

How to navigate the Equifax data breach settlement offer

July 26 2019, by Bev O'shea Of Nerdwallet



California Attorney General Xavier Becerra discusses the settlement reached with Equifax over a 2017 data breach, during a news conference in Sacramento, Calif., Monday, July 22, 2019. Equifax will pay up to \$700 million to settle with the Federal Trade Commission, as well as 48 states, including California, over the data breach that exposed social security numbers and other private information of nearly 150 million people. (AP Photo/Rich Pedroncelli)

Consumers affected by the 2017 Equifax data breach (that's most U.S. adults who have credit) can get their names on the list to get free credit monitoring and/or monetary compensation.

You can see if you're included by visiting the Equifax Data Breach Settlement website.

But the compensation you apply for may not be what you end up with. Watch for qualifiers like "up to," and know the limitations of the settlement.

Free Monitoring Or \$125: What To Know

All affected consumers can get free [credit](#) monitoring. Or, if they already have credit monitoring, they can apply for alternative compensation of up to \$125.

You are choosing between a guaranteed minimum amount of free credit monitoring or compensation that could be well less than \$125, depending on how many people apply.

What Value Do You Get From Free Monitoring?

The free credit monitoring gives you four years of free monitoring from Experian that covers the three major credit bureaus, Equifax, Experian and TransUnion. The lowest price Experian advertises on its website for that coverage is \$19.99 a month. After the three-bureau monitoring expires, you can opt to have up to six years of one-bureau monitoring from Equifax.

What If I Want Cash Instead?

If you already have credit monitoring and plan to keep it for at least six months, you can choose the cash option. You can get either a prepaid card or a check for your reimbursement.

You must have the monitoring in place when you apply. Note that it does not need to be credit monitoring that you pay for, according to Federal Trade Commission spokeswoman Juliana Gruenwald. The free monitoring you can get from some personal finance sites qualifies.

What Is The Likely Value If I Get Cash?

Settlement terms say that alternative reimbursement claims will be paid from a \$31 million "bucket." If there are enough claims to empty that bucket, the amount each person gets will drop as the pool of money is distributed proportionally.

What Are The Odds Of Getting The Maximum \$125?

There would need to be no more than 248,000 approved claims out of the 147 million consumers affected—or less than one-fifth of one percent—for approved applicants to get the full \$125.



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What About The Time I Spent Protecting Myself After The Breach?

You can get "up to" (there are those words again) \$25 an hour you spent on:

Dealing with fraud that was "fairly traceable" to the breach, up to 20

hours, and you'll need documentation.

Freezing and/or unfreezing your credit, comparing and/or purchasing identity theft protection services, up to 10 hours, and you must certify that you are being truthful.

There is another \$31 million bucket of money to cover claims for time spent. If it is exhausted, payouts will be reduced proportionally.

What About Out-Of-Pocket Costs?

The limit is \$20,000 per person, and you'll have to provide documentation. Those expenses can include credit monitoring after the breach, legal expenses, postage, notaries and more.

Those claims will be paid from the \$380.5 million fund Equifax has set up to pay for monitoring services and to compensate consumers. If that payment is not enough to pay initial claims, there is an additional \$125 million available. The money is split into various buckets for different kinds of claims, in much the same way that a budget might work with the envelope system.

The settlement administrator will decide if your [claim](#) for out-of-pocket losses is valid.

Is There A Filing Deadline?

