



FEDERAL RESERVE BANK OF PHILADELPHIA

What Your Credit Report Says About You

Our economy is based on credit. Most people finance their homes with mortgages and pay for their cars with loans. Young people often obtain loans to pay for college. And, of course, countless people routinely make purchases with credit cards.

We can't expect to receive credit as a matter of course, however. We must apply for it. And just as you would be hesitant to lend money to a stranger, no bank, retailer, or finance company will grant you credit without knowing something about you. It used to be that retailers or banks would have to call each creditor you listed on an application form before they would decide to extend you credit. Today, they rely on credit reports, so it's important for you to know what's in yours.

What Is a Credit Report?

A credit report is a record of your credit activities. It lists any credit-card accounts or loans you may have, the balances, and how regularly you make your payments. It also shows if any action has been taken against you because of unpaid bills.

Where Do Credit Reports Come From?

In most cases, from consumer reporting agencies (also called credit bureaus), which collect information about our credit activities and store it in large databases. The consumer reporting agencies charge lenders a fee for supplying the information.

Today, there are three major consumer reporting agencies that operate nationwide, plus many smaller companies serving local markets.

Who Is Allowed to See My Credit Report?

Consumer reporting agencies can provide information only to the following requestors:

1. creditors who are considering granting or have granted you credit;
2. employers considering you for employment, promotion, reassignment, or retention;
3. insurers considering you for an insurance policy or reviewing an existing policy;
4. government agencies reviewing your financial status in connection with issuing you certain licenses or government benefits; and
5. anyone else with a legitimate business reason for needing the information in connection with a business transaction that is initiated by the consumer.

Consumer reporting agencies also furnish reports if so required by court orders or federal jury subpoenas. And they will also issue your report to a third party if you give them written instructions to do so.

What Type of Information Is on My Credit Report?

There are usually four types of information:

1. **Identifying information:** Your name (including if you're a Sr., Jr. or a III), nicknames, current and previous addresses, Social Security number, year of birth, current and previous employers, and, if applicable, your spouse's name.
2. **Credit information:** The accounts you have with banks, retailers, credit-card issuers, and other lenders. The accounts are listed by type of loan (mortgage, student loan, revolving credit), the date you opened the account, your credit limit or the loan amount, any co-signers of the loan, and your payment pattern over the past two years.
3. **Public record information:** State and county court records on bankruptcy, tax liens, or monetary judgments. (Some consumer reporting agencies list nonmonetary judgments as well.)
4. **Inquiries:** The names of those who have obtained copies of your credit report within the last six months (two years for employment purposes).

Where Do the Consumer Reporting Agencies Get Their Information?

From parties that have previously extended credit to you, such as the department store that issued you a credit card or the bank that granted you a personal loan.

Do the Consumer Reporting Agencies Make the Decision Whether to Grant Me the Loan?

No. The consumer reporting agencies only supply the information about your credit history. It is the lenders themselves who make the decision whether to grant you credit.

Why Should I Obtain a Copy of My Credit Report?

To avoid any unwelcome surprises. It can be especially helpful to see a copy of your credit report before you apply for, say a car loan, a mortgage, or a credit card. Errors in credit reports are not uncommon. Reviewing your credit report also helps detect identity theft, when someone obtains credit in your name.

How Do Errors in Reports Happen?

Think about how often a misspelling of your name or a mistake in your street address shows up on a piece of your mail. Then imagine the possibility for error in a report that contains many more points of information about you. Cases of mistaken identity, out-of-date information, and outright inaccuracies can easily occur.

What Should I Do if I Find an Error on My Credit Report?

Notify the consumer reporting agency immediately. If the company cannot confirm the information under dispute, it will be removed from your file and a corrected report will be sent to those parties you specify who have received your report within the past six months (or within two years if the party requested your report for employment purposes).

What if the Credit-Reporting Company Stands by Its Report?

You have the right to present your side of the story in a brief statement, which the credit bureau must attach to your credit file. Anyone requesting a copy of your credit report would also automatically receive your statement (or a summary or codification of it) unless the credit bureau deems the dispute irrelevant or frivolous.

What Should I Do if I Am Denied Credit Because of Something in My Credit Report?

The lender denying you credit must give you the name, address, and telephone number of the credit bureau that provided the credit report. At that point, you have up to 60 days to request a free report. Most consumer reporting agencies provide consumers with copies of their reports. A few may make disclosure only in person or by telephone.

The consumer reporting agency is obligated to let you know the nature and substance of all information contained in your report. It must also tell you the sources of the information and the recipients of consumer reports for the previous year (two years for reports furnished for employment purposes).

How Long Does Information Stay on My Credit Report?

Generally, the consumer reporting agency must automatically delete information on adverse credit instances that are more than seven years old and any bankruptcies that are more than 10 years old. However, these rules do not apply to information provided for credit transactions involving a principal amount of \$150,000 or more, underwriting of life insurance involving a principal amount of \$150,000 or more, or employment of an individual with an annual salary of \$75,000 or more.

How Do I Get a Copy of My Credit Report?

Write or call one or all of the major consumer reporting agencies, listed below:

Include your name, address, telephone number, previous addresses (for the last five years), your Social Security number, and your date of birth. If you are married, be sure to include the same information for you spouse.

There is also no charge for the report if you have been denied credit as long as you request the report within 60 days of receiving the denial notice. You are also entitled to receive a free credit report from each of the major credit bureaus once every 12 months.

Keep in mind that the content of your credit report can vary across bureaus, so it's a good idea to request copies from each one.

- [Equifax](#) 
P.O. Box 740241
Atlanta, GA 30374
(800) 685-1111
- [Experian](#) 
(888) 397-3742
- [TransUnion](#) 
P.O. Box 2000
Chester, PA 19022
(800) 888-4213

To Obtain Free Credit Reports

Equifax, Experian, and TransUnion have established a single website and toll-free telephone number for requesting a free credit report once every 12 months from each agency:

- AnnualCreditReport.com 