



# FCRA

# *My Credit Report Says What?*

By Michael LeFan

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In his book, *The Devil's Dictionary*, Ambrose Bierce (1842–1914) included this definition: “Creditor. One of a tribe of savages dwelling beyond the Financial Straits and dreaded for their desolating incursions.”

Credit is a marvelous tool and good credit even more so. Good credit does not need to be a mystery. It is actually very straightforward. Financial institutions pay a credit reporting agency, or credit bureau, to compile information about consumers. These reports are much like your high school or college grade transcripts—but instead of collecting your grades, credit bureaus collect your credit information.

However, when credit gets out of hand or when credit histories get fouled up, then nightmares can break loose. We read the advice in newspapers and magazines and hear it from television reports—“**Check your credit report at least once a year.**”

“*It’s a good idea,*” I always thought. “*I should do that.*” You probably have the same reaction, and you probably do what I did—nothing. Then came a couple of *unpleasant* credit card experiences. My credit card statement recently included a charge for membership to an Internet porn site. Since I don’t visit those places, I knew it was not my charge. I canceled the credit card and got a new account number. Nevertheless, the idea of checking my credit report suddenly became more imperative. In this day of “identity theft” and credit card fraud, your personal credit report can show you some vital statistics.

A credit report is an enlightening document. However, it also raises a number of additional questions.

**Where does the information come from; how long does it stay?** Most of the data in your credit report comes from companies you have credit with, such as credit card issuers, department stores, banks, mortgage companies, finance companies, and so on. Some information—such as bankruptcies, judgments, lawsuits and tax liens—comes from the public records of various court systems.

Credit reporting agencies, the folks who compile credit reports, are governed by the federal Fair Credit Reporting Act (FCRA) and by various state laws. There are three primary credit reporting agencies in the U.S.: Experian, Equifax, and Trans Union.

The FCRA permits the credit reporting agencies to list positive information on your credit report for an indefinite period of time.

However, federal law says that accurate negative information—things such as a late payment or an account turned over to a collection agency—can stay on your credit report for seven years. Bankruptcies can remain on your credit report for up to 10 years.

**What should you do if you disagree with information in your credit report?** When you get a copy of your credit report, if you believe that some of its information is inaccurate then you should notify the credit reporting agency within 90 days. They will check the information at no cost to you. You may call or write to them with your dispute. The appropriate phone number and address for your area will be listed on the credit report. If you write, be as specific as possible and include copies of pertinent documents.

When they **receive** your dispute, the credit reporting agency will ask the sources of the information to check their records. Incorrect information will be changed, and information that cannot be verified will be purged. This process takes about 30 days. Once the research is complete, the credit reporting agency will send you the results of their research. If you still disagree, you may then request that a statement be added to your credit report. You may also request the business name and address of the source of the reinvestigation information.

“Frivolous” or “irrelevant” disputes (generally those which do not contain *specific* information or exact reasons) will not be checked.

You have probably seen or heard those advertisements from companies claiming that they can “repair” your credit. The truth is, however, that no one can have accurate, current, and verifiable information removed from your credit report. Many states have laws regulating these companies. You might want to check with the Better Business Bureau or a local consumer protection agency before paying for credit “repair” services.

If you are in credit trouble, the National Foundation for Consumer credit has more than 1,000 nonprofit member agencies that can help you establish a budget and negotiate repayment plans with your creditors. Call 1-800-388-2227 for the address and telephone number of the NFCC office nearest you.

### How should you read your credit report?

**Information affecting your creditworthiness includes** a summary of public records and credit information about you that is contained in the report. This is followed by a detailed description of each item. Items that may have a potentially negative effect on your future credit extension are generally listed first on the report.

**Your use of** credit provides additional detail about your accounts, listing up to 24 months of balance history and your credit limit or high balance on credit cards or accounts, or your original loan amount.

Your credit report will also include a listing of who has requested your credit history. This section shows you who has looked at the information in your credit report or were given your name during the past two years. These are called “inquiries.”

