

## IS YOUR CREDIT REPORT ACCURATE?

By Jane M. Winand, Chief, Legal Assistance Division

You have found the house of your dreams and put a down payment on it. The mortgage company has been contacted and is working on the financing arrangements. You've notified your landlord that you will be moving soon. You are picking out new furniture and arranging for the movers to pick up your household goods. And then it happens. Your mortgage application is rejected. The reason stated is for bad credit. It can't be! Your credit is spotless! You request a copy of your credit report and discover that several accounts which you had paid off on time were listed as having been "charged off" by the businesses and other accounts are incorrectly listed as being in collection.

Mistakes on credit reports are common. A recent Consumer Reports magazine article stated that one-half of the credit reports they surveyed had serious errors in them. Such errors can result in a consumer being denied a job or credit for a home or vehicle purchase. Often these mistakes are discovered so late in the credit-applying process that the credit report cannot be corrected in time. Thus the consumer loses the perfect job or the dream home. It is imperative that all consumers check their credit reports regularly, especially prior to applying for a major loan or mortgage.

The Fair Credit Reporting Act requires each of the nationwide consumer reporting companies – Equifax, Experian, and TransUnion – to provide you with a free copy of your credit report, at your request, once every 12 months. You are also entitled to a free copy of your credit report if you have been denied credit and the company denying you credit informs you that the denial was as a result of an entry on your credit report, or if you are the victim of fraud, are unemployed, or are on welfare. You can order your free annual credit report online at [www.annualcreditreport.com](http://www.annualcreditreport.com), by calling 1-877-322-8228, or by completing the Annual Credit Report Request Form found at [www.ftc.gov/bcp/online/include/requestformfinal.pdf](http://www.ftc.gov/bcp/online/include/requestformfinal.pdf) and mailing the form to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. The Federal Trade Commission advises consumers who order their free annual credit reports online to be sure to correctly spell [www.annualcreditreport.com](http://www.annualcreditreport.com) or link to it from the Federal Trade Commission's website at [www.ftc.gov](http://www.ftc.gov) to avoid being misdirected to other websites that offer supposedly free reports, but only with the purchase of other products. While consumers may be offered additional products or services while on the authorized website, they are not required to make a purchase to receive their free annual credit report.

A credit report contains information about how you have handled your credit in the past, to include your payment history, accounts written off by businesses for nonpayment, bankruptcies, court judgments, and tax liens. The creditors provide this information to the credit reporting agencies that issue the credit reports. The credit reporting agencies also get information from public records such as tax lien and judgment records. The credit reporting agencies then sell their credit reports to employers, landlords, credit grantors and others who want to learn about your creditworthiness. The credit report that you request from the credit reporting agency will have a complete listing of all credit entries, codes used, and a list of companies who have requested you credit information in the past.

Watch for next month's installment to learn how to correct erroneous entries on your credit report. Should you have any additional questions regarding consumer issues, you may call the Fort Meade Legal Assistance Office at (301) 677-9536 to make an appointment to speak with an attorney.