



# Getting the Credit You Deserve

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Improving lives through financial education.

The following eBook is provided for informational purposes only.  
It is not intended as credit repair or legal advice.



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# Credit reports – The basics

Have you ever wondered if your credit report is really all that important? Well, consider all the things that are impacted by your credit history.



Renting a nice apartment



Getting a great deal on a car



Buying the home of your dreams



Enlisting in the armed forces



Getting a good rate on insurance



Obtaining a professional license



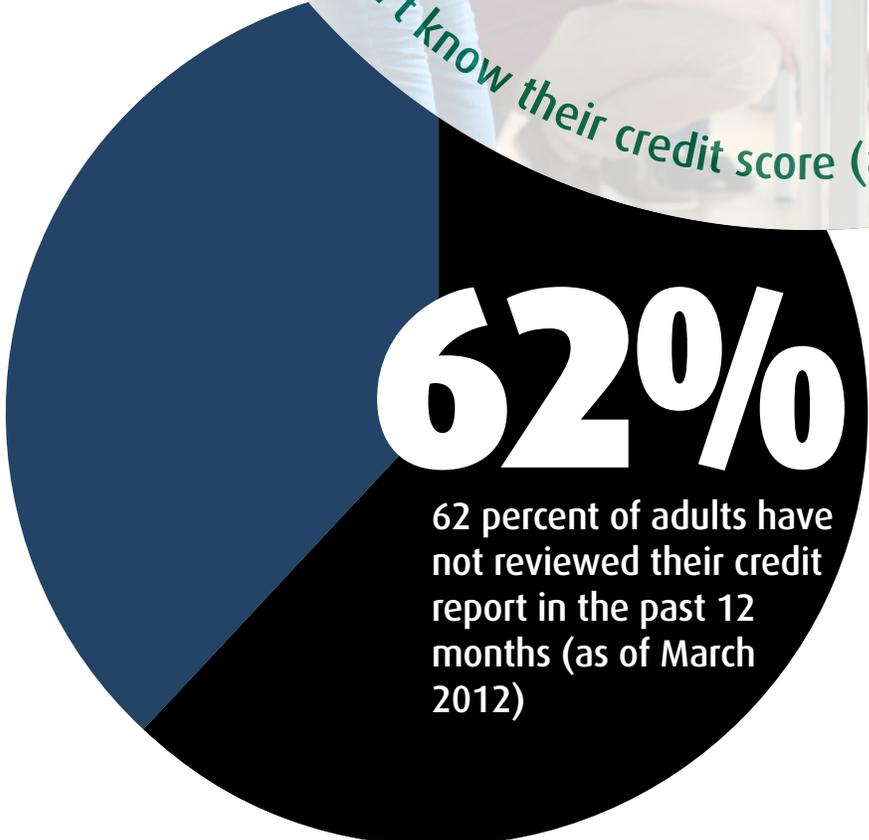
Finding a good job

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85 percent of college students don't know their credit score (as of spring 2012)

# 85%



# 62%

62 percent of adults have not reviewed their credit report in the past 12 months (as of March 2012)

*The most important thing for a young man is to establish credit...a reputation, character.*

**John D. Rockefeller**

*The surest way to establish your credit is to work yourself into the position of not needing any.*

**Maurice Switzer**

*Let me remind you that credit is the lifeblood of business; the lifeblood of prices and jobs.*

**Herbert Hoover**



## The history of credit

Prior to the turn of the twentieth century, most people lived in or near small towns across America. Store owners almost always knew their customers personally and were able to keep track of all the credit they extended.

As society changed, mobility increased. After World War II, the population shifted from rural areas to cities, while credit became a more acceptable way of purchasing items. Creditors didn't know their customers personally anymore, so it became necessary for creditors to gather information about a person before they would extend credit.

In order to easily capture and share this information, a system of local credit reporting agencies, also referred to as credit bureaus, was created. Local businesses shared customer account information and reported when payments were received and new purchases were made. The credit bureaus did not make the credit decisions; they only collected, stored, and distributed information about the consumer accounts and payment history.

