

FTC FACTS for Consumers

How To Dispute Credit Report Errors



Your credit report — a type of consumer report — contains information about where you work and live and how you pay your bills. It also may show whether you've been sued or arrested or have filed for bankruptcy. Companies called consumer reporting agencies (CRAs) or credit bureaus compile and sell your credit report to businesses. Because businesses use this information to evaluate your applications for credit, insurance, employment, and other purposes allowed by the Fair Credit Reporting Act (FCRA), it's important that the information in your report is complete and accurate.

Some financial advisors suggest that you periodically review your credit report for inaccuracies or omissions. This could be especially important if you're considering making a major purchase, such as buying a home. Checking in advance on the accuracy of information in your credit file could speed the credit-granting process.

Getting Your Credit Report

If you've been denied credit, insurance, or employment because of information supplied by a CRA, the FCRA says the company you applied to must give you the CRA's name, address, and telephone number. If you contact the agency for a copy of your report within 60 days of receiving a denial notice, the report is free. In addition, you're entitled to one free copy of your report a year if you certify in writing that (1) you're unemployed and plan to look for a job within 60 days, (2) you're on welfare, or (3) your report is inaccurate because of fraud. Otherwise, a CRA may charge you up to \$9 for a copy of your report.

If you simply want a copy of your report, call the CRAs listed in the Yellow Pages under "credit" or "credit rating and reporting." Call each credit bureau listed since more than one agency may have a file on you, some with different information. The three major national credit bureaus are:

- **Equifax**
1-800-685-1111
www.equifax.com
- **Experian**
1-888-EXPERIAN (397-3742)
www.experian.com
- **Trans Union**
1-800-916-8800
www.tuc.com

Correcting Errors

Under the FCRA, both the CRA and the organization that provided the information to the CRA, such as a bank or credit card company, have responsibilities for correcting inaccurate or incomplete information in your report. To protect all your rights under the law, contact both the CRA and the information provider.

First, tell the CRA **in writing** what information you believe is inaccurate. Include copies (NOT originals) of documents that support your position. In addition to providing your complete name and address, your letter should clearly identify each item in your report you dispute, state the facts and explain why you dispute the information, and request deletion or correction. You may want to enclose a copy of your report with the items in question circled. Your letter may look something like the one on page 4. Send your letter by certified mail, return receipt requested, so you can document what the CRA received. Keep copies of your dispute letter and enclosures.

CRAs must reinvestigate the items in question — usually within 30 days — unless they consider your dispute frivolous. They also must forward all relevant data you provide about the dispute to the information provider. After the information provider receives notice of a dispute from the CRA, it must investigate, review all relevant information provided by the CRA, and report the results to the CRA. If the information provider finds the disputed information to be inaccurate, it must notify all nationwide CRAs so they can correct this information in your file.

- Disputed information that cannot be verified must be deleted from your file.
- If your report contains erroneous information, the CRA must correct it.
- If an item is incomplete, the CRA must complete it. For example, if your file showed that you were late making payments, but failed to show that you were no longer delinquent, the CRA must show that you're current.
- If your file shows an account that belongs only to another person, the CRA must delete it.

When the reinvestigation is complete, the CRA must give you the written results and a free copy of your report if the dispute results in a change. If an item is changed or removed, the CRA cannot put the disputed information back in your file unless the information provider verifies its accuracy and completeness, and the CRA gives you a written notice that includes the name, address, and phone number of the provider.

Also, if you request, the CRA must send notices of corrections to anyone who received your report in the past six months. Job applicants can have a corrected copy of their report sent to anyone who received a copy during the past two years for employment purposes. If a reinvestigation does not resolve your dispute, ask the CRA to include your statement of the dispute in your file and in future reports.

Second, in addition to writing to the CRA, tell the creditor or other information provider **in writing** that you dispute an item. Again, include copies (NOT originals) of documents that support your position. Many providers specify an address for disputes. If the provider then reports the item to any CRA, it must include a notice of your dispute. In addition, if you are correct — that is, if the disputed information *is not* accurate — the information provider may not use it again.

Accurate Negative Information

When negative information in your report is accurate, only the passage of time can assure its removal. Accurate negative information can generally stay on your report for 7 years. There are certain exceptions:

- Information about criminal convictions may be reported without any time limitation.
- Bankruptcy information may be reported for 10 years.
- Credit information reported in response to an application for a job with a salary of more than \$75,000 has no time limit.
- Credit information reported because of an application for more than \$150,000 worth of credit or life insurance has no time limit.
- 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. Criminal convictions can be reported without any time limit.

Adding Accounts to Your File

Your credit file may not reflect all your credit accounts. Although most national department store and all-purpose bank credit card accounts will be included in your file, not all creditors supply information to CRAs: Some travel, entertainment, gasoline card companies, local retailers, and credit unions are among those creditors that don't.

If you've been told you were denied credit because of an "insufficient credit file" or "no credit file" and you have accounts with creditors that don't appear in your credit file, ask the CRA to add this information to future reports. Although they are not required to do so, many CRAs will add verifiable accounts for a fee. You should, however, understand that if these creditors do not report to the CRA on a regular basis, these added items will not be updated in your file.

For More Information

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

Sample Dispute Letter

Date

Your Name

Your Address

Your City, State, Zip Code

Complaint Department

Name of Credit Reporting Agency

Address

City, State, Zip Code

Dear Sir or Madam:

I am writing to dispute the following information in my file. The items I dispute also are encircled on the attached copy of the report I received.

(Identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.) This item is (inaccurate or incomplete) because (describe what is inaccurate or incomplete and why). I am requesting that the item be deleted (or request another specific change) to correct the information. Enclosed are copies of (use this sentence if applicable and describe any enclosed documentation, such as payment records, court documents) supporting my position.

Please reinvestigate this (these) matter(s) and (delete or correct) the disputed item(s) as soon as possible.

Sincerely,

Your name

Enclosures: (List what you are enclosing)

FEDERAL TRADE COMMISSION

1-877-FTC-HELP

WWW.FTC.GOV

FOR THE CONSUMER

Federal Trade Commission
Bureau of Consumer Protection
Office of Consumer and Business Education