

Take Action!

What you can do today...



- 1 Order your free credit report:
annualcreditreport.com or,
877.322.8228, or
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281
- 2 Order your credit score
- 3 Review information found on reports such
as name, addresses, and account
information;
- 4 Dispute any errors on your credit reports
by writing the credit bureau, providing
documentation:

Experian
888.397.3742
Experian.com

TransUnion
800.680.7289
TransUnion.com

Equifax
800.525.6285
Equifax.com

- 5 Work to improve your score by:
 - Paying your bills on time
 - Paying down debt



a **\$** well-informed
Marketplace

Financial Services for Consumers and Business

"Remember that credit is money."

-Ben Franklin



pennsylvania

DEPARTMENT OF BANKING
AND SECURITIES

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1.800.PA.BANKS (1.800.722.2657) | dobs.pa.gov | [f](#) [t](#) [in](#) [y](#) [v](#)



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Understanding Credit Reports and Scores



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DEPARTMENT OF BANKING
AND SECURITIES

> protect > regulate > inform



Credit Reports

What is a credit report?

A credit report is your personal financial report card. The information shows if you pay your bills on time, how much debt you owe, and if you have ever been sued for non-payment of debt or filed for bankruptcy.

Why is a credit report important?

Creditors, insurers, employers, and other businesses use credit reports to evaluate applications for loans, insurance policies, employment, or renting an apartment. The accuracy of the information in your credit report can be the difference between being approved for these applications – or rejected.

How do you get your credit report?

You are entitled to a FREE credit report from each of the nationwide credit reporting companies – Experian, Equifax, and TransUnion – once a year. To order your credit report visit: annualcreditreport.com.

Where to start?

Order your reports from all three credit reporting companies if you have not seen them recently. Check the accuracy of names, addresses, accounts, and outdated/negative information that may affect your ability to secure a loan. The Federal Trade Commission has detailed instructions online at ftc.gov/idtheft.

Problems with Your Report?

What if there's a problem?

If you find fraudulent information or activities:

- File a police report with local or state police
- Close any accounts that have been opened without your knowledge
- Cancel cards for legitimate accounts that have been compromised and have a new card reissued
- Contact the Federal Trade Commission and report the identity theft
- Place a fraud alert or freeze on your credit reports directly with the three credit bureaus

It is reported that **1** in **5** credit reports contain at least one error.



If you find an error and need to dispute misinformation:

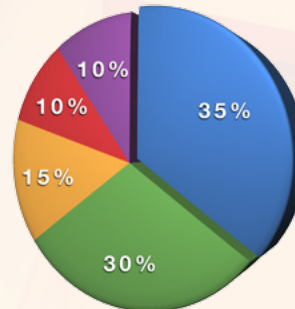
You may file a dispute online or write the credit reporting company, supplying all necessary documents. The Federal Trade Commission has made available a sample letter online:

consumer.ftc.gov/articles/0384-sample-letter-disputing-errors-your-credit-report.

Credit Scores

What goes into your credit score?

- Payment History
- Amounts Owed
- Length of Credit
- New Credit
- Types of Credit



What is Your Credit Score?

300-559	560-659	660-724	725-759	760+
POOR	FAIR	GOOD	VERY GOOD	EXCELLENT

What is a credit score?

If a credit report is your financial report card, the credit score is your grade. Your credit score is a number that falls between 300 and 850. The higher your score the lower risk you are to a lender, insurance company, or potential employer.

Why is a credit score important?

Your credit score will determine how much interest you pay on loans, your insurance rates, and even whether you will be hired or accepted into an apartment. A low score means that you will pay more; a high score means you will pay less.

How do you get your credit score?

You can get your credit score from Experian, Equifax, or TransUnion, and you will typically pay a small fee. However, some banks, credit unions, and credit card companies offer free credit scores.

How to improve your credit score?

To improve your score, first correct any errors with the credit reporting company, and then work to make sure to pay your bills on time and pay down your debt. If you need credit counseling, check with your bank or credit union, or contact the National Foundation for Credit Counseling (NFCC) at 800.388.2227 or nfcc.org.

Warning! Beware of any companies that promise to erase or fix a bad credit history. These are typically scams.