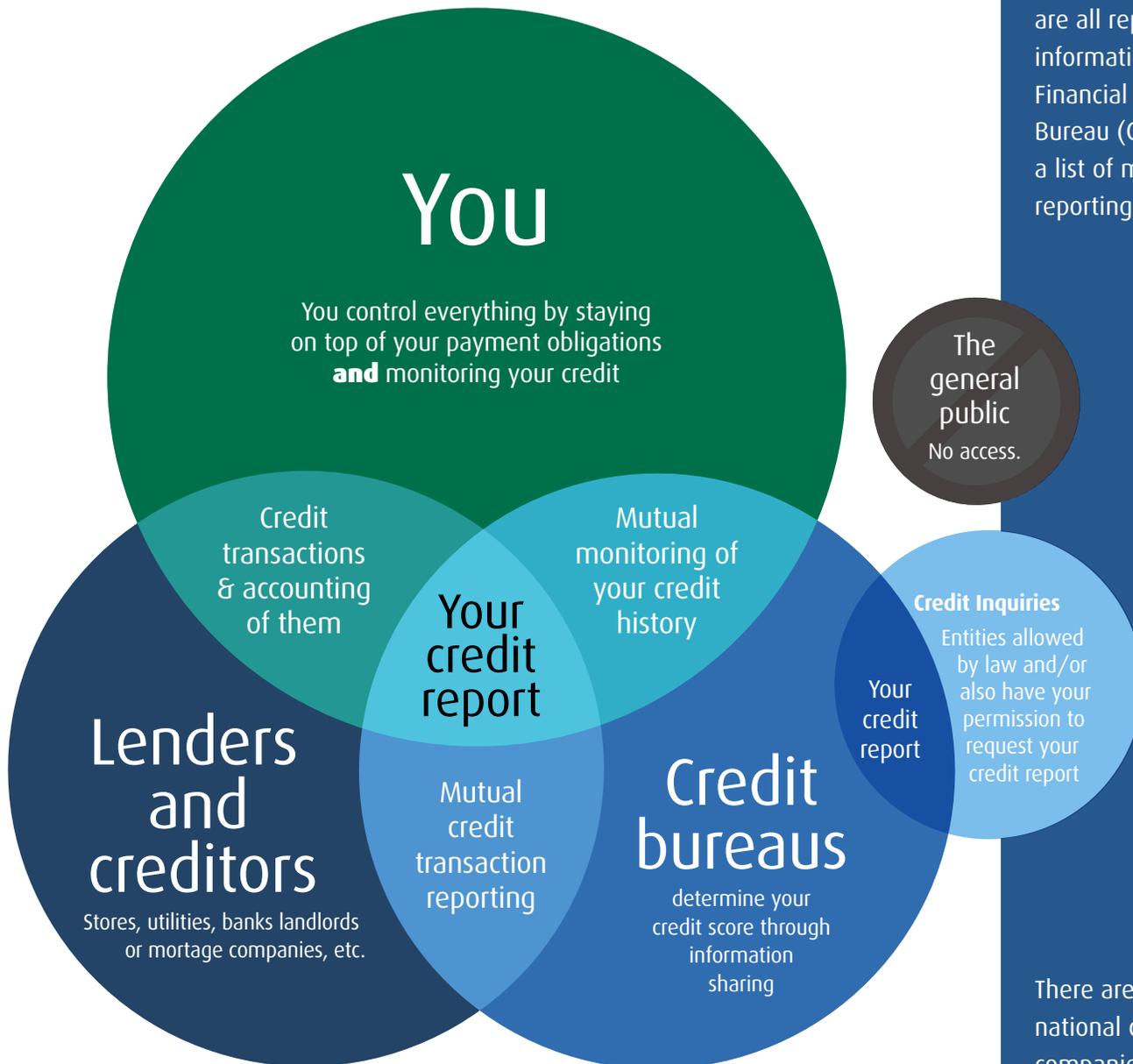


The first credit reporting agency was called The Mercantile Agency – it was established by Lewis Tappan in 1841.



# What is a credit report?

A credit report is a factual record of how an individual has repaid credit obligations in the past. Credit reporting agencies maintain computerized records to collect and distribute account information to their subscribers. Only companies that meet and adhere to certain guidelines may become subscribers to credit bureau services. These guidelines and regulations help protect consumers from businesses that do not have permissible purposes to obtain access to credit reports.

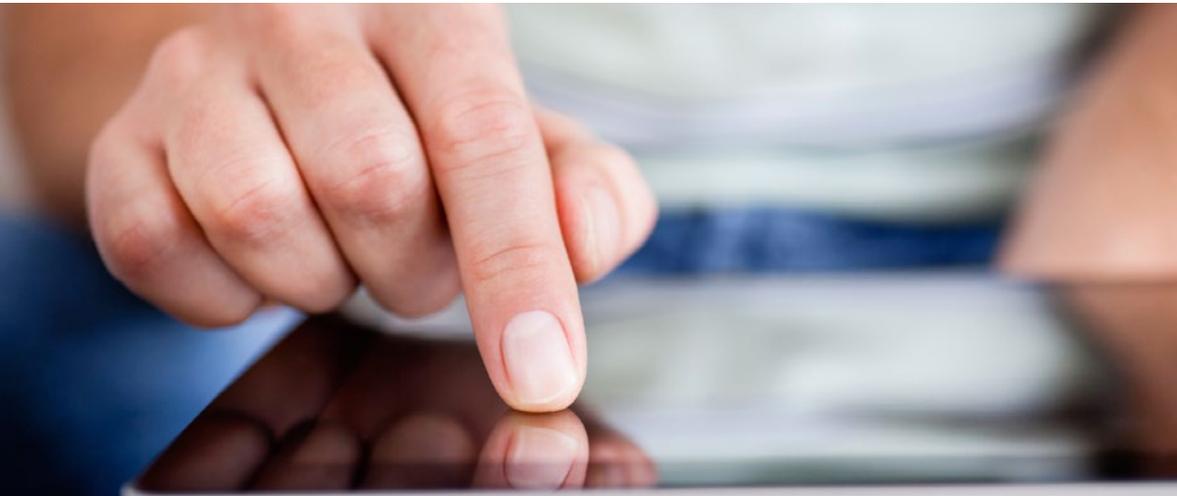


Credit card debt isn't the only obligation captured on your credit report. Medical debts, utility payments, your check writing history and more are all reported. For more information, the Consumer Financial Protection Bureau (CFPB) maintains a list of most specialized reporting agencies.

