

# IMPORTANT POINTS YOU SHOULD KNOW ABOUT YOUR CREDIT

## Did You Know That ...

The payment history on your credit file is supplied by credit grantors with whom you have credit. This includes both open accounts and accounts that you have already closed.

Payment in full does ***not*** remove the payment history of an account. It updates the entry to reflect the fact that the account has now been paid. If the account was sent to collections, that is a historical fact that cannot be changed. Your goal is to have the credit report show that the debt has now been resolved.

Credit and collection accounts remain in your payment history file for seven (7) years from the last reporting date.

Courthouse records remain in your payment history file for seven (7) years from the date filed; a Chapter 7 bankruptcy filing remains on your credit report for ten (10) years from the discharge date and a Chapter 13 bankruptcy filing remains in the file for seven (7) years from the discharge date.

A divorce decree does not supersede the original contract with the creditor and ***does not*** release you from your legal responsibility on any accounts. You must contact each creditor individually and that they issue a binding release of your obligation. Only after that release has been granted can your credit history be updated accordingly.

There may be what appear to be duplicate accounts reported in your credit file. This could be because some credit grantors issue both revolving and installment accounts. Another reason that an account may appear to be reported twice is that when you move, some credit grantors transfer your account to a different location and issue another account number. A new account number could also be issued when a credit grantor sells the account to another creditor; and, the acquiring creditor may issue a new account number that conforms to its systems.

The balance reported on your credit report is the balance on the date that the source reported the information to the credit bureau. Credit grantors supply information on a periodic basis; so, the balance shown may not be the balance you know it is today. If the balance reported was correct as of the date of the reported, it is not necessary to reinvestigate the balance on that account.

If a reinvestigation results in changing or deleting the information you are concerned about, you may request an updated credit report to be sent to any credit grantor that received your credit report in the past two (2) years for employment purposes.

Many companies market consumer products and services by mail. Millions of people take advantage of the direct marketing opportunities because it is a convenient way to shop. If you prefer not to receive direct marketing mailings or telephone solicitations, you can write to the Direct Marketing Association at:

Mail Preference Services  
P.O. Box 9008  
Farmingdale, NY 11735

Telephone Preference Services  
P.O. Box 9014  
Farmingdale, NY 11735

Many credit card companies and lenders utilize the databases of credit bureaus to offer pre-approved credit. If you prefer not to receive these pre-approved offers and wish to block all inquiries to your credit except for those authorized by your signature, you can notify the credit reporting bureaus as indicated below.

**Equifax—CBI**  
P.O. Box 105873  
Atlanta, GA 30348  
1-800-685-1111  
[www.equifax.com](http://www.equifax.com)

**Experian Nat'l Consumer Assistance Ctr.**  
P.O. Box 2104  
Allen, TX 75013-2104  
1-888-397-3742  
[www.experian.com](http://www.experian.com)

**TransUnion LC**  
Consumer Disclosure Center  
P.O. Box 390  
Springfield, PA 19064.0390  
1-800-8884213  
[www.transunion.com](http://www.transunion.com)

## **Free Annual Credit Report ...**

Consumers now have the right to obtain a free copy of their credit report from each of the three bureaus annually under the Fair and Accurate Credit Transaction Act, a law

that was passed in 2003. Reports can be ordered via the internet, by telephone, or through the U.S. Postal Service. While the credit report is free, you will have to pay a fee to each bureau if you want them to disclose your credit score to you. Each bureau establishes the fee it will charge for your score and only you can decide if it is important enough to you to pay the fee. If you elect to pay for your score, many experts recommend obtaining the score from Equifax as many creditors use this score in the lending decision making process.

## All At Once; or, Individually Over Time?

The advent of the free annual credit report also raises the question whether it is better to obtain all three reports at one time; or, should the consumer space out the requests by ordering one report every three or four months. Your circumstances will dictate which you choose. The advantages of each course of action are listed below.

- All At Once
  - If this is the first time you've seen your credit report, ordering all three at once enables you to set a "baseline" against which to measure all future reports;
    - This "baseline" includes making certain that any inaccuracies that appear are corrected as provided for under the Fair Credit Reporting Act;
  - If you are contemplating a "big-ticket" purchase such as a car or a home in the near future, obtaining all three reports enables you to check the reports that lenders typically use for these types of purchases and make certain that the information contained in all three reports is accurate.
    - If inaccuracies appear, the Fair Credit Reporting Act enables you to dispute the errors and have them corrected.
- Spread Out Over Time
  - If you have already established the "baseline" described above, ordering a different bureau's report every three to four months allows you to monitor your credit throughout the year. By checking your credit periodically throughout the year, you are in a better position to guard against identity theft, a growing crime problem.

*Consumer Debt Counselors, Inc. is an accredited, licensed, and bonded non-profit corporation that provides financial literacy programs that promote the prudent stewardship of financial resources. CDC provides financial crisis counseling on a low-cost/no cost basis and serves as a community resource. CDC helps reduce financial stress that individuals and families face by providing the tools needed to resolve the issues creating that stress. These may include low-cost/no-cost Debt Management Programs where appropriate and where the individual/family qualifies for such a program.*