

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

## ACTIVITY

## Dispute Process Flowchart

**What + Why:** Spot the fraud, stop the damage, and protect your credit before it costs you.

Credit reports affect approvals, interest rates, and access to opportunities. When inaccurate or unauthorized information appears, there is a formal process for correcting it. In this activity, you will map the steps required to respond effectively and protect financial stability.

As a responsible credit user, Kai reviews his credit card statements monthly and checks his credit report every four months. But even careful monitoring can't always prevent fraud.

### Supporting Materials

Spotting Fraud (previously completed)

### Instructions:

1. Review the two scenarios and choose one to focus on.
2. Arrange the steps Kai should take in the correct order to investigate and protect his credit using the flowchart.

Be prepared to explain why the order matters.

| Scenario 1:                                                    | Scenario 2:                                                    |
|----------------------------------------------------------------|----------------------------------------------------------------|
| Kai notices an unrecognized hard inquiry on his credit report. | Kai notices an unauthorized charge on his student credit card. |

**Scenario:** \_\_\_\_\_



| Sequence Options for Scenario 1                                                                                                                                                                                                                                                                                                                                                                                                                                          | Sequence Options for Scenario 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Dispute the inquiry with the credit bureaus under the FCRA</li> <li>Report to local law enforcement if required</li> <li>Research the unfamiliar lender and contact them to verify the application</li> <li>File an identity theft report with the FTC</li> <li>Review your full credit report for additional unfamiliar activity</li> <li>Place a fraud alert or credit freeze with Equifax, Experian, and TransUnion</li> </ul> | <ul style="list-style-type: none"> <li>Change passwords and personal identification numbers (PINs) associated with the account</li> <li>Contact the credit card issuer immediately to report the charge and request a new card</li> <li>Monitor account activity for additional unauthorized charges</li> <li>Freeze or lock the affected card</li> <li>File a complaint with the CFPB if the issuer does not resolve the dispute</li> <li>Dispute the charge with the issuer under the FCBA within 60 days</li> </ul> |

## Key Terms

- **fraud alert:** a notice placed on a credit report that warns lenders to take extra steps to verify a person's identity before opening new accounts, which can be requested for free from any of the three major credit bureaus
- **credit freeze:** a restriction placed on a credit report that prevents lenders from accessing it entirely, which stops new accounts from being opened in someone's name until the freeze is lifted