There are currently three national credit reporting companies:

- Equifax
- TransUnion
- Experian

# What's in your report?



**Personal information:** This includes your name, last known address, Social Security number, employment history, and birthday. This information is used for informational purposes and is not used in the calculation of your credit score.

**Credit inquiries:** If you have too many inquiries related specifically to opening new lines of credit, your history may be viewed negatively, because it will appear as if you are currently looking to acquire more debt. However, other inquiries, such as those initiated via promotional mailings, by your current creditors, or by yourself, do not hurt your credit.

**Creditor account information and history:** This is all information regarding any loans and credit cards in your name that have been reported by your creditors, including accounts that have been paid off. This section includes the type of account, loan term, current or recent balance, the date the account was opened, and payment history including any delinquencies. If you've had any bankruptcies or bank foreclosures, those will also be listed.

**Credit score:** This may also be included, but is generally not provided free of charge. Your credit score is a way for creditors to compare your credit history with others. By looking at your credit score, creditors can quickly decide your creditworthiness and risk. Although credit scores change periodically, it's appropriate to request and pay to receive your score once per year or before a major purchase.

Also included  
(if applicable):

- Fraud alerts
- Consumer statements
- Public record information
- Collection agency account information



## Types of Information in a Credit Report

### A Personal Identification Information

Names Your First and Last Name SSN# 123-45-6789  
Your First, Middle and Last Name  
Your Previous Name

Current Address Street Address DOB 1/30/62  
City, State ZIP

Previous Addresses Street Address, City, State ZIP  
Street Address, City, State ZIP

Latest Reported Employment Your Employer's Name

### B Alerts and Validations

ID security alert: fraudulent applications may be submitted in my name or my identity may have been used without my consent to fraudulently obtain goods or services. Do not extend credit without first contacting me personally and verifying all applicant information. This security alert will be maintained for 90 days beginning 12-01-07.

### C Consumer Statement

I was injured on my job and could not make my car payments in 2007.

### D Creditor Account Information/Credit History

Company Name	Account Number	Whose Account	Date Opened	Months Reviewed	Date of Last Activity	High Credit	Terms	Items as of Date Reported			Date Reported
								Bal	Past Due	Status	
Electronics Store	33XXXX	J	10/03	36	9/06	\$1,200		\$150	0	R 1	1/08
Bank Name	44 XXX	A	5/04	44	12/07	\$8,000		0	0	I 1	1/08
Auto Finance Co.	56XXXX	I	1/06	24	1/08	\$7,500	\$200	\$2,000	\$400	I 5	1/08

1 2 3 4 5 6 7 8 9 10 11 12

### E Public Record Information

Lien Filed 3/06; Fulton CTY; Case Number 42988; Amount \$42,789; Class: State; Released 9/07; Verified 9/07  
Bankruptcy Filed 5/05; Northern District Ct; ID Number 673HC12; Liabilities \$35,787; Personal; Individual; Discharged; Assets - \$780

### F Collection Agency Account Information

Pro Coll (800) xxx-xxxx  
Collection reported 9/06; Assigned 9/05 to Pro Coll; Client XYZ Hospital, Amount \$789; Unpaid Balance \$789; Date of last activity 9/05

### G Inquiries/Companies That Requested Your Credit File

1/2/2008 AAA Bank  
2/5/2007 BIG Department Store

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## What's NOT on your credit report?

Your credit report **does not** contain information regarding race, religion, medical history, political affiliation, income, current assets, banking history, or any other information unrelated to credit.

The [Equal Credit Opportunity Act \(ECOA\)](#) of 1974 makes it unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction, on the basis of race, color, religion, national origin, sex, marital status, or age.

If you suspect that you've been discriminated against by a creditor contact your state's Attorney General's office.



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## How is my credit report used?

**Anyone who reviews your credit report must have a “permissible purpose.” This includes:**

**For credit approval:** Creditors may use a credit report to help them decide whether or not a person will be granted credit, as well as the terms of the agreement, including the interest rate, available credit limit, and more. They will also use other information you have supplied them.

**For employment:** Employers may view and use a modified version of an individual’s credit report to help assess an applicant’s character. Some employers use credit reports when considering promotions. A prospective employer must obtain your permission in writing to access your credit report.

**To underwrite insurance:** Many insurance companies now request your permission to obtain a credit report when you apply for insurance. They consider past payment patterns as part of their process in determining insurance premiums.

