



**Contact:**  
**Amy Saunders 304-558-2021**

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## **The Savvy Consumer From Your Attorney General, Darrell McGraw**

### **New Year's Resolution: Checking Your Credit Report**

A woman who was trying to finance a condominium in another state was having issues with her credit report. When the lender checked her credit report, she was denied the loan because of negative information it contained. She requested a copy of her credit report and found the inaccuracies in the report.

The process of correcting a report can be a tedious and dizzying experience. Ultimately she had to contact the Attorney General Darrell McGraw who was able to get her credit report corrected. The majority of credit reports have an error, and one in four put the error as so significant that the consumer is denied credit.

Not all inaccuracies on a credit report take this much effort to be resolved. Credit reports are made up of information regarding your financial history such as how many times you have applied for credit cards, how many you possess, where you live and work, and whether you have been sued, arrested, or filed for bankruptcy. Utility companies report your payment activity to credit reporting agencies. This is used by banks, merchants and others in determining whether you will receive credit and what interest you will be charged. Credit scores are also used to determine what your insurance premiums will be. Anyone with a legitimate business need for the information is allowed to see a consumer's credit report.

A credit score can fall anywhere between 300 and 850, with 850 being "perfect credit." The higher your credit score is, the better your financial opportunities. For example, you will get a better interest rate on an auto loan with a score of 700 than you will with a score of 500. Your score may change from week to week, and different companies have different scores.

The Fair Credit Reporting Act (FCRA), requires you be provided a free copy of your credit report from each of the three major credit reporting agencies each year. It is



important to check all three, as they receive their data from varying sources, and may contain differing information. You need only make one request to receive reports from all three agencies.

Here is how to contact the agencies to request your free credit reports:

- Via the internet: Visit <http://www.annualcreditreport.com>, register your information and instantly view and print each of your credit reports.
- Via telephone: Call 1-877-322-8228, register your information and all three credit reports will be sent to you within fifteen days.
- Via mail: Visit <http://www.ftc.gov/credit> online, print and complete a copy of the Annual Credit Report Request Form and mail it to:  
Annual Credit Report Request Service  
P.O. Box 105281  
Atlanta, GA 30348-5281

Review your credit report for inaccuracies. If you believe you may have found any, report them in writing to the credit reporting agency that has them on file. According to Attorney General Darrell McGraw, "They are obligated to investigate all items in question within 30 days, unless they consider it frivolous. You should also provide written notice to the provider of the erroneous information and either attach a notice of the dispute when providing further information, or if the information was incorrect it must be removed from your report and not used again."

Document everything. Keep files for each of the items in question, along with files for each of the credit reporting agencies.

If you have any questions or difficulty resolving issues with your credit report, remember that you can always speak with a mediator in the Attorney General Darrell McGraw's Consumer Protection Division by calling 1-800-368-8808. Your credit is very important; make it a point in this New Year to give it a check-up.