



# your money

*a guide to managing your credit and debt*


**Volume 2**  
Your Credit Report  
and Your Rights



A photograph of a young man and woman smiling warmly at the camera. The man is in the foreground, wearing a white button-down shirt, and the woman is behind him, wearing a light-colored top, with her arms around his shoulders. The background is a bright, slightly blurred indoor setting.

# Your Credit Report and Your Rights

Take the first step in changing your financial future. Call InCharge Debt Solutions today at **1.877.544.7772** or visit **[www.incharge.org](http://www.incharge.org)**



One of the most crucial steps in taking control of your financial future is knowing exactly what is in your credit report. Understanding your report—and what rights you have concerning the information—is key to establishing and maintaining good credit. Your credit rating follows you through your entire life, and is used regularly as you are evaluated for car and home loans, jobs, leases, and much more. That's why it's so important to know what is in your credit file, what it all means, how to fix any errors you might find, and what rights protect you as a credit consumer. This issue of *Your Money* gives you the information and tools you need to:

- Obtain your credit reports from the three leading bureaus
- Spot and correct common errors in your reports, including signs of identity theft
- Understand the rights you have under federal law concerning your credit

It's your credit—take control of it today!

# Your Credit Report: What You

Every time you take out a loan, open a credit card account, or buy something on an installment plan, you create a transaction that ends up in your credit report. Banks, mortgage companies, or any businesses offering credit use these reports to see how well you've managed your credit in the past.

So what else is in your credit report? Think of it as a record of your personal credit history. It includes:

- **Personal data:** Your name, past and present addresses, previous employers, current employers and your Social Security Number (SSN).
- **Credit accounts:** Information on current and past loans and credit accounts, credit limits, current balances and payment histories (including late payments, repossessions, charge-offs and collection activity).
- **Public record information:** Information on any tax liens, bankruptcies, or legal judgments against you.
- **Inquiries:** Information about businesses that have requested your credit report within the last 12 months.
- **Negative information:** To assist you in reading the report, some credit reports may add a section that summarizes all negative information.
- **Personal entries:** Includes any 100-word statements you have added to your credit report.

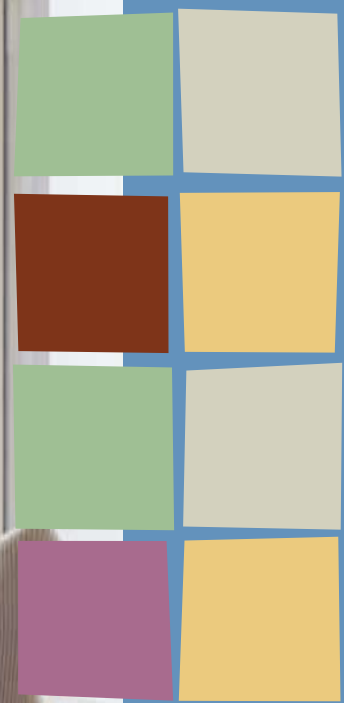
## Getting Your Credit Reports

You are ultimately responsible for the accuracy of your credit report, so it is important that you check yours at least once a year.

You are entitled to one free credit report each year from each of the three major credit reporting bureaus: Experian Inc., Equifax and TransUnion LLC. These three bureaus are competitors and do not share information with each other, so each credit report may be somewhat different—you should check all three. You can request them via the Internet at [www.annualcreditreport.com](http://www.annualcreditreport.com), by phone at 1-877-322-8228, or by mail at Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348.

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# Need to Know



## What's affecting your credit score?

Identity fraud?

Errors or inaccuracies?

Too many credit cards or delinquent accounts?

Find out with BrightScore, the credit report tool that shows you exactly what's in your credit report—and what you can do about it.

Visit [www.brightscore.com](http://www.brightscore.com) or call toll-free 1-877-844-2782





# Spotting Errors

Remember, credit bureaus are required by law to explain information in your credit report that you do not understand. The credit bureau that supplied the report is required to answer your questions by telephone. Call during off-peak hours for faster service.

## Common Errors—And What to Do About Them

Credit reports often contain mistakes, which could hurt your credit rating and mean you'll pay higher interest rates, more points on a home mortgage or even be denied credit. While credit bureaus are legally responsible for reporting accurate information, you must bring any errors to their attention.

Common errors include:

- Accounts that are not yours
- Lawsuits or public actions in which you are not involved
- Incorrect account histories (saying you were late when you actually made payments on time)

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# On Your Credit Report:

- Incorrect name, address, phone number, or Social Security number
- Accounts listed as a “chargeoff” (debt that was written off and never paid) that you actually paid in full
- Accounts that were the responsibility of a divorced spouse

There is a big difference between incorrect information and negative information. As long as negative information is accurate, it will remain on your credit report. Beware of “credit repair” companies that make misleading promises to “clean up” credit reports or erase bad credit.

To remove incorrect information, you must send a letter to the credit bureau that clearly explains the error. Include photocopies of supporting documentation. Once the credit bureau receives your request, it has 30 days to investigate it and respond to you.

Here are some more tips for solving credit report problems:

- To contest a credit report, bill or credit denial, contact the appropriate company in writing and send it “return receipt requested.”
- Keep all your original documents, especially receipts, sales slips, and billing statements. You will need them if you dispute a credit bill or report. Send copies only. It may take more than one letter to correct problems.
- Be skeptical of businesses that offer instant solutions to credit problems. There is nothing that a credit repair company can do for you—for a fee—that you cannot do for yourself for little or no cost.