**To issue a professional license:** Organizations that grant licenses for certain professions, such as real estate agents, nurses, police officers, and some other professions that require an employee to be bonded, may review your credit report with your permission.

**For review or collection:** Creditors with whom you have an established relationship may periodically review your report. They may be reviewing it to offer other interest rates or credit products.

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## Reviewing your credit report | How to obtain a free report

The Fair and Accurate Credit Transactions (FACT) Act entitles all consumers to a free credit report every 12 months from all three major credit reporting agencies through a centralized source that processes the requests. Your credit score is not included in your free credit report, although you may purchase your credit score at the time you order your report.

### You can order a free copy of your credit report by:

**Calling 877.322.8228**

**Visiting [AnnualCreditReport.com](https://AnnualCreditReport.com)**

You may obtain a free credit report if you have been denied credit within the last 60 days. To receive the free report, call the toll-free number provided in the letter denying credit or send your request along with a copy of the letter denying credit to the credit reporting agency that the creditor used.

For further information you can contact the Federal Trade Commission at [FTC.gov](https://FTC.gov)



# Purchasing your credit report

Additional copies of your credit report during any 12-month period may be purchased from the three credit reporting agencies. Each agency offers a variety of products and services that you can purchase, including a single report from their bureau or a “tri-merge” report consisting of information from all three major credit reporting agencies.

Remember, creditors may or may not belong to all three agencies; therefore, obtaining reports from all three agencies provides the most complete picture of your credit history.

Privacy and security are very important elements when requesting your credit report. Depending on the method you choose to request your report, you will be asked for certain information to authenticate your identity and protect your information.

## Be prepared to provide the following information when obtaining a credit report:

- full name (including Jr., Sr., and III)
- date of birth
- Social Security number
- current and previous address(es) for the last five years
- daytime phone number
- current billing statement, or other document showing your name and address



The three major credit bureaus and their contact information:

### Experian

P.O. Box 2002  
Allen, TX 75013  
888.397.3742  
Experian.com

### Equifax

P.O. Box 740241  
Atlanta, GA 30374  
800.685.1111  
Equifax.com

### TransUnion

P.O. Box 1000  
Chester, PA 19022  
800.888.4213  
TransUnion.com

#### How To Obtain Credit Report

**Money Management International**  
Member Since 1998

You have the right to obtain a copy of your credit report at any time. Money Management International (MMI) suggests that you review your credit reports at least once a year to ensure completeness and accuracy.



**Be prepared to provide the following information when obtaining a credit report:**

- full name (including Jr., Sr., and III)
- date of birth
- Social Security number
- current and previous address(es) for the last five years
- daytime phone number
- photographs of items from the creditor showing your credit (if applicable)
- a signature (if applying to the mail), and
- photographs of your driver's license or other picture ID, current billing statement, or other document showing your name and address (if you apply via the mail).

**Three major credit bureaus and their contact information:**

Experian	Equifax	TransUnion
P.O. Box 2002 Allen, TX 75013 888.397.3742 Experian.com	P.O. Box 740241 Atlanta, GA 30374 800.685.1111 Equifax.com	P.O. Box 1000 Chester, PA 19022 800.888.4213 TransUnion.com

**Free Credit Reports**

The Fair and Accurate Credit Transactions (FACT) Act enables all consumers to have credit reports every 12 months from all three major credit reporting agencies. Through a credit bureau, you can obtain a free credit report. Your credit report is not included in your free credit report, although you may purchase your credit report at the time you order your report. You can order a free copy of your credit report by:

- calling 1-877-322-8228,
- going online to [annualcreditreport.com](http://annualcreditreport.com), or
- mailing a request letter to Annual Credit Report Request Service P.O. Box 512319 | Atlanta, GA 30348-2319.

\* This form is also available on [creditreport.com](http://creditreport.com).

You may obtain a free credit report if you have been denied credit within the last 60 days. To receive the free report, call the toll-free number provided in the letter denying credit or send your request along with a copy of the letter denying credit to:

**Purchasing a Credit Report**

Additional copies of your credit report during any 12-month period may be purchased from the three credit reporting agencies. Each agency offers a variety of products and services that you can purchase, including a single report from their bureau or a “tri-merge” report consisting of information from all three major credit reporting agencies. This allows you to obtain all three reports in one copy to send to all lenders, landlords, employers, etc. or use to apply for a new credit, loan, insurance, financing, obtaining reports from all three agencies provides the most complete picture of your credit history. Privacy and security are very important elements when requesting your credit report. Depending on the method you choose to request your report, you will be asked for certain information to authenticate your identity and protect your information.

There are annual credit reports available, however, the most complete report is the 12-month. Be aware that some lenders will offer a free credit report, but they may require you to sign up for a monitoring service. You can order a one-time credit report at [creditreport.com](http://creditreport.com).

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Click to get a credit report request form from our website.





