

Knowing Where You Stand

Avoiding Errors in Your Credit Report

Whether it is for business or personal use, what you don't know about your credit report can cost you money, time and stress.

Many businesses rely heavily on open lines of credit with the bank as well as open credit and entertainment cards. Open lines of credit are often guaranteed by you personally. If there are errors on your report with negative inaccuracies, you can be denied.



Obtaining a Credit Report

Know what your credit report says about you before you apply for credit.

There are three major credit reporting agencies:

- **Experian;**
- **Trans Union; and**
- **Equifax.**

Order a copy of your credit report from all three credit bureaus. You are entitled to one free report per year accessible at www.annualcreditreport.com.

You are also entitled to a free credit report if you were denied credit. To receive your free credit report you must request the report within 60 days of the denial letter from the creditor.

Reviewing Your Credit Report

The creditors who report information on your credit report are subscribers to the credit reporting agencies. They input information into their system which is relayed to the credit bureaus. If there has been a clerical or computer error, inaccurate and negative information can be reported on your report.

Once you receive a copy of your credit report, review it for inaccuracies.

An example of derogatory information would be public notices such as:

- **Tax liens;**
- **Bankruptcies; and**
- **Judgments.**

Other accounts that give a negative rating are:

- **Collection accounts;**
- **Charge-offs;**
- **Slow pays; or**
- **Delinquent accounts.**

If there are any inaccuracies being reported, the Fair Credit Reporting Act gives you the right to dispute these entries with the credit reporting agency.

Disputing Your Credit Report

The credit reporting agency must investigate the dispute with the creditor. There are forms for disputing these entries enclosed with your credit report. Do not include more than four entries per dispute. Space your dispute letters every thirty days. If the entries being disputed are incorrect, unverifiable or the creditor fails to

respond to the credit reporting agency, the entry must be removed.

An updated credit report with any changes will be sent to you within 45-60 days from the investigation. If you are not satisfied with the results you can repeat the procedure 120 days later or add a 100 word statement to your report.

It is suggested that you get a copy of your credit report at least once a year or prior to applying for credit so that there are no hidden surprises. Being prepared in advance for any errors will help you get the credit that you deserve.