

How to get your credit report at no cost

To order your free report, go to annualcreditreport.com. Review your credit report from the three credit bureaus, getting one every few months. This keeps you up-to-date on the content and allows you to find any inconsistencies within your financial information as you compare the reports. For further information, contact any of the three major credit reporting bureaus:

Equifax	Experian	TransUnion
P.O. Box 740241 Atlanta, GA 30374 800-685-1111 equifax.com	P.O. Box 9595 Allen, TX 75013 888-397-3742 experian.com	P.O. Box 2000 Chester, PA 19022 800-916-8800 transunion.com

Your FICO score is available to you for a small fee. You can obtain your FICO score and find additional services and resources to help manage and protect your credit from Equifax.

What to do if you spot errors

Credit reports may contain outdated or incorrect information. Creditors report billions of pieces of information to credit bureaus each year. Under the Fair Credit Reporting Act, credit bureaus and any business that supplies them with data must investigate consumer disputes at no charge, generally within 30 days. Within five business days of completing its investigation, the bureau must send you the results, a revised copy of the credit report, and information about your rights. Corrections must be sent to all major credit bureaus, so you don't have to contact them yourself. If you spot suspicious information, here's what you should do:

- ❑ Write a letter to each credit reporting bureau, giving your full name and mailing address, date of birth, and Social Security number, and explain what information you think is inaccurate.
- ❑ Request a deletion or correction.
- ❑ In your letter, clearly identify each item in your report that you dispute.
- ❑ Sign your letter.
- ❑ Enclose a copy of your report with the items in question circled.

- ❑ Include copies (not originals) of documents that support your position.
- ❑ Send your letter by certified mail, return receipt requested, so you can prove that the credit bureau received the information.
- ❑ Keep a log of your efforts and everyone you talk to. Make your credit report a valuable asset. Pay your bills on time, review your credit report at least once a year, and understand how the credit rating system works. Avoid possible complications associated with having an inaccurate credit report and rectify erroneous information immediately. A solid credit record and an accurate credit report are valuable assets.

Make your credit report a valuable asset



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Credit Reporting 101



Understanding Your Credit Report

When was the last time you checked your credit report for accuracy? How do you obtain your credit score? What does your credit report mean to those who lend you money and credit? Not only does your credit report affect your financial life, but it can also affect your career, education, and the interest



rates that lenders offer you. Your credit report should make you look as financially attractive as possible. By periodically reviewing your credit report, you can see your payment history, understand how your credit is rated, prevent errors from going undetected, and save delay when you need an accurate credit report the most.

Credit reports from the major reporting agencies

Your credit report—also referred to as a credit file, credit history, or credit rating—is a compilation of your payment history on all credit accounts to judge your credit worthiness. The three major credit reporting agencies are Equifax, Experian, and TransUnion. They don't share information, so one report may not be identical to another. Information about your existing and past credit accounts—mortgages, credit cards, student loans—is reported to the bureaus, while judgments, liens, and bankruptcies are found by the bureaus from public records.

Credit bureau affiliates

Besides the three major reporting agencies, there are hundreds of credit bureaus called affiliates that collect financial information for their customers. Mortgage reporters use credit report information to create detailed credit reports for real estate lenders. Resellers purchase, collect, package, and sell information about your financial life to lenders, employers, insurance agencies, and other customers. Their customers use the information to make decisions about whether to offer you loans or other services

Requests to view your report

Whenever you or an authorized creditor requests to see it, your credit report is produced with a listing of your personal information, payment history, outstanding balances, and maximum lines of credit available. Your credit report also reveals any late payments, charge-offs (accounts written off as uncollectible), bankruptcies, and recent inquiries from creditors that have obtained a copy of your report.

Types of credit reports

An investigative report is very detailed and may contain information about your lifestyle. Investigative reports are usually prepared for companies that want a thorough background check, such as one needed for high-dollar insurance policies, a high-level job, or a security clearance.

A standard report contains a complete outline of your financial history. You'll probably only have to deal with a standard report. There are four parts to a standard report:

Personal information—Your name, spouse's name, address, previous addresses for the past 5 to 10 years, date of birth, Social Security number (as well as that of your spouse), addresses of your previous and present employers, and your telephone number.

Tradeline—A list of your credit accounts, the opening date, whether you make timely payments, the balance, joint account information, and any negative information regarding the account.

Public record—Monetary judgments, state and federal tax liens, and bankruptcies.

Inquiries—Everyone who has viewed your credit report recently. One kind of inquiry is generated when you apply for credit, insurance, or a job. Another kind is a promotional inquiry that is created when lenders ask the credit bureau for lists of people who fit a certain category so that they can mail them pre-approved credit offers. A third kind of inquiry is created when lenders want to review their customers' credit reports to increase credit lines before the holidays. Customers who fit the stores' qualifications will be granted more credit.

Your credit score

Named for its founders, Fair, Isaac & Company, your

Credit Report Card: The Three "C's"

The guidelines that creditors use to decide when to grant credit are character, capacity, and collateral

□ Character:

How responsible you are in paying your bills

□ Capacity:

Your ability to repay loans based on money management skills, income, and financial position

□ Collateral:

What assets you have to offer if you don't pay back the loan

FICO score helps a lender gauge the likelihood of a loan being repaid. While your credit report is a reflection of your financial activities, your credit score is an analysis of your credit worthiness based on your credit history and current credit accounts.



Credit scores range from about 350 to 850 points. The higher the score, the more likely you are to get credit. A score of 700 and up is considered excellent, while borrowers with scores below 620 may not get

the best interest rates available and may experience complications when requesting credit. Here are three important factors that determine your credit score:

Past payment history. Get a higher score if you consistently pay your bills on time.

Outstanding balances. The higher your credit card balances are in relation to the percentage of your credit limits used, the lower your score.

Financial stability. The length of time you've had the same accounts open, the various types of existing credit, and the number of recent credit applications you have submitted. Also, the length of time at your current job and whether you have a checking or savings account are considered when calculating your score.