



Know Your Credit History: How to Interpret a Credit Report

You may have recently seen your credit report for the first time or have been asked about your credit by a prospective employer, landlord, or lender. Credit has become a critical part of daily life in our economy. Because credit is so important, there's a law to protect consumers called the Fair Credit Reporting Act (FCRA), which ensures that consumers are treated fairly by all players in the credit system. Read on to learn more about your rights under the FCRA and how to assert them.

Key FCRA Terms: Before you start interpreting your credit report you need to know some FCRA lingo. There are three main players in the FCRA universe: consumers (that's you), credit reporting agencies (CRAs), and furnishers. CRAs collect information about consumers' credit activity, compile the information, and provide the information on credit reports. Furnishers are banks, other types of lenders, government entities, collection agencies, and others that provide credit activity information to the CRAs.

Your Right To Get the "Big Three" and More: The most important CRAs are known as the "Big Three." They are Equifax, Experian, and TransUnion. There are also hundreds of other CRAs that generate specialty reports. These specialty reports may be used by landlords to make renting decisions and employers to make hiring decisions. The good news is that the FCRA requires each and every CRA to give you access to your credit report once a year for free, but only if you ask for it. Getting the "Big Three" credit reports is usually easy. Go to annualcreditreport.com and you can download your reports for free by entering in your social security number and answering a few verification questions. Be careful not to go to any other website to download the "Big Three" reports. Those sites are not really free, even though they may look free or have the word "free" in the URL. You should never need to enter credit card information to get your free credit report. If you'd like to access a specialty report because you know a prospective employer or landlord will be looking, go to that CRA's website and follow the instructions. These types of CRAs might make this free information hard to find, so look for the "consumer" section of the CRA's website.

Keep track of when you pulled your credit reports, so you know when you can pull them again next year:

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Equifax, Date: _____
Experian, Date: _____
TransUnion, Date: _____
Employment Specialty report: _____
Housing Specialty report: _____

Tip Sheet Series for Youth in Foster Care

Know Your Credit History:
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Creating a Credit Profile:
How to Build Your Credit

Identity Theft: How to
Resolve Errors on Your
Credit Report

Protect Yourself and Your
Stuff: What You Need to
Know About Insurance

Get Tax Savvy: What You
Need to Know About Taxes

National Resource Center
for Youth Development
4502 E. 41st St., Bldg. 4W
Tulsa, Oklahoma 74135-2512
(918) 660-3700

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What's On a Credit Report and What To Look Out For: Credit reports have a lot of information and can be very confusing at first, but once you know what to look for, you'll find it easily. The table below identifies each of the main sections of the "Big Three" credit reports and what to look for in each section. Each of the "Big Three" displays its information differently and uses slightly different terms. The table on the follow page provides an example of how Experian and TransUnion track information on your credit report, Equifax reports may look slightly different, however, the general categories should still apply.

Your rights to correct credit reporting errors: If you find errors on your report, the FCRA gives you the right to dispute those errors with the CRA that's reporting them. You should be able to get your dispute addressed within 30 days. The CRAs do have an online disputing process, which can make things go faster, but paper disputes are often better because they establish a paper trail, which may be important if your dispute is not easily resolvable. Check out the Federal Trade Commission's site for letter templates and further guidance on how to dispute credit report errors: <http://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports>. If you think that you're the victim of ID theft, see the *Identify Theft: How to Resolve Errors on Your Credit Report* Tip Sheet.

Issues I Found On My Credit Report		
Credit Report Section	Things to Look Out For	Credit Reporting Agencies
Personal information (information about you)	Make sure that your name, year that the CRA added you to its files, addresses, and social security number are all correct.	<input type="checkbox"/> Equifax <input type="checkbox"/> Experian <input type="checkbox"/> TransUnion
Public records (judgments, bankruptcies, tax liens, and other types of records entered by a court)	If you are under 18 or recently turned 18, you should not have any public records. If you do, they are probably the result of ID theft and you will need to address them. See the Identify Theft Tip Sheet. If you're older and you've had problems with debt you may have judgments. Regardless of your age, you should see a lawyer for assistance if you find any public records on your credit report.	<input type="checkbox"/> Equifax <input type="checkbox"/> Experian <input type="checkbox"/> TransUnion
Negative credit accounts (credit card accounts gone bad and utility accounts that have gone to a collection agency)	If there are any negative accounts on your report, make sure they are yours. Some youth have negative accounts that are the result of an adult opening up an account in the youth's name while the youth was a minor. These are likely the result of identity theft as well.	<input type="checkbox"/> Equifax <input type="checkbox"/> Experian <input type="checkbox"/> TransUnion
Positive accounts (accounts that are in good standing; could be credit cards and any type of loan including student loans)	Make sure that any accounts here actually belong to you. If they don't, those accounts could be the result of ID theft. Even if they're in good standing, they still need to be addressed if they're not yours. For accounts that are yours, be mindful of the balances on any account that has a credit limit. You want to keep each and every account balance under 30% of the available credit for the account. Using more than 30% of your available credit on any account can hurt your credit score.	<input type="checkbox"/> Equifax <input type="checkbox"/> Experian <input type="checkbox"/> TransUnion
Inquiries (requests that others have made to look at your credit)	There are two types of inquiries. Those that are shared with others, which are known as "hard pulls," and those that are shared only with you, which are known as "soft pulls." Hard pulls are triggered when you apply for credit and will be listed under "Hard Credit Inquiries" on your report. If you see hard pulls for things you never applied for, it could be a symptom of ID theft. Hard pulls do have a small impact on your credit score. Soft pulls, on the other hand, do not affect your score and are used by businesses to send you promotional materials, such as credit card offers. You will not see soft pulls on your credit report. You can opt out of soft pulls by going to www.optoutprescreen.com .	<input type="checkbox"/> Equifax <input type="checkbox"/> Experian <input type="checkbox"/> TransUnion