If you can’t resolve your credit problems yourself or if you need help, try a credit counseling service. Non-profit organizations in every state counsel consumers in debt. Counselors can arrange re

payment plans that are acceptable to you and your creditors, and can help you set a realistic budget. Visit [www.aiccca.org](http://www.aiccca.org), the Web site of the Association of Independent Consumer Credit Counseling Agencies and [www.nfcc.org](http://www.nfcc.org), the Web site of the National Foundation for Credit Counseling, to find a reputable credit counseling organization.

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 these practices. To file a complaint or to get free information on consumer issues, visit [www.ftc.gov](http://www.ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.

# Your Credit Watchdogs:

## Your Credit Watchdog

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Your credit history is recorded in files or reports that are maintained and sold by consumer reporting agencies (CRAs), such as credit bureaus. The Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information in these files. Most agencies share information about you such as if you pay your bills on time or have filed bankruptcy to creditors, employers, landlords, and other businesses. The FCRA gives you specific rights\* (see below). The act is designed to make sure that agencies furnish correct and complete information to businesses to use when evaluating your application.

Your rights under the Fair Credit Reporting Act:

- You have the right to receive a copy of your credit report, which must contain all the information in your file at the time of your request.
- You have the right to know the name of anyone who received your credit report in the last year for most purposes or in the last two years for employment purposes.
- Any company that denies your application must supply the name and address of the CRA they contacted, provided the denial was based on information given by the CRA.



# FCRA and FACTA

- You have the right to a free copy of your credit report when your application is denied.
- If you contest the accuracy of information in your report, you should file a dispute with the CRA and the company that furnished the information to the CRA.
- Both the CRA and the furnisher of information are legally obligated to investigate your dispute.
- You have a right to add a summary explanation to your credit report if your dispute is not resolved to your satisfaction.

In late 2003, President Bush signed into law the Fair and Accurate Credit Transactions Act (FACTA), amending the Fair Credit Reporting Act (FCRA) and reauthorizing national consumer protection standards, giving consumers more credit rights than ever.

FACTA also provides new tools to fight the growing crime of identity theft, plus free access to credit reports. Other provisions include:

- Allowing consumers to place “fraud alerts” in their credit reports to prevent identity thieves from opening accounts in their names.
- Giving consumers the right to see their credit scores.
- Allowing consumers to stop information from being given to or reported by a credit bureau if such information results from identity theft.
- Providing consumers with “one-call-for-all” protection by requiring credit bureaus to share consumer calls on identity theft, including requested fraud alert blocking.
- Restricting access to consumers’ sensitive health information.

- Prohibiting merchants from printing more than the last 5 digits of a payment card on receipts.

Together, the two federal acts provide legal structure that protect our rights, fair credit reporting and credit transactions in short, they help police the credit system, making sure its use is fair to everyone.

Think your credit rights have been violated? Contact the Federal Trade Commission at 1-877-FTC-HELP (382-4357) or [www.ftc.gov](http://www.ftc.gov).

\*Certain states also provide additional rights, contact a state or local consumer protection agency or a state attorney general to learn them.

You are entitled to one free credit report each year from each of the three major credit reporting bureaus: Experian Inc., Equifax and TransUnion LLC. These three bureaus are competitors and do not share information with each other, so each credit report may be somewhat different—you should check all three. You can request them via the Internet at [www.annualcreditreport.com](http://www.annualcreditreport.com), by phone at 1-877-322-8228, or by mail at Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348.



# The Fair Debt

No one but you is responsible for your money and your debts, and if you fall behind on your payments or if an error is made on your account, you may be contacted by a debt collector. A debt collector is any person, other than the creditor, who regularly collects debts owed to others. This includes lawyers who collect debts on a regular basis. It is important to remember this: You have the right to be treated fairly by debt collectors under the Fair Debt Collection Practices Act (FDCPA).

The FDCPA applies to personal, family, and household debts. This includes money owed for the purchase of a car, for medical care, or for charge accounts. The FDCPA prohibits debt collectors from engaging in unfair, deceptive, or abusive practices while collecting these debts.

## Your rights under the Fair Debt Collection Practices Act:

### Debt collectors:

- May contact you only between 8 a.m. and 9 p.m.
- May not contact you at work if they know your employer disapproves.

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# Collection Practices Act

- May not harass, oppress, or abuse you.
- May not lie when collecting debts, such as falsely implying that you have committed a crime.
- Must identify themselves to you on the phone.
- Must stop contacting you if you ask them to in writing.

## Your Credit Application and the Equal Credit Opportunity Act

When you apply for credit, you should know that as potential creditors review your application, the law says that they cannot discriminate, due to the Equal Credit Opportunity Act (ECOA). The ECOA prohibits credit discrimination on the basis of sex, race, marital status, religion, national origin, age, or receipt of public assistance. Creditors are allowed to ask for this information (except religion) in certain situations, but may not use it to discriminate when deciding whether or not to give you credit.

The ECOA protects consumers who deal with companies that regularly extend credit, including banks, small loan and finance companies, retail and department stores, credit card companies, and credit unions. Everyone who participates in the decision to grant credit, including real estate brokers who arrange financing, must follow this law. Businesses applying for credit are also protected.

## Your rights under the Equal Credit Opportunity Act:

You cannot be denied credit based on your race, sex, marital status, religion, age, national origin, or receipt of public assistance.

You have the right to have reliable public assistance considered in the same manner as other income.

If you are denied credit, you have a legal right to know why.

Ready for more of **Your Money?** Watch for the next issue, coming to you soon!