

# The Truth about Credit Reports & Credit Repair Companies

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## What Should I Look for in My Report?

You should look for the following possible problems:

### Are There Any Errors?

If you think there is an error, like an account that is not yours, you should fill out a dispute form or write a letter explaining the problem. Attach copies of any supporting evidence, if you have it. Make sure to send the form or letter to the attention of the agencies that issued the reports containing the error.

The agency must then investigate your report and get back to you, usually within thirty days. (They can decline your request only if they decide that it is frivolous. They must notify you of this decision). The agency must notify you within five days of completing the investigation and must include a copy of your credit report, if it has been revised. If the agency does fix the error, order another report in a few months to make sure the error stays fixed.

### Is There Any Old Information?

Look for:

- Credit information older than seven years
- Bankruptcy information older than 10 years

This is considered “old” information and should no longer be in your report.

## It is Important to Keep Track of Your Credit History by Ordering Your Report

There are three major credit reporting agencies and many other small ones. You should order your report from at least the “Big Three.” These companies are:

**EQUIFAX / EXPERIAN / TRANS UNION**

Consumers are entitled to a free annual credit report from each major credit bureau. You can also obtain a free report if:

- You have been denied credit within the past 60 days.
- You are unemployed and will be applying for a job within the next 60 days
- You receive public assistance, or
- You have reason to believe that your report contains inaccurate information due to fraud.

Victims of identity theft also have rights to free reports. These agencies may charge you for additional reports during the year.

## **How Do I Order My Report?**

You can order your report by phone, on-line, or by mail. To order by phone call toll-free 877-322-8228; online, click on [www.annualcreditreport.com](http://www.annualcreditreport.com); or complete the Annual Credit Report Request Form (available on the above website) and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. You can also get your report by sending a written request which includes your full name, date of birth, social security number and residences for the past five years.

## **Will This Solve All of My Credit Problems?**

No. Sometimes people get into trouble with credit. The problems will usually show up on your report. The best thing to do in this situation is to start rebuilding your credit. And if you apply for new credit, shop carefully. Try to get the best terms possible.

## **What if I Fix Everything and I'm Still Turned Down for Credit?**

It is possible that you are being illegally discriminated against. It is against the law for creditors to base decisions to extend or deny credit on sex, age, race, color, religion, national origin, marital status, receipt of public income or assistance or the exercising of your rights under consumer protection laws. You should consult an attorney immediately if you think this has happened to you.

## **Where Can I Go for Help?**

Consult your local legal services office, volunteer lawyers project (often coordinated through the local bar association), or local department of consumer affairs.

A credit report is a record of how you have borrowed and repaid debts. Creditors usually look at this report to decide whether or not to grant credit and how much to charge.

## **What Kind of Information Can be Included in My Report?**

Most commonly:

- Identification and employment data
- Payment history on your accounts
- A listing of all creditors who have recently requested copies of your report
- Public record information [such as bankruptcies, foreclosures, court judgments]

Credit reports sometimes include credit scores. A credit score is a number, usually from 300 to 850. The higher the number, the better. Creditors use these scores to help them evaluate the risk of lending to you and to decide how much to charge for credit. You may request a credit score from credit reporting agencies, but you may have to pay for it, depending on the type of transaction involved.

## **Who Can See My Credit Report?**

Only certain people are allowed to look at your report, such as:

- Creditors, when you apply for credit or for a loan.
- Employers, but only under certain circumstances and most times you must give them written authorization.

- Government agencies, including those trying to collect child support.

## Should I Use a Credit Repair Company for Help?

**NO!** There are many things you can do on your own for free to “fix” your credit or to rebuild your credit.

## Beware of These Common Claims Made by Credit Repair Companies

> **Myth:** “Credit repair companies can erase bad credit.”

> **Fact: The truth is that no one can erase bad credit information from your report, if it is accurate.**

> **Myth:** “Only a credit repair company can remove old or inaccurate information.”

> **Fact: The truth is that if there are legitimate errors on your report or old information, you can correct the report yourself for free.**

- “*Legitimate error*” means that the information is inaccurate, not just that it is information you don’t like.
- “*Old information*” means credit information older than 7 years, or bankruptcy information older than 10 years.

> **Myth:** “The bad information on your report is accurate, but a credit repair company can erase it anyway.”

> **Fact: The truth is that if this means lying to the credit reporting agency, it is illegal.**

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