

What is The Fair Credit Reporting Act (FCRA)

The Fair Credit Reporting Act (FCRA) is a federal law that was designed to promote the accuracy, fairness and privacy of consumer information in the files of consumer reporting agencies.

What is a Consumer Reporting Agency?

Examples of Consumer Reporting agencies include: Experian, Equifax and Transunion.

What is a Furnisher of Information?

Examples of furnisher includes companies you borrowed money from, or have revolving consumer accounts with. For example, you bank, where you pay you car note, your cell phone company and your cable or utility company.

Importance of Your Credit Score

Credit Report errors can have a negative effect on your credit score. Your credit score is a number calculated by credit reporting agencies based on the information found in your credit reports.

Your Credit or FICO score is calculated:

- **35% – Payment History**
- **30% – Amounts Owed on current accounts**
- **15% – Length of Credit History**
- **10% – Credit Mix of accounts you have open**
- **10% – New Credit applied for in a short period of time**

Your FICO score is used by lenders, banks, credit card companies etc. in order to determine the riskiness of lending your money. FICO credit scores range from 300 – 850. The higher the score, the better.

You have rights! Including

1. You have the right to **know what is in your file.**
2. You have the right to **dispute incomplete or inaccurate information on your credit report.**
3. **Within 30 days** of the receipt of your dispute Consumer reporting agencies must correct or delete inaccurate, incomplete or unverifiable information from your report.
4. **You have the right to dispute and remove outdated negative information from your report.** Past credit issues that have been resolved can only stay on your credit report for up to 7 years. The only exception is a bankruptcy and that can only show for 10 years
5. If the Credit reporting Bureaus fail to follow the law and remove inaccurate, incomplete or unverifiable information from your report after you have disputed it you may be entitled to up to 4 types of damages:
 - a. **Actual damages.** There is no limit to this amount, as long as you can prove the loss. Examples include:
 - i. Denial or Higher credit card interest rate
 - ii. Denial or Higher home mortgage interest rate
 - iii. Denial or Higher home and car insurance premiums
 - iv. Denial or Higher private student loan interest rates
 - v. Loss of a job opportunity
 - vi. Emotion Distress
 - b. **Statutory damages.** These damages range between \$100 and \$1,000. Consumers can take advantage of statutory damages even without proving that the violation caused you harm.
 - c. **Punitive damages** stemming from for willful violations of the law, with no limit on how much.
 - d. The Consumer's attorney's fees and costs.**
6. Not just anyone has the right to pull your credit.
7. **Victims of** Identity theft victims and active duty military personnel have additional rights.

Tips and suggestions for writing a dispute letter to the Bureaus and furnishers:

1. **Submit the dispute letter in writing only (not online)** by certified mail and keep dated copies of everything you send.
2. Send a copy of the dispute to the furnisher as well at the same time as it is submitted to the credit bureau.
3. Attach supporting evidence of your dispute if you have it.
4. Be honest – don't ever submit a false dispute.

How Can you get your annual Credit reports form the government for free once per year without it effecting your credit score!

Go to annualcreditreport.com or order your reports in writing by filling out their [pdf form](#) (See attached) and mailing it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

Watch Out for the Bad Credit Repair Companies

Credit repair companies are not allowed to unethical practices to improve their clients' scores and take advantage of the consumer. Some of these tactics include:

1. Submitting false shot gun style disputes
2. Submitting inadequate disputes
3. Failing to clearly explain the payment structure to consumers before the consumer signs up
4. Demanding or accepting payments before services have been performed.
5. Charging Setup or upfront fees.
6. Lying about consumers credit history
7. Altering the consumers identity in any way

The Credit Repair Organizations Act (CROA) can give you more information on what to look out for. Go to the FTC website to learn more at: <https://www.ftc.gov/enforcement/statutes/credit-repair-organizations-act> before choosing to work with a credit repair company.

Sample Dispute Letter:

Date of the letter

Your name

Your address

Your city, state, zip code

Name of CRA [Equifax, Experian, Trans Union]

Address City, state, zip code

Dear Sir or Madam:

After reviewing my credit report, I am writing to dispute the following inaccurate information. I am listing each item along with the way it should be corrected: [Account name] [Account number] [How it should report / Why it's inaccurate*]

Supporting documents have been enclosed. Pursuant to the FCRA, please forward them to the credit furnishers. If you are not going to forward them, please inform me so I may do so myself.

Sincerely,

(sign here)

Your name

Your Social Security Number

Your Date of Birth

Enclosures: (list what you are enclosing – examples: police report, fraud affidavit, proof of payment, etc.,)

*Note: The more detailed and specific information you can give to describe the reason it's inaccurate, the better. You should also list any/all inaccurate personal information and inquiries.

Bureau Addresses:

TransUnion LLC TransUnion Consumer Solutions P.O. Box 2000 Chester, PA 19016-2000 (800) 916-8800	Equifax Information Services, LLC Equifax Information Services, LLC P.O. Box 740256 Atlanta, GA 30374-0256 (866) 349-5191	Experian Experian Nat'l Consumer Assistance Center P.O. Box 4500 Allen, TX 75013 (888) 397-3742
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