



FACTS

FOR OLDER CONSUMERS

National Consumer Law Center®

What You Should Know About Your Credit Report

If you have ever applied for a credit card, a personal loan, insurance, or a job, there is probably a company keeping a credit file or credit report about you. This file contains information about where you live and work, how you pay your bills, or whether you have been sued, arrested, or have filed for bankruptcy.

Companies that gather and sell this information are called “Consumer Reporting Agencies” or “Credit Bureaus.” The information sold by Consumer Reporting Agencies to creditors, employers, insurers, and other businesses is called a “credit report.”

Here are answers to some common questions about credit reports, consumer reporting agencies, and credit scores.

Can I obtain free copies of my credit reports?

Yes. You can get a free copy of your credit report once every 12 months from each of the three big nationwide Consumer Reporting Agencies.

How do I order my free annual report?

The three nationwide Consumer Reporting Agencies have set up one central website, toll-free telephone number, and mailing address through which you can order your free annual report. To order:

- click on www.AnnualCreditReport.com,
- call 877-322-8228, or
- complete the Annual Credit Report Request Form and mail it to:
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281.

You can print the form at www.ftc.gov/credit.

Do not contact the three nationwide Consumer Reporting Agencies individually for your free annual report. They are only providing free annual credit reports through

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the centralized request service listed above.

You may order your free annual reports when you go to the centralized request service or just one at a time if you prefer. However you decide to do this, you can get just one free report from each Consumer Reporting Agency in each 12 month period.

The three major Consumer Reporting Agencies are:

Equifax 800-685-1111 www.equifax.com	Experian 888-EXPERIAN (888-397-3742) www.experian.com	Trans Union 800-916-8800 www.transunion.com
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Watch out for advertisements that claim to provide free credit reports! Some of these offers are not really free, but are introductory teasers that convert to an expensive subscription service. The new Credit CARD Act requires these businesses to put a warning in their advertisements stating: "This is not the free credit report provided for by Federal law. To get your free report, visit www.AnnualCreditReport.com or call 877-322-8228."

What information do I have to provide to get my free report?

You need to provide your name, address, Social Security number, and date of birth. If you have moved in the last two years, you may have to provide your previous address. To maintain the security of your file, each nationwide Consumer Reporting Agency may ask you for some information that only you would know, like the amount of your monthly mortgage payment. Each Agency may ask you for different information.

www.AnnualCreditReport.com is the only authorized source for your free annual credit report from the three nationwide Consumer Reporting Agencies. www.AnnualCreditReport.com and the nationwide Consumer Reporting Agencies will not call you or send you an email asking for your personal information. If you get a telephone call or an email or see a pop-up ad claiming it's from www.AnnualCreditReport.com or any of the three nationwide Consumer Reporting Agencies, do not reply or click on any link in the message – it's probably a scam. Forward any email that claims to be from www.AnnualCreditReport.com or any of the three Consumer Reporting Agencies to the FTC's database of deceptive spam at spam@uce.gov.

Are there other ways to obtain a free credit report or credit score?

Yes, in certain circumstances. If your application for credit, insurance, or employment was denied because of information furnished by the Consumer Reporting Agency, and if you request a copy of your credit report within 60 days of receiving the denial notice, you are entitled to the information without charge. In addition, beginning July 21, 2011, if you were denied credit or required to pay more based on a credit score, you will receive a free copy of that credit score.

You are also entitled to one free report once in any 12 month period, if you certify in writing that you:

- Are unemployed and intend to apply for a job within the next 60 days;
- Are receiving public assistance; or
- Have reason to believe that your report is inaccurate due to fraud.

If you don't meet one of these requirements, the Consumer Reporting Agency may charge a fee, currently up to \$10.50 for a copy of your report. In some states, Consumer Reporting Agencies are required to provide consumers an additional free report or a report at a reduced fee. These states are Colorado, Georgia (2 reports), Maine, Maryland, Massachusetts, New Jersey, and Vermont.

Why should I order my credit report?

