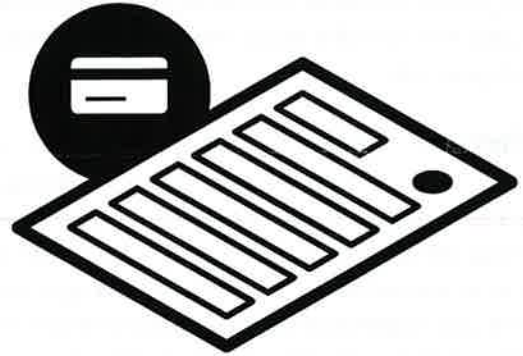


CHECK YOUR CREDIT REPORT AT LEAST ONCE A YEAR

The Consumer Financial Protection Bureau advises consumers to check their credit reports at least once a year.

Consumers can receive free copies of their credit reports every 12 months from [AnnualCreditReport.com](https://www.annualcreditreport.com). This is the only authorized source under federal law that provides free credit reports from the three major national credit reporting companies - Equifax, Experian and TransUnion. Other websites that promise free credit reports may require you to sign up for "free trials" that eventually charge you or purchase other products or services you may not need.



Check your credit report to:

- Look for and fix mistakes that could hurt your ability to get credit.
- Be sure your information is correct and up-to-date.
- Guard against identity theft.

Mistakes in your credit reports, or fraud caused by identity theft, can make borrowing more expensive or prevent you from getting credit.

Common mistakes in credit reports include:

- Loans and credit accounts you've never opened.
- Misspelled name, wrong Social Security number, wrong address, or phone number.
- Accounts wrongly listed as late, incorrect balances, incorrect credit limits, closed accounts listed as open, incorrect delinquency dates, or accounts listed more than once.

Dispute mistakes you find

Your credit report will include information about how to dispute a mistake. If your dispute is about a credit account, you should send a dispute letter to both the credit reporting company and creditor that was the source of the information.

Your dispute should clearly explain what you think is wrong and why. State the facts, explain why you are disputing the information, and request that it be corrected.

In your dispute letter to the creditor, you may want to enclose a copy of the relevant portion of your credit report. Highlight the items in question. Also, include copies of documents that support your position. Never send your original documents. Keep copies of your dispute letters and enclosures.

The credit reporting company and the creditor should investigate the dispute or fix any mistake. If the disputed information is wrong or cannot be verified, the creditor

must delete or change it and provide a correction to the credit reporting companies that received the disputed information. If an investigation doesn't resolve your dispute filed with a consumer report company, you can ask that a statement of the dispute be included in your credit file and in future credit reports.

You don't need to pay for credit monitoring

Many companies that promise free credit reports want to sign you up for credit monitoring services or other products. You can take these free or lower cost steps to protect yourself.

Monitor your credit yourself

Under the law, you are entitled to a free credit report every 12 months from each of the nationwide credit reporting companies. You can get these reports all at once, or spread them out. For example, you could visit AnnualCreditReport.com in January to get your Experian report, in April to check your Equifax report, and again in August to get your TransUnion report. By rotating your requests this way, you can keep a periodic eye on your credit records for free.

Put the freeze on identity thieves

You do not need to pay a credit monitoring service to stop thieves from opening accounts with your information. Contact Equifax, Experian and TransUnion and ask that they put a freeze on your credit reports. A freeze prevents prospective creditors from accessing your credit file unless you lift the freeze for that creditor or for a specified period of time. Typically, creditors won't offer you credit if they can't access your credit reporting file, so a freeze prevents you or others from opening accounts in your name. Freezes are generally free for victims of identity theft.

Request a fraud alert

If you believe that you have been or are about to become the victim of identity theft or fraud, you can place a fraud alert on your credit report.¹ A fraud alert requires lenders to take steps to verify your identity before opening a new account in your name, or issuing an additional credit card or increasing the credit limit on an existing account. You can also provide a telephone number so lenders can call you to verify your identity (a fraud alert does not prevent a lender from opening credit in your name).

TIP: If you suspect that the error on your report is a result of identity theft, you will need to file a dispute to correct it. For information about identity theft and steps to take if you have been victimized, You can also visit the Federal Trade Commission's Fighting Back Against Identity Theft website: <http://www.ftc.gov/idtheft/>

Servicemembers

If you are a member of the military on active duty, you may place an "active-duty alert" on your credit report to reduce the risk of identity theft while you are deployed. This alert lets a business know that you are probably out of the country, so the business is required to take reasonable steps to verify your identity before issuing credit in your name. More information about active-duty alerts can be found on Ask CFPB at consumerfinance.gov/askcfpb.

If you have complaints or concerns about a credit monitoring service, contact the Federal Trade Commission, 877-FTC-HELP.

¹ consumerfinance.gov/askcfpb/31/what-do-i-do-if-i-think-i-have-been-a-victim-of-identity-theft.html

Contact Us



Website
consumerfinance.gov



General inquiries
Consumer Financial Protection Bureau
1700 G Street NW
Washington DC 20552



Submit a complaint by phone
855-411-CFPB (2372)
TTY/TDD 855-729-CFPB (2372)



To get and keep a good credit score, pay attention to your credit report.

