

Mistakes In Your Credit Report

1) Three nationwide credit bureaus (Experian, Equifax and TransUnion) act as gatekeepers to financial or employment opportunity.

How much you pay for credit, or whether you get it at all, depend on your credit report and the credit scores derived from it. Landlords, banks and even employers all check credit reports.

2) Credit bureaus make mistakes.

Yet reports by U.S. PIRG, the U.S. Federal Trade Commission, and others have documented that **credit bureaus make lots of mistakes and, worse, don't fix them** when consumers demand a reinvestigation.

3) By law, you have certain rights when it comes to your credit report that help you avoid paying too much for credit or even being denied credit, a job, or a place to live.

- You have the right to a credit report that is “accurate and up to date” and meets “maximum possible accuracy” standards.
- If your credit report is not accurate, you have the right to look at and dispute its contents, and to demand corrections.
- You have the right to a free annual credit report from each of the “big three” nationwide credit reporting agencies: Equifax, Experian, and TransUnion.
- You have the right to a free credit report if you suspect you've been a victim of identity theft or if you've recently been denied credit on the basis of a credit report.

4) What is in your credit report?

Credit reports have several sections of information

5) Demographic or “header” information

This section at the top of the report includes your name, Social Security Number, and your current and any recent addresses. Watch for listings of wrong addresses (where you've never lived) or accounts that may appear to be associated with a different SSN than yours. Look also for mistakes in accounts that do belong to you.

6) Trade Line (Creditor) Accounts

This key section of your report lists all your current and past (for up to 7 years) creditor accounts, and generally lists your current balance, your highest-ever balance, your credit limit and whether the account has been paid on time or is delinquent or has been delinquent in the past. If debt collectors have open collection accounts against you these will be in this section as well. The most important information is the newest. Past delinquencies become less important over time.

7) Public Records:

Credit reports may include public records, such as tax liens, bankruptcy filings or lawsuits against you. These are collected from courts and other government offices. Unlike trade lines, which can be positive or negative factors, depending on your payment history, in deriving your credit score from a report, public records are always negative.

8) Inquiries:

When you apply for credit or a job, a creditor or employer makes an inquiry, which will be listed. Shopping around for the best credit offers shouldn't affect your credit score much, if at all, but applying for multiple lines of credit will. The leading credit score company, FICO, explains: <http://www.myfico.com/crediteducation/creditchecks.aspx>. Note also that your current creditors retain the right to make ongoing inquiries to determine your "continued eligibility for the account."

9) Promotional/Marketing Inquiries:

Unless you have opted-out either for five years or permanently, companies can buy lists of "pre-screened" names from the credit bureaus to pitch credit or insurance offers to. These inquiries do **not** affect your credit score. **Learn your opt-out rights here:** <http://www.consumer.ftc.gov/articles/0148-prescreened-credit-and-insurance-offers>

10) How to Obtain Free Credit Reports and Dispute Errors:

This Federal Trade Commission page explains **how to obtain free credit reports** and how to dispute errors: <http://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports>.

11) How to Complain to the Consumer Financial Protection Bureau:

If the credit bureau won't fix the mistakes, complain to the Consumer Financial Protection Bureau. Its public Consumer Complaint Database is getting results for consumers.