It is a good idea to check your report regularly, even when you are not experiencing problems. The information in your report affects your credit score and whether you can get a loan – and how much you will have to pay to borrow money. It is also helpful to make sure the information is accurate, complete, and up-to-date before you apply for a loan for a major purchase like a house or car, buy insurance, or apply for a job. Ordering your report can also help you guard against identity theft. Identity theft occurs when someone uses your personal information – like your name, your Social Security number, or your credit card number – to commit fraud.

What do I do if the information is inaccurate or incomplete?

In 1970, Congress created the Fair Credit Reporting Act (FCRA) to protect consumers when dealing with Consumer Reporting Agencies. Under the FCRA, both the Consumer Reporting Agency and the information provider have responsibilities for correcting inaccurate or incomplete information in your report. To protect your rights, contact both the Consumer Reporting Agency and the provider of information, including lenders, collection agencies or other businesses.

First, tell the Consumer Reporting Agency *in writing* what information you believe is inaccurate. Be as specific as possible. The Consumer Reporting Agency must investigate the items in question – usually within 30 days – unless they consider your dispute frivolous. The creditor who first supplied the information to the bureau also has a duty to investigate your dispute. You have a right to dispute incorrect information directly with the creditor; however, a dispute to the creditor will NOT give you a right to seek legal relief if the creditor mishandles your dispute. Only a dispute sent to the Consumer Reporting Agency gives you that right, so make sure to send a copy of any dispute with the creditor to the Consumer Reporting Agency. If the creditor finds the disputed information to be inaccurate, it must notify all nationwide Consumer Reporting Agencies so that they can correct this information in your file.

In trying to persuade a creditor that its information is inaccurate, you should supply whatever proof you have. In some cases, you might be willing to pay part or all of the debt, either immediately or in installments. If you agree to pay part or all of the debt, make sure

to get the creditor's *written* agreement to delete the negative information. Simply paying off a debt will not remove the information from your credit report.

When the investigation is complete, the Consumer Reporting Agency must give you the written results and a free copy of your report if the dispute results in a change. (This free report does not count as your annual free report.). If an item is changed or deleted, the Consumer Reporting Agency cannot put the disputed information back in your file unless the information provider verifies that it is accurate and complete. The Consumer Reporting Agency also must send you written notice that includes the name, address, and phone number of the information provider.

What can I do if the Consumer Reporting Agency or information provider refuses to correct the information I dispute?

If an investigation doesn't resolve your dispute with the Consumer Reporting Agency, you can ask that a statement of the dispute be included in your file and in future reports. You also can ask the Consumer Reporting Agency to provide your statement to anyone who received a copy of your report in the recent past. You will probably have to pay a fee for this service.

If you tell the information provider that you dispute an item, a notice of your dispute must be included any time the creditor reports the item to a Consumer Reporting Agency.

How long can a Consumer Reporting Agency report bad information?

A Consumer Reporting Agency can report most accurate negative information for seven (7) years and bankruptcy information for ten (10) years. However, there is no time limit on reporting information about criminal convictions.

Who else can get a copy of my credit report?

Only people with a legitimate business need, as recognized by the Fair Credit Reporting Act, can look at your report without your permission. For example, a company is allowed to get your report if you apply for credit, insurance, employment, or to rent an apartment.

A Consumer Reporting Agency may not give information about you to your employer, or to a prospective employer, without your consent, unless you are being investigated for suspected misconduct, compliance with federal, state or local laws, or preexisting written policies of your employer.

What if I think a Consumer Reporting Agency has violated my rights under the law?

You may wish to seek the advice of an attorney about bringing a private lawsuit. You should also consider contacting the Federal Trade Commission (FTC). Although the FTC

cannot act as your lawyer in private disputes, information about your experiences and concerns is important to the enforcement of the Fair Credit Reporting Act. To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

States may also enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General.

Publications and Web Sites

National Consumer Law Center, Fair Credit Reporting (7th ed. 2010 & Supp.).

National Consumer Law Center, Guide to Surviving Debt (2010 ed.).

Call 617-542-9595 or visit www.consumerlaw.org for more information about NCLC publications.

Consumer Federation of America (202) 387-6121 www.consumerfed.org	Consumers Union www.consumersunion.org	U.S. PIRG (202) 546-9707 www.uspirg.org
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