The section of “Personal Information” about you includes information associated with your records that has been submitted to the credit reporting agency by you, your creditors, and other sources:

- **Name(s):** If variations of your name were reported to the credit reporting agency, they will appear in this Personal Information section.
- **Residence(s):** Your present and previous addresses will be included. Also appearing here is a geographical code, similar to a ZIP Code, representing your state, census tract, block group, county number, and the Metropolitan Statistical Area associated with your address. Your report also may indicate whether you are a homeowner or renter.

- **Social Security Number(s):** If variations of your Social Security number were reported to the credit reporting agency, they will appear here.
- **Verifying Information:** Information used to verify the data you provided to a credit grantor also might appear in this area. This may include the following: date of birth, driver's license number, home phone number, business phone number, cellular phone number, and spouse's name.
- **Employer(s):** Your present and previous employers will be listed here if they have been reported to the credit reporting agency.
- **Notices:** This section calls your attention to further explanations of any personal information.

If you have questions after reviewing your report, the bureaus invite you to call or write the address or number listed on your report. Their customer service representatives will be happy to work with you to resolve any questions.

The federal Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information used in the process of granting credit. The information in your credit report is supplied by public record sources, credit grantors, and others to the credit reporting agencies. They organize and store the information for distribution to credit grantors, employers, and insurers who are making credit, employment and insurance decisions about you. The FCRA requires certain things of those who supply and those who use this information. The credit reporting agencies are under specific responsibilities in connection with their role in the credit granting and reporting process. The FCRA also gives you specific rights in dealing with these agencies. You can find the complete text of the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) at the Federal Trade Commission's web site (<http://www.ftc.gov>). You may have additional rights under state law. Contact your state or local consumer protection agency or your state's attorney general to learn those rights.

Here are some of your rights under the FCRA:

- **Access** to your file is limited to those having a permissible purpose recognized by the FCRA—usually to consider an application you have submitted to a creditor, insurer, employer, landlord, or other business, or to consider you for an unsolicited offer of credit.
- Your consent is required for reports that are provided to employers or that contain medical information. A credit reporting agency may not give a report about you to your employer, or prospective employer, without your written consent. A credit reporting agency may not report medical information about you to creditors, insurers, or employers without your permission.

- **You may choose to exclude your** name from credit reporting agency lists for unsolicited credit and insurance offers. Creditors and insurers may use file information as the basis for sending you unsolicited offers of credit or insurance. Such offers must include a toll-free telephone number for you to call and tell the credit reporting agency if you want your name and address removed from future lists or offers. If you notify the credit reporting agency through the toll-free number, it must keep you off the lists for two years. The toll-free number for all of the national credit reporting agencies is 1-888-567-8688. If you request, the credit reporting agency will send you a form which, when completed and returned, will allow you to have your name and address removed indefinitely from such lists and offers.
- **You may seek damages from violators.** If a credit reporting agency, a user or (in some cases) a provider of credit reporting agency data, violates the FCRA, you may sue them in state or federal court.

There are honest ways that credit bureaus make mistakes:

- You and your dad have the same name
- You have another relative with a similar name
- You have a relative with a similar social security number
- Somebody somewhere has a similar name or social security number

You can find out what is in your file. The Fair Credit Reporting Act protects you from incorrect information hurting you. If you are getting turned down for credit and think that there is something fishy, you should get a copy of your report. You have the right to challenge incorrect information.

Upon your request, a credit reporting agency must give you all the information in your file, and a list of everyone who has recently requested it. However, you are not entitled to any information concerning so-called "risk scores," "credit scores," or other economic predictors that are in your file. There is no charge for the report if a creditor used your file's information to take unfavorable action toward you and you request the report within 60 days of receiving notice that the information in your file was used by a third party unfavorably. You are also entitled to one free report every twelve months upon request if you certify that (1) you are unemployed and plan to seek employment within 60 days, (2) you are on welfare, or (3) your report is inaccurate due to fraud. Otherwise, credit reporting agencies may charge you a fee of up to eight dollars.

Your credit report is a record of your financial life. Maybe you now know where its data comes from and how it is used. You also know what to do if you disagree with the infor-

mation in your credit bureau files. Other people are asking about your credit report and the personal information that can be gleaned from it. Fortunately, you have rights and protections under the Fair Credit Reporting Act. So, request a copy of your credit report and see for yourself what it says about you.