# Understanding credit scores

## What's a credit score?

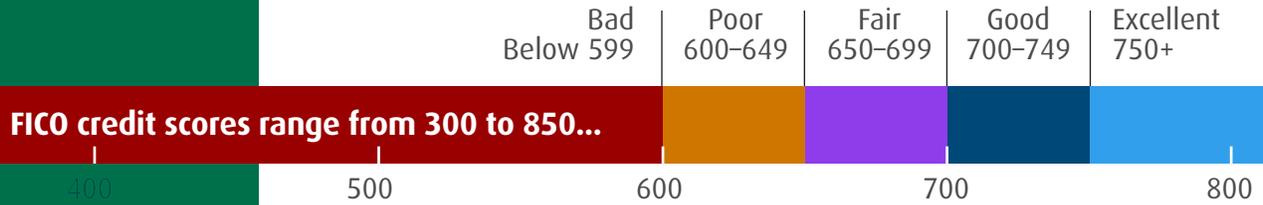
You can't underestimate the importance of your credit score – it's a numerical representation of your creditworthiness. It can be a ticket to your biggest financial goals...one of your biggest obstacles.

A credit score is a number that creditors use to assess the likelihood that consumers will repay their debts and make payments on time. The number is generated using a statistical model that takes information from your credit report. Making payments, obtaining new credit, and other activities can cause your score to fluctuate.

One of the most widely used providers of credit scores is Fair Isaac and Company, creator of the [FICO scoring model](#). Other popular scoring models include TransUnion's Empirica score, Experian's VantageScore, Equifax's Beacon score, and CreditXpert's CreditXpert score.

Each creditor and lender has a different corporate policy on risk levels. Lenders and credit experts do agree, however, that paying your bills on time, as agreed, and never taking on more debt than you can afford are all good ways to positively impact your score.

## What's a good credit score?



For another example however, Experian's VantageScore – an increasingly popular scoring model – ranges from 500 to 990.

# 734:

the average FICO score for consumers who were approved for home loans in August 2013

# 646:

the national average FICO score in July 2013

# 31:

the percent of consumers approved for home loans in August 2013 who had a FICO score below 700

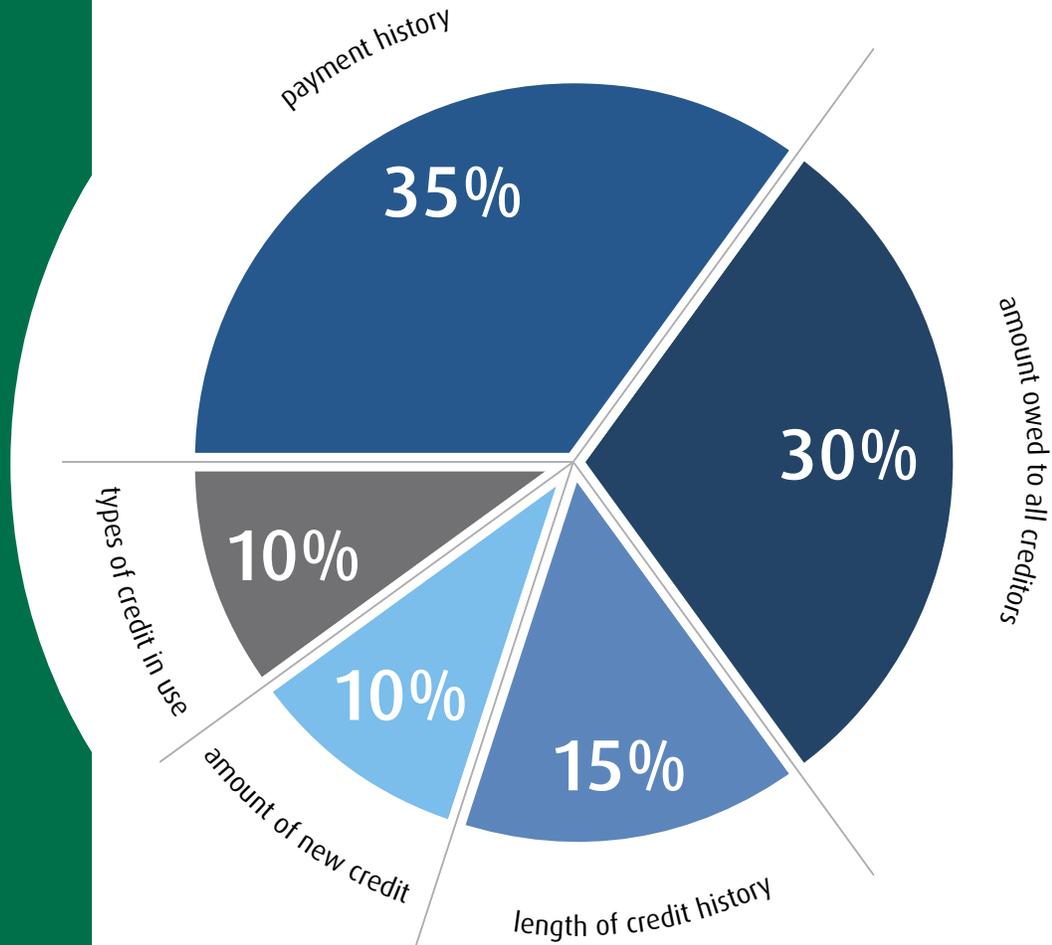


It's important to remember that all lenders consider your credit score differently, depending on their company policies. A score that may be considered "fair" for the purposes of one creditor may be viewed as "good" for the purposes of another.



