

Fair Credit Reporting

If you've ever applied for a charge account, a personal loan, insurance, or a job, there's a file about you. This file contains information on where you work and live, how you pay your bills, and whether you've been sued, arrested, or filed for bankruptcy.

Companies that gather and sell this information are called Consumer Reporting Agencies (CRAs). The most common type of CRA is the credit bureau. The information CRAs sell about you to creditors, employers, insurers, and other businesses is called a consumer report.

The Fair Credit Reporting Act (FCRA), enforced by the Federal Trade Commission, is designed to promote accuracy and ensure the privacy of the information used in consumer reports. Recent amendments to the Act expand your rights and place additional requirements on CRAs. Businesses that supply information about you to CRAs and those that use consumer reports also have new responsibilities under the law.

Here are some questions consumers commonly ask about consumer reports and CRAs -- and the answers. **Note that you may have additional rights under state laws. Contact your state Attorney General or local consumer protection agency for more information.**

Q. How do I find the CRA that has my report?

A. Contact the CRAs listed in the Yellow Pages under "credit" or "credit rating and reporting." Because more than one CRA may have a file on you, call each until you locate all the agencies maintaining your file. The three major national credit bureaus are:

- **Equifax**, P.O. Box 740241, Atlanta, GA 30374-0241; (800) 685-1111.
- **Experian** (formerly TRW), P.O. Box 2104, Allen, TX 75013; (888) EXPERIAN (397-3742).
- **Trans Union**, P.O. Box 1000, Chester, PA 19022; (800) 916-8800.

In addition, anyone who takes action against you in response to a report supplied by a CRA -- such as denying your application for credit, insurance, or employment -- must give you the name, address, and telephone number of the CRA that provided the report.

Q. Do I have a right to know what's in my report?

A. Yes, if you ask for it. The CRA must tell you everything in your report, including medical information, and in most cases, the sources of the information. The CRA also must give you a list of everyone who has requested

your report within the past year -- two years for employment related requests.

Q. Is there a charge for my report?

A. Sometimes. There's no charge if a company takes adverse action against you, such as denying your application for credit, insurance or employment, and you request your report within 60 days of receiving the notice of the action. The notice will give you the name, address, and phone number of the CRA. In addition, you're entitled to one free report a year (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 \$8 for a copy of your report.

Q. What can I do about inaccurate or incomplete information?

A. Under the new law, both the CRA and the information provider have responsibilities for correcting inaccurate or incomplete information in your report. To protect all your rights under this law, contact both the CRA and the information provider.

First, tell the CRA in writing what information you believe is inaccurate. 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 that they can correct this information in your file.

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.

Second, tell the creditor or other information provider in writing that you dispute an item. 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 information is inaccurate -- the information provider may not use it again.

Q. What can I do if the CRA or information provider won't correct the information I dispute?

A. A reinvestigation may not resolve your dispute with the CRA. If that's the case, ask the CRA to include your statement of the dispute in your file and in future reports. If you request, the CRA also will

provide your statement to anyone who received a copy of the old report in the recent past. There usually is a fee for this service.

If you tell the information provider that you dispute an item, a notice of your dispute must be included anytime the information provider reports the item to a CRA.

Q. Can my employer get my report?

A. Only if you say it's okay. A CRA may not supply information about you to your employer, or to a prospective employer, without your consent.

Q. Can creditors, employers, or insurers get a report that contains medical information about me?

A. Not without your approval.

Q. What should I know about "investigative consumer reports"?

A. "Investigative consumer reports" are detailed reports that involve interviews with your neighbors or acquaintances about your lifestyle, character, and reputation. They may be used in connection with insurance and employment applications. You'll be notified in writing when a company orders such a report. The notice will explain your right to request certain information about the report from the company you applied to. If your application is rejected, you may get additional information from the CRA. However, the CRA does not have to reveal the sources of the information.

Q. How long can a CRA report negative information?

A. Seven years. There are certain exceptions:

- Information about criminal convictions may be reported without any time limitation.
- Bankruptcy information may be reported for 10 years.
- Information reported in response to an application for a job with a salary of more than \$75,000 has no time limit.
- 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.

Q. Can anyone get a copy of my report?

A. No. Only people with a legitimate business need, as recognized by the FCRA. For example, a company is allowed to get your report if you apply for credit, insurance, employment, or to rent an apartment.

Q. How can I stop a CRA from including me on lists for unsolicited credit and insurance offers?

A. Creditors and insurers may use CRA file information as a basis for sending you unsolicited offers. These offers must include a toll-free number for you to call if you want to remove your name and address from lists for two years; completing a form that the CRA provides for this purpose will keep your name off the lists permanently.

Q. Do I have the right to sue for damages?

A. You may sue a CRA, a user or -- in some cases -- a provider of CRA data, in state or federal court for most violations of the FCRA. If you win, the defendant will have to pay damages and reimburse you for attorney fees to the extent ordered by the court.

Q. Are there other laws I should know about?

A. Yes. If your credit application was denied, the Equal Credit Opportunity Act requires creditors to specify why -- if you ask. For example, the creditor must tell you whether you were denied because you have "no credit file" with a CRA or because the CRA says you have "delinquent obligations." The ECOA also requires creditors to consider additional information you might supply about your credit history. You may want to find out why the creditor denied your application before you contact the CRA.

Q. Where should I report violations of the law?

A. Although the FTC can't act as your lawyer in private disputes, information about your experiences and concerns is vital to the enforcement of the Fair Credit Reporting Act. Send your questions or complaints to: Consumer Response Center -- FCRA, Federal Trade Commission, Washington, D.C. 20580.

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