

keeping your credit record clean

How to avoid the stain that won't go away



Credit Bureau Addresses

Equifax Information Services

P.O. Box 740256
Atlanta, GA 30374
1-800-685-1111

Trans Union Corp.

P.O. Box 390
Springfield, PA 19064
1-800-888-4213

Experian

P.O. Box 949
Allen, TX 75013
1-888-397-3742

A good credit record, like good health, is often not appreciated until it's lost. Negative entries can stay on your credit report for 7 to 10 years if you file for bankruptcy. So it's a good idea to keep your credit record in tip-top shape.

Before your Credit Union can extend you any credit, it first has to assess your credit history. We have to know what debts you've assumed in the past and whether you've handled them responsibly. So, like any other lending institution, we carefully examine your credit record anytime you apply for a loan or credit card.

Now, there is no universally recognized scientific formula for determining credit worthiness. Two institutions could look at the same data and come to two different conclusions. In any case, your ability to borrow will, to a large extent, depend on the information lending institutions find in your credit record.

Thanks to the Fair Credit Reporting Act of 1970, the information in your credit record is subject to certain restrictions. The law limits the length of time information stays on your record, who the credit bureaus can send credit reports to, and your rights with regard

to your report. Credit bureaus can only release your credit report for legitimate business purposes that involve you as a consumer. Anytime you're denied credit, you're entitled to know what credit bureau supplied the credit report. You can then get a free copy of the report that was used from that credit bureau.

Credit bureaus do make mistakes, so check your report carefully. If you find anything in your report you disagree with, the credit bureau must check to make sure their original source provided accurate information. If they cannot verify its accuracy, they must strike that information from your record. You can then direct the credit bureau to send a corrected report to anyone they sent your credit report to in the last six months.

Suppose, on the other hand, the damaging information in your report is true. If there were special circumstances such as a period of unemployment or hospitalization, you can write a statement explaining what happened and have it added to your file. That, too, can be sent to any lending institutions that requested your credit report in the last six months.

WARNING SIGNAL #5
You're borrowing money or using your credit card to pay for things you used to buy with cash.

Even if you haven't been denied credit, you can still get a copy of your credit report. (You may have to pay a small fee.) It's a good idea to review it periodically. It can save you the trouble of being denied a loan on the basis of wrong or incomplete information.

If you've allowed your credit report to become tarnished, don't let anyone sucker you into letting them provide you with a "quick fix" for your money problems. One "credit repair" company defrauded scores of people, then went out of business. The firm's "counselors" promised to fix bad credit reports for a substantial fee. What they promised was not legally possible. If there is negative information on a credit report, there is nothing anyone can do to remove it until an appropriate amount of time has elapsed.

If you are caught in a money squeeze, visit your Credit Union first for help. We can help you set up a savings plan to get you out of debt. We can also help you decide if a bill consolidation loan is right for you.

If you want to have credit available to you in the future, make sure you meet your financial obligations today. Remember—you are responsible for your credit history.

why turn to your credit union first?

Here's the SCOOP on credit unions:

- S**ervice-Oriented—your needs come first, with a smile
- C**ooperative—as a member, you're an owner
- O**ffer financial guidance in your best interest
- O**ffer better rates and lower fees than other financial institutions
- P**hilosophy of "people helping people"

And here's the SCOOP on banks:

- S**tockholders get rich from your fees
- C**ustomer status (vs. member/owner)
- O**ffer financial guidance in their best interests, not yours
- O**ffer fewer free services
- P**rofit is the main goal

