

New Law Allows Free Credit Reports for Consumers



A recent amendment to the Federal Fair Credit Reporting Act (FCRA) will entitle Texas consumers to receive a free credit report each year. The new law allows Texas consumers to begin receiving free credit reports after June 1, 2005.

This new law will make it more convenient and give consumers more incentive to keep track of their credit history. It is a good idea to review your credit report on a regular basis, so you will be aware of any errors or unauthorized activity. Errors could cause you to be denied financial options for which you should qualify.

If you find inaccurate information in your credit report, both the credit bureau and the reporting creditor are responsible for correcting the information, according to the FCRA. Tell the credit bureau and the reporting company, in writing, what information you think is inaccurate.

Credit bureaus must investigate the items in question, unless they consider your dispute frivolous. They

also must forward all the data you provide about the inaccuracy to the organization that provided the information. Upon receiving the information, the creditor must review the relevant information, and report the results back to the credit bureau. If the reporting company finds the disputed information is inaccurate, it must notify all three credit bureaus so they can correct the information in your file.

Upon completion, the credit bureau must give you written results of the dispute and a free copy of your report if it results in a change. This report does not count as your annual free report. An item that is changed or deleted cannot be put back in your file unless the reporting company verifies that it is accurate and complete. The consumer reporting company must also send you written notice that includes the name, address, and phone number of the information provider.

You should also contact the creditor to dispute inaccuracies. If the creditor reports the item to a credit bureau, it must include a notice of your dispute. In addition, if you are correct in your dispute, the creditor may not report it again.

If the investigation does not resolve your dispute with the creditor, you can ask that a statement of the dispute be included in your credit file and in future reports. If you tell the creditor that you dispute an item, a notice of your dispute must be included any time the information provider reports the item to a credit bureau.

Credit bureaus can report accurate negative information for seven years and bankruptcy information for ten years. Information about a lawsuit or an unpaid judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer.

If a credit reporting agency or creditor refuses to correct inaccurate information, you should file a complaint with the Texas Attorney General's Office and the Federal Trade Commission.

The new law will help you protect your credit, but beware that scam artists will see it as yet another opportunity to cheat consumers. Be wary of anyone who offers to help you get your credit report. You can easily obtain your report by yourself and remember, there should be NO charge.

Information on this and other topics is available on the Attorney General's Web site at www.oag.state.tx.us.

POINTS TO REMEMBER

Free Credit Report

To obtain a free copy of your credit report:

Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281
(877) 322-8228
www.annualcreditreport.com

Contact the three major credit bureaus at:

Equifax
P.O. Box 740241
Atlanta, GA 30374-0241
(800) 685-1111

Experian
P.O. Box 2104
Allen, TX 75013-2104
(888) 397-3742

Trans Union
P.O. Box 390
Springfield, PA 19064
(800) 916-8800

For information on the Fair Credit Reporting Act:

Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, DC 20580
(877) 382-4357
www.ftc.gov



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