

## Transcript - Repairing Your Credit Podcast

This is Carol Kando-Pineda. I'm an attorney at the Federal Trade Commission, the nation's consumer protection agency. One focus of my work is outreach to the military community, giving you tips and tools to avoid scams, watch your wallet and protect yourself in the marketplace.

Now, for a lot of you, there may be information in your credit report that report that's less than perfect. In fact, it may take some planning and hard work to set it right. Today I'm going to give you some tips about repairing your credit.

The fact is there's no quick fix for creditworthiness. You can improve your credit report legitimately, but it takes time, a conscious effort, and sticking to a personal debt repayment plan. The truth is no one can remove accurate negative information from your credit report. It's illegal.

But you should know that there's a lot you can do to repair your credit, on your own and for free. The law does allow you to ask for an investigation of information in your file that you dispute as inaccurate or incomplete. And there's no charge for this.

Some people hire a company to investigate on their behalf, but anything a credit repair clinic can do legally, you can do for yourself at little or no cost. And don't forget that as a service member or family member of someone in the armed forces you have access to free financial counseling, both through your installation's personal financial management program and through Military OneSource. The financial counselors can help you dispute inaccuracies on your credit report.

So, each of the nationwide consumer reporting companies—Equifax, Experian, and TransUnion—each of them is required to provide you with a free copy of your credit report once every 12 months. You just have to ask for it. And you have to ask for it in a specific way. They've set up a central Web site, a toll-free telephone number, and a mailing address for consumers to order the free annual credit reports the government entitles them to. So to do that, if you want to order it online, you click on [annualcreditreport.com](http://annualcreditreport.com). If you want to call, call 1-877-322-8228, or you can complete a form, called the Annual Credit Report Request Form and mail it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, Georgia, 30348-5281.

Now, you can get these addresses, the telephone number and the Web site from [ftc.gov/credit](http://ftc.gov/credit). And you can also print out the form there.

Now, it's really your choice how to order those reports. You can order one from each of the three consumer reporting companies at the same time so you can see everything in your credit reports at once. And those reports will be very similar, but they won't be completely identical. There may be some information that's accurate, but just a little bit different from report to report. What some people like to do is to stagger ordering reports, so they order from one company in January, another company in April, and then the third company say in October, so by the time January rolls around again, you can order a report from the first company, so you're always getting a report on a rolling basis. And this might be like an early-warning sign. If there's a problem on one credit report, there may be problems in others, and it may

be a sign of identity theft or something that needs to be changed or rectified. So, I think that's kind of a good idea.

You don't want to contact the three nationwide consumer reporting companies individually or at another address because you may end up paying for a report that you're entitled to get for free. In fact, each consumer reporting company can charge you up to \$10.50 to purchase an additional copy of your report within a 12-month period. Now, you may need to do that in some instances, but you wouldn't want to have to do that if you hadn't gotten your free credit report ordered already.

You're entitled to an additional report if a company takes "adverse action" against you, like denying an application for credit, insurance, or employment. Now, there are some rules that go along with that. You have to ask for your report within 60 days of receiving notice of the action. And the notice will give you the name, address, and phone number of the consumer reporting company, so you'll know which one of the reports it's on.

You're also entitled to one free report a year if you're unemployed and plan to look for a job within 60 days; if you're on welfare; or if your report is inaccurate because of fraud, including identity theft.

So, it doesn't cost anything to dispute mistakes or outdated items on your credit report. Federal law says that both the consumer reporting company and the information provider—that's the person, company, or organization that actually provides information about you to a consumer reporting company, they're both responsible for correcting inaccurate or incomplete information in your report. So, the consumer reporting company is the Experian, the TransUnion, that company. The information provider is like the vendor who you had a credit card with and they're the ones who are reporting information about you to that company. So, To take advantage of all your rights under the FCRA, contact the consumer reporting company and the information provider. You always want to do that in writing.

So, step one in helping yourself: Write to the consumer reporting company and tell them what information you think is inaccurate. Make sure you include copies, never your originals. Always hold onto your originals, but send them copies of anything that supports your position. In addition to that, provide your complete name and address. Your letter should identify each item in the report you dispute. Then just state the facts and the reasons why you dispute the information—whatever supports your argument. What some people like to do is enclose a copy of your credit report, and circle the items in question. I like that because it's a quick way for them to scan, and your letter supports that. And you always want to send your letter by certified mail, return-receipt-requested, so you can document that the consumer reporting company received it. Keep copies of your dispute letter and the enclosures because you'll need them if you're going to go back and investigate.

