

# Credit Reports 101

A credit report (see sample, page 2) is a record of your financial activity. Your past and current lenders keep credit reporting agencies informed of your borrowing history and habits. The agencies share this information with future lenders who want to know whether you're a good credit risk.

## Credit report contents

Although each agency uses a different format, all reports include:

- **Identifying information.** Your identifying information includes your name, address, Social Security number, and date of birth. It also includes your employment history. Working at the same job for several years indicates to lenders that you are stable. Check your identifying information for accuracy. If just one digit of your Social Security number is wrong, some information in your report may not be about you.
- **Public record and collection agency account information.** Your credit report includes bankruptcies, foreclosures, lawsuits, wage garnishments, liens, judgments, and collection-agency actions. A bankruptcy will remain on your report for up to 10 years and unpaid tax liens for up to 15. Other public records will stay for seven years. Your installment loans (those with fixed payments and ending dates) and revolving credit (usually credit cards) also become part of your public record if a collection agency has taken action on them.
- **Inquiries.** When you apply for a loan or credit, you voluntarily give the lender permission to see your credit report. Your lenders' inquiries are noted on your report. If you apply for several credit cards at once and lenders see several inquiries, they may suspect you're overextending yourself. Some inquiries aren't from lenders at all. Instead, they may be from prospective employers, landlords, or utility companies. If you ask, the agency must tell you who has inquired about your credit for the past year—or two years if the inquiries were about work.
- **Trade lines.** Your accounts are described by type and the date you opened them. In addition, your payment history is recorded and your credit limits compared with your balances. "R" stands for revolving (open-end accounts). "I" stands for installment

(closed-end accounts). "J" indicates that the account is a joint one for which someone else is also responsible. Credit reporting agencies compare your credit card limits with your actual borrowing. It's better to have fewer rather than more credit cards and not to borrow to your maximum limits.

## Your right to know

You have the right to know what's in your credit report and who supplied the information. You also have the responsibility to make sure the information is correct. Mistakes occur on credit reports when information is incomplete or is actually about someone else. Sometimes a clerk errs in entering a name or address from a hand-written form or applies payments to the wrong account. To minimize the chance of errors, always use the same name on financial paperwork. Don't use Susan Jones one time and Sue Jones another.

You can request copies of your report from these major agencies:

Experian (formerly TRW): (888) 397-3742,

[www.experian.com](http://www.experian.com)

Equifax: (800) 685-1111, [www.equifax.com](http://www.equifax.com)

TransUnion: (800) 888-4213, [www.transunion.com](http://www.transunion.com)

If you think there is an error in your credit report, notify the agency in writing. The agency must investigate the items in question and report back to you in writing. Expect any action to take about 30 days.

The Fair and Accurate Credit Transaction Act of 2003, or FACTA, offers some protection to consumers when it comes to credit reports, credit scores, and credit histories. Not only does FACTA entitle you to one free copy of your credit report each year but, for a fee, it lets you see your credit score. Under FACTA, mortgage lenders must show you the score they used in reviewing your application. Merchants must also give you a chance to dispute negative information before it becomes part of your credit history.

*Author: Barbara D. Petty, University of Idaho Extension Educator, Bonneville County*

### Further reading

My FICO. Fair Isaac Corporation. <http://www.myfico.com/myFICO/CreditCentral/YourCreditReport.asp>

**A sample credit report.**

Source: Visa U.S.A., Inc. 2000. Practical Money Skills for Life Curriculum, Lesson 7. San Fransisco, CA.

## Your Credit Report

**Please address all future correspondence to:**  
 Credit Reporting Agency  
 Business Address  
 City, State 00000

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**PERSONAL IDENTIFICATION INFORMATION**

Your Name: 123 Current Address, City, State 00000      **Social Security #:** 123-45-6789  
**Date of Birth:** April 10th, 1960

**Previous Address(es)**  
 456 Former Rd. Atlanta, GA 30000  
 P.O. Box XXXX Savannah, GA 40000      **Last Reported Employment:**  
 Engineer, Highway Planning

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**PUBLIC RECORD INFORMATION**

Lien Filed 03/00; Fulton CTY; Case or Other ID Number-32114; Amount-\$26,667  
 Class-State; Released 07/00; Verified 07/00

Bankruptcy Filed 12/99; Northern District Ct; Case or Other ID Number-673HC12;  
 Liabilities-\$15,787; Personal; Individual; Discharged; Assets-\$780

Satisfied Judgement Filed 07/01; Fulton CTY; Case or Other ID Number-898872; Defendant-  
 Consumer; Amount-\$8,984; Plaintiff-ABC Real Estate; Satisfied 03/02; Verified 05/02

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**COLLECTION AGENCY ACCOUNT INFORMATION**

**Pro Coll (800)XXX-XXXX**  
 Collection Reported 05/03; Assigned 09/00 to Pro Coll (800)XXX-XXXX Client-ABC  
 Hospital; Amount-\$978; Unpaid; Balance \$978; Date of Last Activity 09/00; Individual  
 Account; Account Number 787652JC

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**CREDIT ACCOUNT INFORMATION**

COMPANY NAME	ACCOUNT NUMBER	WHOSE ACCT.	DATE OPENED	MONTHS REVIEWED	DATE OF LAST ACTIVITY	HIGH CREDIT	TERMS	ITEMS AS OF DATE REPORTED			DATE REPORTED
								BALANCE	PAST DUE	STATUS	
Department St.	32514	J	10/93	36	9/04	\$950	X	\$0	X	R1	10/04
Bank	1004735	A	11/93	24	3/04	\$750	X	\$0	X	I1	4/04
Oil Company	541125	A	6/93	12	3/04	\$500	X	\$0	X	O1	4/04
Auto Finance	529778	I	5/92	48	12/03	\$1100	\$50	\$300	\$200	I5	4/04

**Previous Payment History:** 3 Times 30 days late; 4 Times 60 days late; 2 Times 90+ days late  
**Previous Status:** 01/04 - I2; 02/04 - I3; 03/04 - I4

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**COMPANIES THAT REQUESTED YOUR CREDIT FILE**

09/06/04	Equifax-Disclosure	08/27/04	Department Store
07/29/04	PRM Bankcard	07/03/04	AM Bankcard
04/10/04	AR Department Store	12/31/03	Equifax - Disclosure ACIS 123456789

**Reading a credit report.**

Source: Visa U.S.A., Inc. 2000. Practical Money Skills for Life Curriculum, Lesson 7. San Fransisco, CA.

<p><b>The credit report status column uses these "type of account" codes:</b></p> <p>O    Open (entire balance due each month)</p> <p>R    Revolving (payment amount variable)</p> <p>I    Installment (fixed number of payments)</p>	<p><b>The status column uses these "timeliness of payment" codes:</b></p> <p>0    Approved not used; too new to rate</p> <p>1    Paid as agreed</p> <p>2    30+ days past due</p> <p>3    60+ days past due</p> <p>4    90+ days past due</p>	<p>5    Pays or paid 120+ days past the due date; or collection account</p> <p>6    Making regular payments under wage earner plan or similar arrangement</p> <p>7    Repossession</p> <p>8    Charged off to bad debt</p>
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