form of identification than just a faxed signature? I sure hope so.

Check your bank statements and don't forget to review your credit reports. Knowledge is power. If you see something funny on your credit history, follow it up immediately. Don't let anyone get a head start on taking away your cash, credit or identity. Delay, and that thief could be long gone.

Those who continue to downplay the risks and impact of identity theft are living in fantasy-land! Data breach stats are up and so is the number of ways criminals can get their hands on our data. "To date," says Tisha Tolar at Moolamony, "the estimated amount of cash fraudulently charged to HELOC accounts totals close to \$3 million." We need to get creative, be more alert, and continue to strive to work together to find ways to thwart the thieves.

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