## How a score is calculated

Each company that produces a score uses different criteria; for example, Fair Isaac and Company (FICO), creators of the most commonly used scoring model, weighs the information as follows:



**Scores typically range from the 300s to the 800s.** Lenders equate higher scores with lower credit risk. A credit score is a “snapshot” of your risk at the time you request credit and is generated based on the information in your credit report at that moment. Your score may be different from one credit reporting agency to the next because your credit history may be different at each of those agencies.

**Even if all lenders used the same score, each lending institution has its own criteria for approving loans.** One creditor may extend you credit with a score of 675 while another lender may deny you credit based on the same score. The score may affect the type or amount of credit or the interest rate that a lender offers you.



# The fastest ways to hurt your credit score

Closing old accounts

Opening too many new accounts

Maxing out your accounts

Missing payments

Defaulting on debts

Settling your debts

Filing bankruptcy

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# Making the most of your credit



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## How to build good credit (Capacity, Character, Collateral)



Credit is a measure of trust. You have to remember that – unlike the old days – lenders don't know you personally. The information on your credit report is how they can determine if you are trustworthy (from a lending perspective).

If you have not used credit in the past and want to establish a credit history, it is important to understand the factors that lenders consider before extending credit. When a consumer applies for credit, the lender wants to know whether he or she has the ability and the willingness to repay the debt. Generally, the lender will consider the three C's in making a loan decision: **Capacity, Character, and Collateral.**



## Capacity

Capacity refers to your ability to repay a debt. When a creditor lends you money, they want to feel confident that you'll have the income necessary to pay it back under the agreed upon terms. With that in mind, the credit application may contain questions such as the following:

- Do you have a steady job?
- Is your occupation likely to provide enough income to support your use of credit?
- What is your salary?
- Do you have other sources of income?
- What are your current living expenses?
- What are your current debts or loan payments?
- How many dependents do you have?
- Do you pay alimony or child support?
- Can you afford your lifestyle?
- How much are your open credit limits?



## Show your Capacity

Consider taking these steps to prove your capacity to potential lenders:

- Find work in a stable industry
- Create and maintain a healthy, sustainable budget
- Avoid taking on excessive debt
- Don't let your debt obligations exceed 36 percent of your income
- Don't exceed 50 percent of your credit limit on any credit accounts



## Character

A lender may never really know you as a person. The best they can do is note certain tendencies or past behaviors and make generalized judgments about what your future behaviors will be. In order to create a more complete picture of you as a potential debtor and to determine how reliable you may be in repaying your debts, creditors may ask you certain questions about your character, such as:

- Have you used credit before?
- Do you pay your bills on time?
- Do you have a good credit report?
- Can you provide character references?
- How long have you lived at your present address?
- How long have you been at your present job?



## Shape your Character

Consider taking these steps to shape your credit character:

- Maintain a healthy mix of credit types (credit card, store card, car loan, student loan, etc.)
- Always pay your bills on time
- Maintain the same job for at least two years
- Try to stay at the same address for multiple years
- Work hard and build a positive reputation at work



## Collateral

Collateral is important to a creditor, because it serves as a type of insurance on your debt. A potential creditor will want to determine if you have any assets that could be used to pay off your loan in the event that you are unable to do so, leading to questions such as:

- Do you have a checking account?
- Do you have a savings account?
- Do you have any stocks or bonds?
- Do you have any valuable collections or jewelry?
- Do you own a boat? A car? A home?

### Build your Collateral

Considering taking these steps to building creditworthy collateral:

- Open a savings account
- Have a small portion of your paycheck deposited directly into your savings account
- Invest in some longer-term savings vehicles (stocks or bonds) when you're able
- Avoid drawing from your savings account if possible



## The Ideal Debtor

- ✓ Worked for the same company multiple years
- ✓ Works in a stable industry
- ✓ Has money in savings and other assets
- ✓ Doesn't have too many open lines of credit
- ✓ Hasn't opened multiple new accounts recently
- ✓ Lived at the same address multiple years
- ✓ Has had current credit accounts many years
- ✓ No late or missed payments



## Six steps to building excellent credit

Building a great credit history takes time and dedication. If you're just starting out with credit or trying to rebuilding following a financial setback, take the following six steps to build the credit you deserve.

# 1

### Begin by checking your credit report to find out what lenders know about you.

Even if you've never had credit, it's worth checking your credit reports at the three major credit reporting agencies to be sure that someone else's information hasn't been collected in your name. This can happen by error or because of identity theft.



