

Check Your Credit Reports

The Fair Credit Reporting Act (FCRA) is a federal law. It allows you to request a FREE copy of your credit report from each of the credit reporting agencies (Experian, Equifax and Trans Union) once every 12 months.

- www.annualcreditreport.com
- Toll free: **1-877-322-8228** (Hearing impaired: 1-877-730-4104)
- Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

Experts suggest you order one of your credit reports every four months, rotating between the three credit reporting agencies. Order your Experian report, wait four months and order your Equifax report, wait four months and order your Trans Union report. This allows you to monitor your credit reports throughout the year.

Fair and Accurate Credit Transactions Act (FACTA or FACT Act) Summary

- Credit reporting agencies must tell you everything in your report, including medical information. In most cases you can ask for the sources of the information. You can receive a list of everyone who has requested your report within the past year.
- There's no charge for a credit report if you've been denied credit, if a company takes adverse action against you or you've been denied insurance or employment. You must request your report within 60 days of receiving the notice of the action. The notice will give you the name, address, and phone number of the credit reporting agency.
- Credit reporting agencies must investigate the items you believe are wrong. If a company finds their information is inaccurate they must notify all credit reporting agencies to correct this information in your file. After the investigation is finished, the agency must give you the written results and a free copy of your report if the dispute results in a change.

Check and correct your credit reports NOW

- Take advantage of the free credit reports you are entitled to receive each year.
- Cancel accounts you no longer use.
- Look for accounts that do not belong to you and dispute these with the credit bureau.
- Make sure all information in your report is correct including the personal data, employment history, creditors, inquiries and public records. Dispute any incorrect information.

Improve Your Score – Rebuild your good credit

- Establish a savings plan, make regular contributions to build up your reserves. These are necessary to protect you from income gaps and help cover emergency expenses.
- Join a credit union and establish checking and savings accounts. If you don't already belong to a credit union, ask at your work if your employment makes you eligible for membership. Look for membership groups that provide eligibility. Search for a credit union by either checking the yellow pages or search at www.cuna.org in consumer information, then locate a credit union in your area.
- Obtain a secured card by making a deposit that will be security for the account. Look for companies that issue secured cards at www.bankrate.com. Don't think that offers that come to you in the mail are "the best deal you can get." Once you have a secured card **do not exceed the credit limit on the card**. Pay off the balance within one to two months.
- **Make no late payments on any accounts.**
- Save the money to make a large purchase (refrigerator, set of tires, home air conditioner), borrow the money for this purchase. Ask for a loan that will allow you to only pay interest for the time you have the loan and will not penalize you for paying off early. Pay off this loan within one to three months with the funds you have saved. Good trade will be placed on your credit report.
- Do not have more than two credit cards. Maintain balances on each card at ½ or less of the available credit limit.
- Each credit bureau and credit grantor uses a unique formula to determine a credit score, but the following are general guidelines to help you understand how to achieve the highest credit scores:
 - 35% - payment history (late payments lower your score)
 - 30% - debt-to-available-credit ratio (maxed out credit cards lower your score)
 - 15% - amount of time you have managed credit (frequently moving balances to a newer, lower rate card will lower your score)
 - 10% - how many different types of credit you have handled (types = mortgage loan, credit card, auto loan, line of credit, installment loan)
 - 10% - new credit applications (inquiries – too many requests for credit will lower your score)