



What's on Your Credit Report and Why You Should Read It

If you have ever been issued a credit card, received a personal or home loan, or held a job, chances are someone is keeping a file on you. This file contains information on how you pay your bills, whether or not you've been sued, and if you've filed for bankruptcy. Companies that gather and sell this information are called Consumer Reporting Agencies, or CRAs. The three largest CRAs are Equifax, Experian, and TransUnion.

What's in a Credit Report

Congress passed the Fair Credit Reporting Act, or FCRA, requiring CRAs to provide correct and complete information to businesses to use in evaluating your applications for credit, employment, or insurance. Credit reports are provided only to those with a legitimate business need. CRAs generally report unfavorable information for a period of seven years. Exceptions include bankruptcy information, which can be reported for ten years, and information concerning a lawsuit or judgment against you, which can be reported for seven years or until the statute of limitations runs out, whichever is longer. When applying for a job with a salary of more than \$75,000 or for more than \$150,000 worth of credit or life insurance, there is no time limitation for reporting credit information.

Know What's in Your Credit Report

Upon request, CRAs are required to give you a copy of your report and, in most cases, the sources of that information. You also have the right to be told the name of anyone who received a report on you in the past year. If you filed an application for credit and it was denied based upon information supplied by a CRA, you can request a free report within 60 days of receiving the denial.

Consumers are entitled to one free credit report per year from each CRA.

To request your free annual credit report, visit www.annualcreditreport.com or call 877-322-8228. (But be careful to steer clear of look-alike Web sites that charge for reports.) Your free report will not include your credit score. The law allows CRAs to charge a "reasonable" fee for your credit score.

It is a good idea to become familiar with your own credit report, so that you will recognize errors, inaccuracies, and unauthorized accounts if they occur. This also will help you to determine if you've been a victim of identity theft. To monitor your report throughout the year, you should consider staggering your requests from each CRA four months apart.

Fixing Credit Report Errors

If you find inaccurate or incomplete information in your credit report, notify the CRA immediately. They are required to re-investigate the items in question and to delete inaccurate or unverifiable information. If the new investigation reveals an error, a corrected version must be sent, at your request, to anyone who received your report in the past six months. If the new investigation doesn't resolve your dispute, request that the CRA include your version or a summary of your version of the disputed information in your file and in future reports.

If inaccurate information is the result of identity theft, the CRA must block the reporting of that information after receiving proof of the consumer's identity and a copy of the consumer's police report.

Fixing a Poor Credit History

Unfortunately, there are no quick or easy cures for a poor credit history. Keeping up creditworthy behavior over a period of time is the only thing that will repair your credit report. There is a brisk business among so-called "credit repair" companies that charge from \$50 to more than \$1,000 to "fix" your credit report. Beware of these scams. The only information in your credit report that can be changed is information that is actually wrong. In such cases, you can fix the errors yourself for free.

Credit Counseling

While only time and paying on time can fix a poor credit history, there are some organizations that may be able to help if you find yourself confronted by overwhelming money problems. Many of these problems arise from inflation, overuse of credit, faulty planning or a lack of money management. For some consumers, a non-profit credit counseling corporation may be a good option. These non-profit corporations offer specialized counseling services to over-indebted consumers and handle the consumers' money as their agent. The corporations may charge a nominal fee for services provided. A credit counseling corporation is not a lending institution, charity, government or legal institution. To find a legitimate credit counselor in your area, consult the National Foundation for Credit Counseling at www.nfcc.org or 1-800-388-2227. Also, make sure that the company and its credit counselors are licensed, as required by Illinois law. To check whether a credit counselor is licensed, visit the Web site of the Illinois Department of Financial and Professional Regulation at www.idfpr.com/dfi/ccd/licensees/Debt_Management_Licensees.HTM.

Fraud Alerts

A consumer who can, in good faith, assert a suspicion that he or she has been or is about to become a victim of identity theft may place a free 90-day initial fraud alert on his or her credit file. The consumer must contact only one CRA; following notification, that CRA must contact the other two at no charge. The three CRAs may be contacted at:

Experian

888-397-3742

www.experian.com

Equifax

800-685-1111

www.equifax.com

TransUnion

800-888-4213

www.transunion.com

If you have been the victim of identity theft or believe your personal or financial information may have been compromised, please call the Attorney General's toll-free Illinois Identity Theft Hotline:

Identity Theft Hotline

1-866-999-5630

Línea Gratuita en Español

1-866-310-8398

www.IllinoisAttorneyGeneral.gov