# 2

### Develop a relationship with a bank or credit union by opening a checking or savings account.

Although checking and savings accounts don't appear on your credit report, they do demonstrate that you have "capacity." Managing these accounts carefully and avoiding overdrawing on your funds will show the lender that you can manage your finances and are a good credit risk.



## 3

### Apply for a department store credit card or a gasoline credit card and use it responsibly.

It's important to look for a card with no annual fee and low interest rates, if you do not plan to pay in full each month. However, paying interest will not improve your credit score, so the best practice is to charge small amounts that can easily be paid off in full each month.

You want to eventually build a good credit mix without opening too many accounts, so limit yourself to one store or gas card. Opening multiple accounts in a short period of time increases your risk, and therefore makes it less likely you will be extended credit at a good rate. Also, avoid carrying a balance of more than half your limit and make sure you pay your credit card bill and all your other bills on time every month.



## 4

### After a few months, apply for a major credit card.

Again, look for a card with no annual fee and low interest rates, if you do not plan to pay in full each month.

It is important to remember that charging only what you can pay in full each month and using less than half your credit limit on all accounts are good habits to help build a solid credit history and will be beneficial when your credit score is calculated.



## 5

**If you can't get a regular credit card, apply for a secured credit card.**

You will be required to deposit money with a lender, and this amount will be your credit limit. Be wary of excessive annual fees, application fees, and unreasonably high interest rates (APR).

Look for a card that can be converted to a regular, unsecured credit card after roughly a year of on-time payments. In addition, be sure the credit card lender reports your payment history to all three credit reporting agencies in order to help you build a good credit record.

Once you have a credit card, use it for small, but frequent, purchases. You will need to have at least six months' repayment history before a credit score can be generated. If you receive a credit card and do not use it, the lender may cancel the card due to no activity on the account.



## 6

**If you cannot qualify for credit on your own, ask a family member to co-sign a credit card or small loan application for you.**

Just remember, the co-signer has the same responsibility to repay the debt as the primary account owner.

It takes time to build a credit history and demonstrate that you are a good credit risk. When establishing credit, it's important to demonstrate – through your willingness and ability to repay debt – that you're a trustworthy and reliable money manager.



# Protecting your history



## Reviewing for errors

Due to the complex nature of credit reporting, the vast amount of data reported daily, and the possibility of both human and computer error, it is not unusual for a small percentage of information to be reported or recorded incorrectly.

Look at your credit report carefully to verify that the information listed is accurate. If you hold joint accounts, remember to verify that both consumers' credit reports contain information about those accounts.

## Review your credit report for the following:

**Identification Information:** Double-check your Social Security number — digits can be easily transposed. Check your name carefully, especially if you are a “junior” or “senior,” have a common last name, or live in an area where many other people have similar names.

**Account Status Information:** Look for records of late or missed payments on accounts you believe you have paid on time. To dispute these errors, you will need documentation, such as a canceled check.

**Active Account Dates:** Make certain that the last activity or the date when you closed an account is correct. Check to be sure that a closed or inactive account is properly noted.



Occasionally out-of-date information is not removed when it should be. Be sure to check the following sections to make sure all expired information has been removed.

- **Inquiries:** Credit and employment inquiries should only remain on your credit report for two years.
- **Status:** Negative information, such as delinquency, should be removed after seven years.
- **Judgments:** A judgment will remain on your report for seven years, but the holder of the judgment retains the option to renew the reporting period in the fifth year by paying a fee to the court to re-file.
- **Bankruptcy:** Chapter 7 bankruptcy should not be reported for longer than ten years after the court filing date. A Chapter 13 bankruptcy indicates that debt has been reorganized and the court has mandated a repayment plan. This type of bankruptcy will remain on your credit report for seven years after the filing date.
- **Tax Liens:** Unpaid tax liens may stay on a credit report indefinitely (although Experian removes them after 15 years). If the tax debt has been paid, it remains on the credit report for seven years from the paid date.



**Credit Report Dispute Form**

**Dispute Information**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_

**Disputed Account Information**

Account Name: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Dispute Description: \_\_\_\_\_  
 Date of Dispute: \_\_\_\_\_  
 Dispute Status: \_\_\_\_\_

Money Management International  
 10000 N. 10th Street, Suite 100  
 Scottsdale, AZ 85258  
 Phone: 480.342.2121  
 Website: www.moneymanagement.com

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our website.

## Disputing errors

Besides the right to know what information is contained in your credit report, you also have the right to **dispute information that is wrong** or outdated and have it removed from your report. When you receive a copy of your credit report, you will also receive a dispute form. You can file a dispute via mail or online, following the instructions provided by the credit reporting agency from which you obtained your report.

With the passing of the FACT Act, you now have the option to dispute errors directly with the source of the incorrect information. This means that if there is an error with how a particular credit card account is being reported, you can submit a dispute form to either the creditor or the credit reporting agency.