Your credit report shows information about how you have used credit, such as how much credit you have, how much of your available credit you are using, whether you have made your payments on time, and whether anyone has sent a loan you owe to a debt collector.

A credit score is a number that is used to predict how likely you are to pay back a loan. Your credit score starts with the information about you from your credit report. A mathematical prediction formula is applied to this information about you from your credit report. That prediction formula, which is called a scoring model, creates a number which is your credit score. You probably have numerous credit scores.

Credit scores are used by companies to make decisions such as whether to approve a mortgage at a certain rate or issue a credit card. Different lenders use different scoring formulas so your score can vary from lender to lender. Usually a higher score makes it easier to qualify for a loan and means a better rate of interest. Most scores range from 300-850, although there is one scoring method that uses a range from 501-990.

To get and keep a good credit score –

- Pay all your loans on time.
- Make sure information in your credit report is correct.
- Don't use too much of the credit that is available to you.

STEPS TO GET AND KEEP A GOOD CREDIT SCORE

PAY YOUR BILLS ON TIME

Pay your bills on time, every time. One way to make sure your payments are on time is to set up automatic payments at the creditor's website or from your bank's online site. But, you have to watch your bank balance to make sure you have enough money in your account to cover the payments. Also, don't just pay the minimum amount if you can afford to pay more, because it will take you much longer to pay off the debt if you only pay the minimum amount.

Tip: People with the best credit scores usually are those who pay off their credit cards in full every month.

DON'T GET CLOSE TO YOUR CREDIT LIMIT

Credit scoring models look at how close you are to being "maxed out," because the formulas predict that people who are using too much of their available credit may have future troubles with repayment. If you use too much of your total credit lines, you can hurt your credit score. Experts advise keeping your use of credit at no more than 30% or less of your total credit limit.

Tip: If you close some credit card accounts and put most or all of your credit card balances onto one card, it may hurt your credit score. That's because it will probably mean that you are using a high percentage of your total credit limit.

DON'T APPLY FOR A LOT OF NEW CREDIT IN A SHORT TIME, ESPECIALLY IF YOU ARE GETTING READY TO GET A MORTGAGE OR A CAR LOAN

Your credit score may decline if you have too many credit accounts, and if you apply for or open a lot of new accounts, such as several credit cards, in a short time. If you are planning to take out a big loan for a car or a house, be particularly careful not to apply for or open many new credit accounts within a short period before applying for the loan because doing so may affect your score. However when you request your own credit report, or when your creditors check your credit report, those requests to see your credit report should not hurt your score.

Tip: Opening new credit card accounts frequently to get the promotional rate or store discount will show up on your credit report as lots of new credit accounts, which is likely to hurt your credit score.

THE LONGER YOUR CREDIT HISTORY, THE BETTER

Credit scores are based on experience over time. The more experience you have with getting and paying for your credit, the more information there is to determine whether you are a good credit risk.

GET YOUR FREE CREDIT REPORT EVERY YEAR

Get free copies of your credit report from each of the big three consumer reporting agencies every year. If the information about you in the credit reports of the three large consumer reporting agencies is different, your credit score from each of the agencies will be different.

Online: You can order your credit report at www.annualcreditreport.com. Beware - some other sites that use the word "free" may charge you for another service in order to get your credit report. www.annualcreditreport.com really is free.

By phone: You can also order your free credit report by calling 877-322-8228.

By mail: To order free reports by mail, get the Annual Credit Report Request Form at www.ftc.gov/bcp/edu/resources/forms/requestformfinal.pdf and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

Tip: You don't have to buy your credit score. The information you receive from the agencies is adequate. If you do buy a score, it is likely that the score the lender buys will be different from the score that you buy.

READ YOUR CREDIT REPORT AND DISPUTE ANY ERRORS

If you find something wrong with your credit report, write to both the consumer reporting agency and the creditor that provided the information, if applicable, to tell them what you think is wrong and why. Include copies of any documents that support your position. When a consumer disputes credit report information, the agency and the creditor generally have to investigate the dispute and correct inaccurate information. For more information, please visit the FTC site www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm.

AVOID PAYING UPFRONT FEES TO "REPAIR" YOUR NEGATIVE CREDIT HISTORY

There are a lot of places that promise to "repair" or "fix" your credit for an upfront fee but no one can remove negative information, such as late payments, from a credit report if it is accurate. You can only get your credit report fixed if it contains errors and you can do that on your own (see #6). According to the Federal Trade Commission, some companies who claim they can help you may get you in trouble by telling you to do something that could be illegal, such as setting up a false identity to hide your credit history from your creditors.

BE PROACTIVE IN DEALING WITH CREDIT

If you are having trouble paying creditors on time, the sooner you talk to your creditors the more likely it is you can work something out with them, such as a temporary payment plan. If you need help, look locally for a credit counselor but check to make sure they are trustworthy. If you are having trouble with your mortgage, there is help available through the government's Making Home Affordable program, www.mha.gov, or the HOPE Hotline – 888-995-HOPE. If you start to get debt collection mail or calls from someone you've never heard of, it could be that one of your debts was sold to a debt collector, or it could be a case of identity theft. Ignoring the problem usually makes it worse.

The Federal Trade Commission's "Building a Better Credit Report" (www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm) has information on correcting errors in your report, tips on dealing with debt and avoiding scams—and more.