Consumer reporting companies must investigate the items you question within 30 days unless they consider your dispute frivolous. And I think that's a pretty narrow kind of an exception. If you're disputing everything on your credit report, that would be considered frivolous. If you're disputing things that are accurate or that you're just randomly disputing them with no backup and support, they could consider it frivolous.

They also must forward all the relevant data you provide about the error to the organization that provided the information. That's the information

provider. So, after the information provider gets that notice of the dispute from the reporting company, they're required to investigate as well, to review the information you've submitted, and report the results back to the consumer reporting company.

All right. So, if the investigation reveals that what you've disputed is inaccurate, the information provider has to notify the consumer reporting companies so they can correct it in your file.

Okay, so the investigation is complete. The consumer reporting company must give you the results in writing, too. And they have to give you a free copy of your report if the dispute results in a change. And if an item is changed or deleted, the consumer reporting company isn't permitted to put that information back in your file unless the information provider verifies that it is accurate and complete. So they can't just keep adding things back in your file and sort of make you go through the effort to dispute it unless something comes to light that shows that it really is an accurate charge.

So, the company also has to send you written notice that includes the name, address, and phone number of the information provider. Now, this sounds a little counterintuitive. You would wonder, Well, wouldn't I already know that? Maybe yes, maybe no. If it's an account that you're disputing because you've never had an account with that particular vendor, you never heard of them, you don't know where they are, that could be a tip-off that there's identity theft involved. And so, you probably never did make that purchase but somebody did make a purchase using your information and it ended up on your credit report. So it would be helpful for you to know the name and address and phone number to help put together all of the information to try to mitigate any damage caused by identity theft.

If you ask, the consumer reporting company has to send notices of any correction to your report to anyone who received your report in the past six months. Now that would be important if you applied for a job and perhaps you were denied the job because of something on your credit report. It's sort of like clearing up your good name and your reputation. You want folks to get a copy of the updated report. You also can ask that a corrected copy of your report be sent to anybody who received a copy during the past two years if it was for employment purposes.

If an investigation doesn't resolve the dispute with the consumer reporting company, you can still ask that a statement of the dispute be included in your file and in future reports. Who knows? Maybe some day down the road you'll find that key piece of information that shows that the disputed piece of information really is inaccurate. It could help you in terms of proving identity theft. It's just good to have that statement that shows that you disputed the charge.

You can ask that the company provide that statement to anyone who received a copy of your credit report in the past. You may have to pay for that. But it's probably a good idea to do it to keep the record straight and to let people know your side of the story.

Alright, so now that we've dealt with the consumer reporting company, you want to write directly to the information providers. Even though they're part of this whole investigation thing, you still want to contact them directly

and tell them that you dispute a particular item. Again, do it in writing, provide copies, not originals, of documents that support your position.

Some providers actually specify an address for disputes. You want to make sure you use that particular address. You may be waiving some of your rights if you use a different address and the time period runs out or it just gets lost in transit. You want to make sure you're sending things to the correct address. So, they have to investigate and if the information is found to be inaccurate, they can't report it again. They have to take it off your report.

So, let's talk a little about accurate negative information. You should know that if it's accurate, negative information can stay on your report. The only thing that can remove it is the passage of time. So, a consumer reporting company can report most accurate negative information for seven years. Bankruptcy information stays on your credit report for 10 years. Information about an unpaid judgment against you, it stays on for seven years or until the statute of limitations runs out, whichever is longer. The credit reporting agency can report information about any criminal convictions against you. There's no time limit on that. So that can stay on your report forever. And your report can include information reported in response to your application for a job that you've applied for if the job pays more than \$75,000 a year; and also if you've applied for more than \$150,000 worth of credit or life insurance.

So, if you want to learn more visit [ftc.gov/credit](http://ftc.gov/credit). And don't forget that as a service member or family member of someone in the armed forces, you have access to free financial counseling, both through your installation's personal financial management program, and through Military OneSource. The financial counselors can help you dispute inaccuracies on your credit report. This free 24-hour service is available to all active duty, Guard, and Reserve members (regardless of activation status) and their families. Consultants provide information and make referrals on a wide range of issues. Call 1-800-342-9647 or go to [www.MilitaryOneSource.com](http://www.MilitaryOneSource.com) to learn more.