



PREVENTIVE LAW SERIES
CONSUMER CREDIT



Prepared by:
Legal Assistance Department
Region Legal Service Office Southwest

YOUR CREDIT RECORD

Every person issued credit in this country is monitored by credit bureaus that keep track of your payment records. This includes holders of credit cards, car loans, home loans, student loans, and sometimes apartment leases. Businesses use these records, which are stored in national databases, to determine whether you should be issued credit and if so, at what terms. You can obtain a FREE annual copy of your credit report at www.annualcreditreport.com. Additionally, three major credit bureaus keep track of your credit ratings and you should verify their information for accuracy. Those bureaus are:

Equifax: www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241; (800)202-4025
Experian: www.experian.com; P.O. Box 4500, Allen, TX 75013; (888) 397-3742
Trans Union: www.transunion.com; P.O. Box 105281, Atlanta, GA 30348-5281; (877) 322-8228

Each of these agencies will provide you a credit report for a small fee or for free if requested within 60 days of being turned down for credit. With each request, include your name, address, and date of birth, and if necessary your Social Security number. **You should check your credit reports regularly.** Active duty personnel may request a renewable one year alert to be placed on their credit report while deployed. The alert requires the credit bureaus to verify a person's identity before granting credit. For more information, please visit www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt147.shtm.

YOUR RIGHTS

THE FAIR CREDIT REPORTING ACT (15 U.S.C. §§1681-1681x), a federal statute, provides consumers protection from improper credit reporting. Consumers have the right to request that credit bureaus change inaccurate or incomplete information on a credit report. Consumers also have the right to request the bureaus investigate the validity of the information. Requests should be in writing. If you get nowhere, you have the right to dispute the accuracy of the report by filing a written statement with the source of the information (such as a bank or credit card company) and asking that the credit bureaus include this statement in your credit report. If a credit bureau or source of information knowingly provides false or inaccurate information, you can sue for damages in state or federal court. Also, if you are denied credit, the Equal Credit Opportunity Act requires creditors to explain why. If you have a complaint with a creditor, you can review your options and file a complaint at <https://www.ftccomplaintassistant.gov>. Only you and your creditors and potential creditors are entitled to see the reports filed by the credit bureaus. **Adverse credit information** cannot be retained on your record **for more than seven years**, except bankruptcy which can stay on your credit record for **up to 10 years**. In addition to these rights, you also have the right to a credit report from one of the three major credit bureaus as listed above.

"FIXING" YOUR CREDIT

Aside from removing inaccurate or false information, the only way to "fix" your credit is to develop good credit over time. If you have bad credit from an overdue account, for example, it will be wiped off your record after seven years from the time you close the account and pay it off, assuming you do not accrue other bad credit in the meantime.

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RESOURCES

- Federal Trade Commission:** (877) FTC-HELP; www.consumer.ftc.gov/features/feature-0009-military-families
- Credit Alert for Active-Duty Service Members: www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt147.shtm
 - Consumer Information: www.consumer.ftc.gov; (877) FTC-HELP
 - Fair Credit Reporting Act 15 U.S.C. §§ 1681-1681x

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