### Check Your Credit Report

Order a three-bureau credit report from **MoniTrust.com**. Their web site offers a printable form you can fill out and mail in to order your Merged Credit Report. Your report via Standard Delivery is \$29.99; with Two Day Delivery is \$38.99; and Next Day Delivery is \$44.99. You can also order by mail or fax.

**MoniTrust.com**  
500 Bi-County Blvd  
Suite 110  
Farmingdale, NY 11735

Questions? Contact MoniTrust.com at 1-800-227-1479, or by e-mail at < info@MoniTrust.com >. Their web address is < www.monitrust.com/ >.

**Experian** (formerly TRW) offers online access to credit reports. A fee of up to \$8.50 (not including tax) may apply. American Express, VISA, MasterCard, and Discover are accepted for purchase of your online credit report. You may receive your report by U.S. mail and pay by check or money order.

To order a report, write to:

**Experian**  
P.O. Box 9600  
Allen, TX 75013  
1-800-311-4769

For questions if you already have your report:

**Experian**  
P.O. Box 9556  
Allen, TX 75013  
1-800-493-1058

TDD for the hearing impaired: 1-800-972-0322.

Experian's web address is < www.experian.com/ >.

**Equifax Credit Information Services** will sell you a credit report, deliverable via online access or postal delivery. For your report call 1-800-685-1111 or write to

**Equifax**  
P.O. Box 105496  
Atlanta, GA 30348-5496

You can order by interactive telephone system by calling 1-800-997-2493 using a Touch-Tone phone. Your credit profile will be mailed within 72 hours.

Include the following information when writing, and enclose payment (check or money order):

- Full name (including Jr., Sr., II)
- Social security number
- Current and previous addresses within the last 5 years
- Date of birth
- Signature
- Telephone number (home)

There is a fee of \$8.50. The web address for Equifax is < www.equifax.com/ >.

**Trans Union** offers a free credit report through their interactive voice response system if you meet either of these criteria:

1. You have been denied credit, employment, or insurance in the last 60 days, and the company used a Trans Union credit report.
2. You are a resident of Colorado, Georgia, Massachusetts, Maryland, New Jersey, or Vermont.

If you meet either of these criteria, you may order your credit report by calling 1-800-888-4213. Note: You cannot purchase a credit report using this interactive voice response system. Order a Trans Union credit report by mail by writing to:

**Trans Union LLC**  
Consumer Disclosure Center  
P.O. Box 1000  
Chester, PA 19022  
1-800-888-4213

Include the following: First, middle and last name (including Jr., Sr., III); Current address; Previous addresses in the past two years, if any; Social Security Number; Date of birth; Current employer; Phone number; Signature; and Appropriate fee. If you certify in writing that either you are unemployed and plan to seek employment in the next 60 days, or you are a welfare recipient, or you believe you have been a victim of fraud, there will be no charge for your report. Otherwise, include payment with your request. Most consumers will be charged \$8.50. The fee for California residents is \$8.00; Connecticut residents, \$5.00; Maine residents, \$2.00; Minnesota residents, \$3.00; and Virgin Island residents, \$1.00.

Purchase a Trans Union credit report on their web site using a VISA or MasterCard. Residents of Colorado, Georgia, Maryland, Massachusetts, New Jersey, or Vermont, cannot order free credit reports by Internet. They must order by phone or mail. Call 1-800-888-4213 for free credit reports. A fee of up to \$8.50 (not including tax) may apply if you are not entitled to a complimentary report. American Express, VISA, MasterCard or Discover is accepted for purchasing online credit reports. Trans Union's web address is < www.tuc.com/ >.

**TrueLink, Inc.** provides secure Internet access to information from Equifax, Experian, and Trans Union. A Single Credit Report Online, according to one major credit bureau, is \$7.95; a 3-in-1 Credit Report by Mail shows what all three national credit bureaus have on you, at \$29.95; Four Single Credit Reports will monitor your credit several times throughout the year and costs \$24.95. The web address is < www.truecredit.com/ >.

**The National Foundation for Credit Counseling** assists consumers with credit problems. To find an office near you, call 1-800-388-2227. Or go to their web site at < www.nfcc.org >.

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Please indicate quantities desired.