

CREDIT REPORTS

If you have borrowed money to buy a home, purchased items using credit cards, or bought insurance for your auto, home, or life, you probably have a “credit rating,” often laid out in a credit report and represented by a credit score. In short, a good credit score indicates a higher ability to repay loans. Lenders, such as credit card companies and banks, use the information in a credit report to determine how much money is safe to loan you and the interest rate of the loan.

A credit report is information provided by a reporting agency (often called a credit bureau) that gives a consumer’s bill paying history or habits based on the information in his or her file. It contains information that has a bearing on your ability to pay bills, including address, social security number, marital status, past and present length of employment, income, number of dependents, and record of bill paying habits. It also includes information from public records covering lawsuits, arrests, judicial decisions, and divorce. Consumer rights on credit information are protected under the Fair Credit Reporting Act (FCRA) and Fair and Accurate Credit Transactions (FACT) Act.

Why Order a Credit Report?

You should order your credit report to ensure that your credit-related information is accurate and to look for identity theft. Your credit ratings are used to determine the loans you could obtain and at what interest rate. For example, for a home purchase, a better credit rating is likely to:

- Increase available loans, which means that you are much closer to getting your dream home; and
- Lower the interest rate, which can mean thousands of dollars in savings via interest payments when compared to a higher interest rate.

Look for errors and unusual activities in your credit report. These include a credit card account that you’ve never opened and months of unpaid balance when you have actually fully paid the balance.

How Do I Order My Credit Report?

The FCRA mandates that each of the three consumer credit reporting agencies provide a free copy of credit reports to consumers. You can request your free credit report by

- Ordering from a central website (annualcreditreport.com),
- Calling a toll-free telephone number (1-877-322-8228), or
- Mailing the Annual Credit Report Request Form (<https://www.annualcreditreport.com/cra/requestformfinal.pdf>) to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

The central website will refer you to three companies: TransUnion, Experian, and Equifax. If you decide to order a credit report from each of these companies, the central website will take you to the selected website for ordering and then take you back to the central website for you to order a report

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with another company or to obtain other information. It may be a good idea to order one credit report from a different one of the three companies every four to five months (as opposed to a report from each company once a year at the same time). This enables you to check your credit report more frequently than once a year while taking advantage of getting a free report annually from each of the three companies.

Is There a Charge to See the File?

You are entitled to one free credit report per year from each of the three credit reporting agencies. In addition, you are entitled to free credit reports in the event of credit-related action by a company, if you are unemployed and looking for a job within 60 days, if you are on welfare, or in case of identity theft issues. There is no charge if you have been denied credit in the past 30 days or have received a notice from a collection department affiliated with the credit bureau. Free credit report orders do not involve any credit card payment. Note that the free credit reports do not include your credit score. If you are just curious or would like to obtain your credit score, there may be a charge of up to \$10.50 per report.

What Should You Do Upon Noticing Mistakes In a Credit Report?

Report all inaccuracies to the credit reporting agency and credit companies. For instance, if you noticed in your credit report that you haven't been paying your gas credit card balance in full when you are sure that you have done so, you need to contact the company that provided the credit report as well as the gas credit card issuer.

How Can I Correct an Error In My File?

The credit bureau must investigate any item that you question. If the information is incorrect, it must be rectified from your file.

What If They Say It Is Not a Mistake?

If there is a dispute, you may file a brief statement reporting your side of the issue. Your statement

must be included in any future reports concerning the item in question.

For more detailed information on how to deal with inaccuracies in your report, refer to the Federal Trade Commission webpage on "Credit Repair: How to Help Yourself" (<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre13.shtm>). It includes steps on how to rectify your mistake issues, a dispute letter example, and other ways to file complaints. In New Mexico, you may discuss your issues with the Office of the New Mexico Attorney General (505-827-6000 Santa Fe; 505-222-9000 Albuquerque; 575-526-2280 Las Cruces).

Who Can Obtain Information From My File?

The FCRA specifies who can access your credit report. Creditors, insurers, employers, and other businesses that use the information in your report to evaluate your applications for credit, insurance, employment, or renting a home are among those who have a legal right to access your report.

1. A credit report can only be furnished to someone with a legitimate business need for the information. This includes businesses that are:
 - extending credit, collecting debts, or reviewing an account;
 - considering you for employment; or
 - considering you for insurance
2. Credit reports can be ordered by a court.
3. Your report can be issued if you request a report in writing.
4. A governmental agency may access your report if the agency is required by law to determine your eligibility for a license or to consider your financial status for any other benefit (e.g., military security clearance).
5. Others who have a legitimate business need involving a business transaction with you may access your report (e.g., potential partnership, investment, or lease).

OTHER COMMON QUESTIONS ABOUT CREDIT REPORTS

What Is the Difference Between Credit Reports and Investigative Reports?

Credit reports are used to determine your credit worthiness. Investigative reports are used by insurance companies to determine whether to issue insurance to you or not and by prospective employers. Investigative reports contain information obtained by outside investigators through personal interviews with friends, neighbors, or associates about your character, general reputation, personal characteristics, or mode of living. The credit report does not generally contain information from outside investigators.

Can I Find Out Who Received Credit Reports About Me?

You must be told the names of those who have received credit reports about you in the past six months and the names of those who have received investigative reports in the past two years.

How Will I Know If I Have Been Refused Credit Because of a Credit Report?

The store or company (credit grantor) who refuses to extend credit to you because of information in a credit report must tell you so. The credit grantor must also give you the name of the credit bureau that supplied the report.

Can I Find Out Who Asked For the Investigation About Me?

Anyone who orders an investigative report must notify you within three days after the report is requested. They must also include a statement informing you that you have the right to request information concerning the nature and scope of the investigation.

Does the Credit Bureau Recommend Whether I Should Get Credit?

No. The credit bureau only gives the information from your file to credit grantors who then make the decision as to whether or not you receive credit.

Will Information On a Married Woman Be Reported In Her Name As Well As Her Husband's If Both Names Are On the Account?

All accounts opened since June 1, 1977, which both spouses may use and for which both are liable, must be reported by creditors in both names. If you have joint accounts that were opened before June 1, 1977, it may be necessary for you to contact the creditors to have information reported in your name as well as your spouse's name.

Most creditors sent notices in 1978 asking how information should be reported. If you did not receive or respond to the notices, you can contact the creditors now asking to have information reported in your name.

How Can a Married Woman Establish a Separate File?

You can request that the credit bureau open a file in your own name. If you need your separate file brought up to date, the credit bureau may charge a reasonable fee for contacting your credit grantors.

How Long Does Adverse Information Remain In My File?

Bankruptcies are reported for 10 years. Suits and judgments can be reported for seven years. Tax liens, collection accounts, accounts charged to bad debts, records of arrests, convictions, or other adverse information may be reported for seven years.

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