### When making a dispute:

- The dispute form must be mailed to the creditor's specified address.
- You must identify the specific information that is in error.
- Include all supporting documentation.
- The creditor has 30 days to complete the investigation.
- If you choose to dispute information with the credit reporting agency, they will investigate the dispute by contacting the creditor, who then has 30 days to respond to the agency.
- If the creditor cannot verify the account, or fails to get back to the credit reporting agency within 30 days, the information must be removed from the credit report.
- However, if the creditor later finds that the information is correct, the data may be returned to the file.

Once a correction has been made on your credit report, you can request that the credit reporting agency send corrected copies of your credit report to all creditors who have received a report during the last six months or any employer who has received a report during the last two years.



## Identity theft

If something doesn't look right on your credit report, there's a chance that you've been the victim of identity theft.

Identity theft occurs when someone uses your personal information without your knowledge to commit fraud or theft. Someone can steal your identity by using your personal information for his or her own advantage.

### Three types of identity fraud

- **Financial:** a thief opens lines of credit in a victim's name
- **Criminal:** a thief uses the victim's name in a traffic violation or crime
- **Identity cloning:** a thief creates a whole new identity using the victim's information

### How do thieves obtain your information?

- Stealing pre-approved credit card applications from mailboxes or dumpsters
- Raiding trash dumpsters for discarded receipts and files
- Completing change of address forms so that your bills will be sent to a different address
- Obtaining credit reports by posing as a landlord or employer
- Using personal information found in your home
- Posing as a legitimate company and asking for your information via phone or internet
- Accessing personnel and payroll information
- Posing as repairmen, plumbers, cable installers, etc. to gain access to your home.

Identity theft is a real threat. More than 10 million Americans are victimized every year. Make sure you're doing enough to [protect yourself](#).

If you think you may have been a victim of identity fraud, [it's important to take action immediately](#). The sooner you act, the easier it will be for you to limit the amount of damage.



## Credit repair

[Credit repair services](#) often appeal to consumers who are having difficulty obtaining auto or home loans. They lure struggling consumers with promises to “erase” or “fix” bad credit.

Consumers should be wary of any company that promises to improve your credit report quickly and for a fee. Most of these companies cannot deliver on their promises and will likely do little or nothing to improve your credit. Occasionally some of these companies may actually vanish along with your money.

The [Federal Trade Commission](#) has some great tips on avoiding credit repair scams and how to clean up your credit report on your own.

Ultimately, the only way to clean up poor credit is to pay your bills on time and establish a pattern of creditworthiness. You can't erase your past mistakes, you can only make smart, responsible choices going forward.





## Laws and Regulations

Since 1968 a variety of consumer credit protection laws has increased protection for borrowers. Learn what your rights are and how credit laws protect you.

**Truth in Lending Act (TILA)**, also called the Consumer Credit Protection Act (1968) requires creditors to provide certain basic information about the cost of buying on credit or taking out a loan, including requirements to disclose the finance charge and the annual percentage rate to help consumers compare credit offers and shop for the best deal.

**Fair Credit Reporting Act (FCRA)** allows consumers to obtain a copy of their credit records, requires creditors to inform consumers when information from their consumer report is used to deny credit, sets up a procedure for correcting mistakes in a credit record, and limits access to a consumer's file to businesses with a valid purpose.

**Equal Credit Opportunity Act (ECOA)** requires credit grantors to consider all credit applicants only on the basis of their actual qualifications for credit; factors such as race, sex, marital status, or age may not be considered. It also requires creditors to notify applicants within 30 days if their application has been approved or denied, and if denied, why.

**Fair Credit Billing Act (FCBA)** requires creditors to credit payments and correct billing mistakes promptly. It also allows consumers to withhold payments for defective goods and disputed amounts on a credit card bill.

**Credit Repair Organizations Act (CROA)** protects consumers from fraudulent companies who claim to repair credit.

**Fair and Accurate Credit Transactions Act (FACT)** gives every consumer the right to his or her credit report free of charge every year, improves the quality of credit information at credit reporting agencies, and creates a national system of fraud detection to fight identity theft.

**Credit Card Accountability Responsibility and Disclosure Act (CARD)**, prevents unfair increases in interest rates and changes in terms, provides more information about card terms and conditions, and prohibits excessive fees.



## Other resources

### Credit Report Reviews

**Need more help understanding your credit report?** MMI offers one-on-one Credit Report Reviews. We can help you pull and review your credit report, including your current score.

By understanding your credit history, you'll be able to make smart, informed credit choices going forward, strengthening your overall credit health and putting you in the best position to reach your financial goals.

Call 888.941.9723 to schedule your review, or visit

[MoneyManagement.org/CreditReportReview](http://MoneyManagement.org/CreditReportReview) for more information.



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Call 866.515.2227

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### About Money Management International

Money Management International is a national nonprofit credit counseling agency, providing financial counseling, educational programs, HUD-approved housing counseling, student loan counseling, and debt management assistance to consumers in need across the country.

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