



YOUR CREDIT REPORT FACT SHEET



The purpose of this fact sheet is to provide you with basic information regarding credit reports and the three major credit bureaus, Experian, Equifax and TransUnion. It is not designed to provide legal or financial advice, but it should provide the baseline of knowledge to assist you in understanding what your credit report is, the importance of it, and some of your rights and protections regarding it.

What is a credit report and what is in it?

Your credit report is a report that tracks numerous pieces of personal and financial data in order to assist businesses with insight into your creditworthiness. Your credit report will often include where you live, how many accounts you have (both open and closed), whether you have defaulted or filed for bankruptcy, how often and what companies have inquired about your credit, as well as other information. It is a comprehensive snapshot that allows businesses to be able to determine how much risk they undertake by loaning you money or extending a line of credit to you, and it is also used to evaluate applications for insurance, employment and even residential leases.

How is my credit report used?

The information contained in your credit report is placed into a formula by each of the three major credit bureaus to produce your credit score. Each bureau has their own score range, but, typically, it will range anywhere from around 300 to 850; the higher the number, the better your credit. If you have good credit, it will be easier to obtain lower interest rates on loans and credit cards.

Your rights regarding your credit report.

The Fair Credit Reporting Act (FCRA) provides for accuracy and privacy of information in the files of consumer reporting agencies. Under the FCRA, you are entitled to know about the information, which, as previously mentioned, may help you obtain lower interest rates, but it also is important to combat identity theft. The FCRA requires each of the major credit bureaus to provide you with a free copy of your credit report, at your request, once every 12 months. *It is good practice to order one credit report from each of the three bureaus every four months rather than ordering all three reports at the same time.* In order to obtain one of your free credit reports, you should visit www.annualcreditreport.com.

You are also entitled to a free copy of your credit report if you have been denied credit, insurance or employment within the last 60 days based on information contained in one of the reports. If the company relied on information supplied by a credit bureau, the company must indicate which credit bureau provided the information.

You also have the right to dispute mistakes or outdated information **for free**. Ask the credit agency for a dispute form, which usually can be done online, or submit your dispute in writing along with supporting documents. In your dispute, clearly identify the inaccurate information, explain why you are disputing the information and request a reinvestigation. Inaccurate, incomplete or unverifiable information in your credit report must be removed or corrected within 30 days. You should also tell the creditor or entity that provided the negative information that you dispute the negative item on the credit report. Regardless of the investigation's outcome, the credit bureau will provide you the written results and a free copy of your report if your dispute is successful.

Be CAREFUL!

Companies claiming to be free - Websites, such as www.freecreditreport.com, claim to provide free credit reports and free credit scores. However, these services are NOT free. In addition, requesting and paying for any of their services often contains small print that will automatically enroll you into credit monitoring for a monthly recurring fee. While credit monitoring is not inherently evil, the automatic deductions on your credit/debit card often come as an unwelcomed surprise to consumers. This service also accomplishes the same thing you would/will be able to do by requesting a credit report every four months and monitoring it yourself.

Credit Repair/Renew Scams – There are several companies out there that promise they can clean up, or even erase, items in your credit report for a fee. The truth is, no one can legally remove accurate and timely reported negative information contained in your report. Actually, the FCRA provides all of the tools you can utilize for free.

However, if you do decide to use a credit repair company, know that, by law, they must give you a copy of the “Consumer Credit File Rights Under State and Federal Law” before you sign a contract with them. They must also give you a written contract detailing your rights and obligations. Your specific rights under The Credit Repair Organizations Act state they may not:

- * Make false claims about their services;
- * charge you until they have completed the promised service; or
- * perform any services until you have signed a written contract and have completed a three-day waiting period (you may cancel within these three days).

If you have any questions concerning your rights under the FCRA, please call the Fort Benning Legal Assistance Office at 545-3281/3282. You may also want to consider scheduling an appointment with the Fort Benning Army Community Service's Financial Readiness Program.