

Personal Credit Reports and Credit Repair

Personal Credit Reports

A credit file disclosure or credit report provides you with all the information that is in your credit file. These files are maintained by a consumer reporting company that can then disclose the information to a third party. The credit file disclosure includes information that is not included in a consumer report such as, individuals or companies who have requested a consumer report about you, account reviews and any medical account information which is suppressed for third party users.

The Federal Trade Commission (FTC) regulates credit reporting through the Fair Credit Reporting Act. Recently amended, this law promotes accuracy and ensures privacy of credit information. The three largest credit-reporting agencies are Equifax, Inc., Experian (formerly TRW, Inc.), and Trans Union, Inc. By law, you may receive one **free** credit report every twelve months, even if you haven't been denied credit. Complete credit information is found at the Federal Trade Commission website at www.ftc.gov.

Ordering Information

You can order a credit report either by phone, online, or by writing to the agency. They generally will ask for the following information and, as of Sept. 1, 2005, the report will be free of charge.

- Full Name (Including Jr., Sr., II)
- Current Address
- Telephone Number
- Previous Addresses in the Last 5 Years
- If denied credit, a copy of the denial letter
- Date of Birth
- Social Security Number
- Copy Driver's License or Recent Utility Bill
- Signature

Consumer Credit Agencies

EQUIFAX
800-685-1111

Equifax Information Service
Center
P.O. Box 105851
Atlanta, Georgia 30348
www.equifax.com

EXPERIAN (TRW)
888-397-3742

Experian, National
Consumer Assistance Ctr
P.O. Box 2104
Allen, TX 75013-2104
www.experian.com

TRANS UNION
877-322-8228

Trans Union Corp
Consumer Disclosure Ctr
Post Office Box 105281
Atlanta, GA 30348-5281
www.tuc.com

Credit Repair

You can improve your credit worthiness with a conscious effort and a personal debt repayment plan. This article, excerpted from "Credit Repair: Self-Help May Be Best," published by the US Federal Trade Commission (FTC), explains how you can improve your credit worthiness and lists legitimate resources for low or no-cost help.

Everyday, companies nationwide appeal to consumers with poor credit histories. They promise, for a fee, to clean up your credit report so you can get a car loan, a home mortgage, insurance, or even a job. The truth is, they can't deliver. After you pay them hundreds or thousands of dollars in up-front fees, these companies do nothing to improve your credit report; many simply vanish with your money.

If you decide to respond to a credit repair offer, beware of companies that:

- Want you to pay for credit repair services before any services are provided,
- Do not tell you your legal rights and what you can do—yourself—for free;
- Recommend that you not contact a credit bureau directly;
- Suggest that you try to invent a "new" credit report by applying for an Employer Identification Number to use instead of your Social Security Number; or
- Advise you to dispute all information in your credit report or take any action that seems illegal, such as creating a new credit identity. If you follow illegal advice and commit fraud, you may be subject to prosecution.

You could be charged and prosecuted for mail or wire fraud if you use the mail or telephone to apply for credit and provide false information. It's a federal crime to make false statements on a loan or credit application, to misrepresent your Social Security Number, and to obtain an Employer Identification Number from the Internal Revenue Service under false pretenses.

Under the Credit Repair Organizations Act, credit repair companies cannot require you to pay until they have completed the promised services.

Disputing Inaccurate Information

No one can legally remove accurate and timely negative information from a credit report. But the law does allow you to request a reinvestigation of information in your file that you dispute as inaccurate or incomplete. There is no charge for this. Everything a credit repair clinic can do for you legally, you can do for yourself at little or no cost. According to the Fair Credit Reporting Act, you can dispute mistakes or outdated items for free. Ask the credit-reporting agency for a dispute form or submit your dispute in writing, along with any supporting documentation. Do not send them original documents.

Clearly identify each item in your report that you dispute, explain why you dispute the information, and request a reinvestigation. If the new investigation reveals an error, you may ask that a corrected version of the report be sent to anyone who received your report within the past six months.

