

**TIP Wayne State HB 5775 Testimony
Standing Committee Meeting
Families, Children, and Seniors
Rep. Kenneth Kurtz, Chair**

Good afternoon committee members. My name is Jeremy Mitchell and I work with the Transition to Independence Program at Wayne State University. Our program's goal is to increase college enrollment and college retention of foster care youth at Wayne State University through research, advocacy, financial and academic support, while helping students to develop personal and professional connections. So in laymen's terms, we help foster care youth to get accepted into Wayne State University and we work to make sure that they graduate.

With the help of funding from the Department of Human Services in the fall of 2012, we began our program because we wanted to address the statistics that show that only between 3-5% of foster care youth graduate from college by the age of 25. And that number is around 24% for young adults without a history in foster care.

Our program has seen success. We assist between 70 and 100 students each year. And after working really hard with students, our first year retention rate for foster care youth at Wayne State University is now within .3% points of the university average. We're proud of our successes and we thank the Legislature for supporting programs like ours across the state.

So, while working to help foster care youth graduate from Wayne State University, we ran into this problem of identity theft. At times, students need a student loan, or maybe a car loan to purchase reliable transportation from school and work, or even want to pursue renting an apartment near campus so that they have a safe place to live. While helping students, we found that many foster care youth are unable to secure loans because of their credit history. And when you look at their credit history, you find that foster care youth are often victims of identity theft. Foster care youth move so often that their personal information is very available to unscrupulous caregivers.

But we did not immediately look to government for a solution, we rolled up our sleeves and did our part. We found an attorney in the community who would help our students pro bono. We

began a credit health workshop. But we continue to hear stories of identity theft from community partners and universities across the state who serve foster care youth.

So we reached the point where we realized that the problem was much bigger than what we could handle and that's why we're here today.

I don't know if you have ever had a flooded basement. But as the water rushes in, you start running out of towels pretty fast... buckets are filling up... and as much as your pride wants to handle the problem yourself... you realize it's just time to make a phone call.

So, we're here today calling on you. Representative Cavanagh has authored HB 5775, The Foster Child Identification Protection Act. We enthusiastically support this bill. This bill makes sure that someone is watching the credit of foster care youth before they even know what credit is. We believe this bill is a great step. And we earnestly encourage you to consider this legislation favorably.

Thank you,

Jeremy Mitchell
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Michigan House Committee on Families, Children and Seniors
N-896 House Office Building
P.O. Box 30014
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Monday, November 10, 2014

To the Michigan House Committee on Families, Children and Seniors,

The Transition to Independence Program wishes to express its enthusiastic support for House Bill 5775. This nonprofit organization provides services and resources to older foster care youth who are attending Wayne State University.

We have seen firsthand foster care youth and former foster care youth who have devastatingly low credit scores due to caregivers who fraudulently use the youth's social security number to secure loans and other purchases. This has led to many youth entering adulthood with credit scores so low that even the simple act of opening a bank account is next to impossible. Students are finding it difficult to obtain loans for college, housing, and transportation due to former caregivers using the youth's social security number without their knowledge.

We are asking you to support and approve House Bill 5775, which would help protect foster care youth from identity theft. This bill would require caseworkers to annually request a foster child's credit report from a consumer-reporting agency and include a credit report in a child's 90-day review. It would also allow a lawyer or guardian to contact a consumer-reporting agency and request immediate removal of fraudulent activity from a foster-child's credit report. These measures and others in HB 5775 would give foster care youth the fair start that most young adults take for granted.

Sincerely,

Angelique Day, PhD
Megan Pennefather, MSW
Jeremy Mitchell
Carly Brin
Taylor Karabach



FACT SHEET: Identity Theft and Foster Care Youth

Identity theft is taking someone's personal information (e.g. credit card number, bank account number, driver's license number, social security number, medical information, etc.) without permission and using it for an unlawful purpose such as opening credit accounts, making charges on an existing account, and providing identity upon arrest.

- 1) Identity theft is a growing problem among foster youth — a problem that many do not discover until they “age out” of the foster care system, usually between the ages of 18 and 21, and unsuccessfully try to obtain student loans, rent an apartment, purchase a car, or acquire a credit card, but find out that their credit has been destroyed instead.
- 2) In 2009, there were 11.1 million incidents of identity theft in the United States (or 1.2 victims every 3 seconds), and persons who are 18 to 24 years of age are most likely to be victims.
- 3) A failure to clear up identity theft can result in impediments to renting an apartment, securing a student loan, getting a job, or obtaining credit.
- 4) Foster care youth are particularly vulnerable to crimes of identity theft: Parents, grandparents, family members, foster parents, social workers, group home personnel and many others regularly have access to a foster youth's Social Security number, birth date, birth certificate and other personal, identifying information.
- 5) Former foster youth may face problems finding safe and adequate housing; they may be denied loans for cars and other larger necessities, and they may be denied financial aid and the opportunity to attend college, all as a result of identity theft that went undetected and unaddressed while they were in the foster care system.
- 6) Victims of identity theft spend an average of 330 hours, \$3,300 in lost wages and over \$850 in expenses to repair the damage to their credit.