



Wiesbaden Legal Center Legal Assistance Office



Check Your Credit Rating – FREE!

You're sitting in the bank's loan office dreaming about cruising the Autobahn in your new BMW 323i convertible. The dream ends when the loan officer tells you that your application for a loan must be denied because of bad credit. Your dream need not end, however, if the poor credit rating is only the result of a reporting error by a creditor or by a credit reporting agency.

Credit reporting agencies, or CRAs, are companies that collect and evaluate credit information on consumers for the purpose of selling reports to interested third parties, like creditors or employers. The most widely known agencies, Equifax, Trans Union, and Experian, maintain "credit file disclosures," also known as credit reports, based on information they receive from third parties such as banks or collection agencies. The credit report will list your credit history and contain a list of those individuals and institutions who have received or requested that credit report within the last 6 months (or within two years for employment purposes).

Although CRAs generally keep and report accurate information, they sometimes receive incorrect data from creditors. CRAs may also erroneously report credit accounts that do not belong to the consumer. Fortunately, several federal laws enable you to request your credit report and require the CRAs to correct inaccurate information in the reports.

You can request a free copy of your credit report from each of the three major American credit reporting agencies once every year. The 2003 Fair and Accurate Credit Transactions Act, or "FACT Act," enables you to obtain one free copy of your report from each agency per year. This report does not include your credit score, but it shows the data the agencies use to calculate your score, giving you a free tool to make sure you aren't ever caught by surprise.

You can request your report on the internet, by phone, or by mail. Start by visiting www.annualcreditreport.com, the ONLY free report source authorized by the Federal Trade Commission. Be careful, because many websites attempt to fool you into thinking they are an official source of a free report. Unfortunately, <https://www.annualcreditreport.com/cra/index.jsp> is not always available on computers in Germany, but you can request your report at 1-877-322-8228 or by mail. The Wiesbaden Legal Assistance Office can provide a copy of the form you must submit, and you will have to provide supporting documents with the request form to prove your identity.

You also should consider whether to check all three reports at once, or spread out your requests to monitor your credit over time. Requesting all three reports at once enables you to compare them, but requesting a different agency's report every four months gives you a reasonably good snapshot three times a year of any activity on your credit file. In the worst case, a periodic check can be the best way to detect if someone is trying to use your identity to obtain credit.

If you see inaccurate information on your report, it is important to inquire about and possibly dispute the item as quickly as possible. Under the Fair Credit Reporting Act, both the agency and the creditor must correct inaccurate or incomplete information in your credit report. The Federal Trade Commission recommends that you write both the agency and the creditor to dispute the item. You can learn more

about the dispute process at <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre21.pdf>, or at the Wiesbaden Legal Assistance Office. After receiving your dispute letter, the CRA must then investigate the dispute, make corrections, or delete inaccurate or unverifiable information, or notify you that the dispute is baseless or frivolous. If the CRA finds the dispute is baseless, you can file a 100 word statement explaining the dispute. That statement must then be included with each report the CRA makes. If the CRA corrects an erroneous report, it must furnish you a copy of the new report.

You also have a right to have obsolete information deleted from your credit reports. CRAs must remove negative credit information after seven years; however, they may list bankruptcy adjudications for up to ten years.

Soldiers, retirees and family members desiring assistance in obtaining or correcting credit histories, or filing a 100 word statement, should consult their local Legal Assistance Office.