

CONSUMER'S NOTEBOOK

Credit Repair Scams

Credit Repair Facts

"Credit problems? No problem! Erase bad credit! 100% guaranteed! Remove bankruptcy and liens from your credit file!"

If you have seen ads like these, beware! So called "credit repair companies" are charging consumers to "fix" their credit reports. In most cases they do little or nothing to fix your credit report -- they simply take your money and vanish!

Your credit history is maintained by private companies called credit bureaus that collect information reported to them by banks, mortgage companies, department stores and other creditors. These credit bureaus can legally report accurate negative credit information for seven years and bankruptcy information for 10 years. Accurate items that are within the seven (or 10) year reporting period cannot be erased from your credit report by companies advertising "credit repair" services.

If you have a poor credit history, time is the only thing that can heal your credit report. All that can be changed in your report are items that are actually wrong or which are beyond the seven (or 10) year reporting periods. You can do anything a credit repair company can do -- for free or for only a few dollars! Here's how:

Five Steps to Check Your Credit Report

Credit Bureaus are required by law to share with you any information they have on file about you. You can find out what is in your credit report by taking the following steps:

1. Contact local credit bureaus.
2. Ask for a copy of your credit report. There may be a fee, but if you have been denied credit within the last 30 days, your credit report is free.
3. You have a right to visit the credit bureau office to personally review your credit report.
4. Review your credit report for any mistakes or for information which is more than seven (or 10) years old. This information should be deleted. If you do not understand something, ask! Credit bureaus are required by law to explain your report to you.

5. If you find a mistake, notify the credit bureau of the problem and provide as much information as possible about what is wrong with the report. The credit bureau must, at no charge to you, reinvestigate the disputed information and make any necessary corrections. The credit bureau must then send a corrected copy of your report to anyone who received the incorrect version within the past six months.