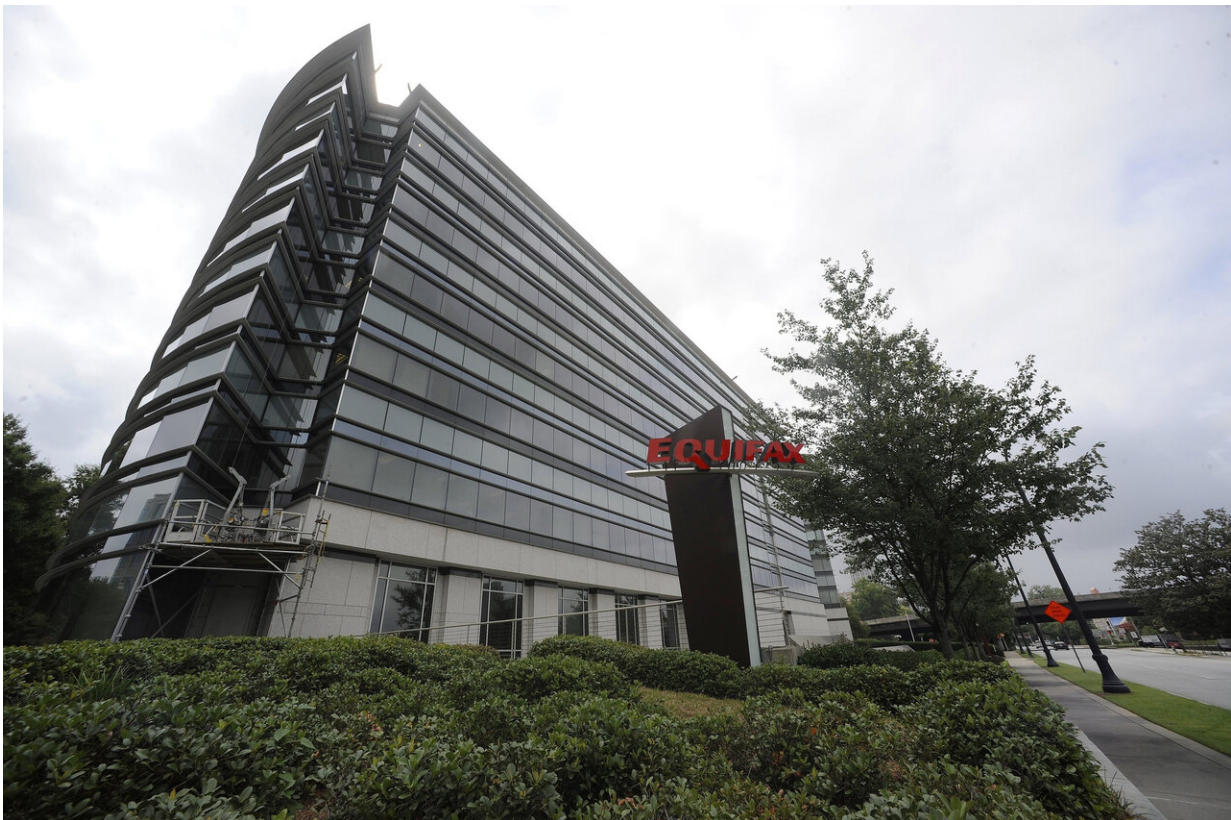
Yes, you have until Jan. 22, 2020, to file for any of these remedies. You can apply online, print out an application form and mail it, or request that a form be mailed to you.

When Will I Get My Benefits?

Not right away. If you choose monitoring, you'll get information on how to activate it once the court finalizes the settlement. A final approval hearing is scheduled for Dec. 19.

Checks or prepaid cards for alternative reimbursement, time spent or out-of-pocket losses could take "several months or more," according to the breach settlement website.

What If I Have Breach-Related Losses Later?



This July 21, 2012, file photo shows the corporate headquarters of Equifax Inc. in Atlanta. Equifax will pay up to \$700 million to settle with the U.S. and states over a 2017 data breach that exposed Social Security numbers and other private information of nearly 150 million people. (AP Photo/Mike Stewart, File)

If there is any money left to compensate consumers after the initial rounds of claims, there will be an extended claims period for losses that occur after the first deadline.

Consumers will be able to seek reimbursement for new out-of-pocket losses or time spent, but not for time and money spent protecting their credit such as by purchasing credit monitoring. You'll have to certify that you have not already received reimbursement for the claimed loss. Claims must be made by Jan. 22, 2024, and will be paid on a first-come, first-served basis.

How Can I Protect Myself Now?

You can freeze your credit. Freezing credit can keep identity thieves from opening credit accounts in your name. It's free and doesn't hurt your score. As long as you are not actively seeking credit, there's little reason not to freeze it.

If you need to unfreeze briefly, that process is also free.

In contrast, credit and identity theft monitoring are more useful for telling you when access has already happened.

More information: Equifax Data Breach Settlement site: bit.ly/equifax-breach-settlement-site

Should I Buy Credit Monitoring? bit.ly/should-I-buy-credit-monitoring

How to Freeze Your Credit: bit.ly/pros-cons-freezing-credit

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