When the reinvestigation is complete, the credit bureau must give you the written results and a free copy of your report if the dispute results in a change. If an item is changed or removed, the credit bureau cannot put the disputed information back in your file unless the information provider verifies its accuracy and completeness, and the credit bureau gives you a written notice that includes the name, address, and phone number of the provider.

You also should tell the creditor or other information provider in writing that you dispute an item. Many providers specify an address for disputes. If the provider then reports the item to any credit bureau, it must include a notice of your dispute. In addition, if you are correct—that is, if the

information is inaccurate—the information provider may not use it again. If the reinvestigation does not resolve your dispute, have the credit bureau include your version of the dispute in your file and in future reports. Remember, there is no charge for a reinvestigation.

Reporting Negative Information

Accurate negative information generally can be reported for seven years, but there are exceptions:

- Bankruptcy information can be reported for 10 years;
- Information reported because of an application for a job with a salary of more than \$75,000 has no time limitation;
- Information reported because of an application for more than \$150,000 worth of credit or life insurance has no time limitation;
- Information concerning a lawsuit or a judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer; and
- Default information concerning U.S. Government insured or guaranteed student loans can be reported for seven years after certain guarantor actions.

The Credit Repair Organizations Act

By law, credit repair organizations must give you a copy of the "Consumer Credit File Rights Under State and Federal Law" before you sign a contract. They also must give you a written contract that spells out your rights and obligations. Read these documents before signing the contract. The law contains specific protections for you. For example, a credit repair company cannot:

- Make false claims about their services;
- Charge you until they have completed the promised services; or
- Perform any services until they have your signature on a written contract and have completed a three-day waiting period. During this time, you can cancel the contract without paying any fees.

Your contract must specify:

- The payment terms for services, including their total cost;
- A detailed description of the services to be performed;
- How long it will take to achieve the results;
- Any guarantees they offer; and
- The company's name and business address.

Have You Been Victimized?

Many states have laws strictly regulating credit repair companies. States may be helpful if you've lost money to credit repair scams.

If you've had a problem with a credit repair company, don't be embarrassed to report them. While you may fear that contacting the government will only make your problems worse, that's not true.

Laws are in place to protect you. Contact your local consumer affairs office or your state attorney general (AG). Many AGs have toll-free consumer hotlines. The Pennsylvania Office of Attorney General can be reached at:

- Bureau of Consumer Protection
16th Floor, Strawberry Square
Harrisburg, PA 17120
Toll-free Consumer Hotline: 1-800-441-2555
TDD# 1-800-382-4814
<http://www.attorneygeneral.gov>

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint, or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the online complaint form. The FTC enters Internet, telemarketing, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies worldwide.

Need Help? Don't Despair

Just because you have a poor credit report doesn't mean you won't be able to get credit. Creditors set their own credit-granting standards and not all of them look at your credit history the same way. Some may look only at more recent years to evaluate you for credit, and they may grant credit if your bill-paying history has improved. It may be worthwhile to contact creditors informally to discuss their credit standards.

If you can't resolve your credit problems yourself or you need additional help, you may want to contact a credit counseling service. There are non-profit organizations in every state that counsel consumers in debt. Counselors try to arrange repayment plans that are acceptable to you and your creditors. They also can help you set up a realistic budget. These counseling services are offered at little or no cost to consumers. Credit counseling services in southwestern Pennsylvania are listed below.

Resource Links

- **Federal Consumer Information Center**
<http://www.pueblo.gsa.gov>
- **National Foundation for Credit Counseling**
<http://www.nfcc.org/>
National Foundation for Credit Counseling (NFCC) is a national non-profit network of 1,450 Neighborhood Financial Care Centers designed to provide assistance to people dealing with stressful financial situations. To make an appointment at any of the branches please call 1-800-682-9832.

Some of this information was obtained from:

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<http://www.ftc.gov/bcp/online/pubs/credit/repair.htm/>
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