This report is specifically written for <u>USA residents</u>. Although Canadian residents can benefit just as much.

# The Confidential Credit Card Report The Authorities Are Hiding From You!

# **VOLUME 1**

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### **Introduction to Credit Cards:**

#### Credit cards are a great financial tool, offering many benefits:

- They can be safer and more convenient to use and carry than cash
- Credit cards offer the ability to buy goods and services now and pay for them later
- They have valuable consumer protections under the law
- Major credit cards are accepted by merchants around the world
- They may provide a source of cash or payment in an emergency
- Credit cards can guarantee hotel or travel reservations
- If you are not happy with a purchase you made using a credit card, you may have the right to withhold payment until the problem is resolved

At the same time, having a credit card is a big responsibility. If you do not use it carefully, you may owe more than you can repay, damage your credit report, and create credit problems for yourself that can be difficult to fix.

To qualify for a credit card you must be at least 18 years old and have a regular source of income. Despite invitations from credit card issuers, you will still have to demonstrate that you are a good risk before they grant you credit. The proof is in your credit report.

Before you submit a credit card application, you may want to obtain a copy of your *credit report* to make sure it is accurate. If you are new to this country and you do not have a credit history, start by reading our article: <u>How to Establish Credit</u>.

The information in this section will help you make informed decisions about credit cards, including how to compare credit cards, terms to focus on in credit card offers, and steps for identity theft protection.

### How to Establish Credit:

A positive credit history is an asset, not only when you apply for a credit card, but also when you apply for a job or insurance, or when you want to finance a car or a home. Here are three major ways to start establishing a credit record for yourself:

- Consider applying for a credit card issued by a local store and use it responsibly. Ask if they report to a credit bureau. If they do, and if you pay your bills on time, you'll establish a good credit history.
- Consider a secured credit card. To obtain a secured credit card, you open and maintain a bank account or other asset account at a financial institution as security for your line of credit. Your credit line will be a percentage of your deposit, typically from 50 to 100 percent. Application and processing fees are not uncommon for secured credit cards. In addition, secured credit cards usually carry higher interest rates than traditional non-secured cards.
- Consider asking someone with an established credit history perhaps a relative to co-sign the credit card account if you do not qualify for credit on your own. The co-signer promises (guarantees) to pay your debts if you do not. You will want to repay any debt promptly so you can build a positive credit history and apply for a credit card in the future on your own.

If you are turned down for a credit card, ask why. It may be that you have not been at your current address or job long enough, or your income may not meet the issuer's criteria. Different credit card companies have different standards. However, if several companies turn you down, it may indicate that you are not ready for a credit card.

# **Types of Credit Card Accounts:**

Credit grantors generally issue three types of accounts. The basic terms of these account agreements are:

#### **Revolving Agreement** (Typical Credit Card Account)

You may pay in full each month or choose to make a partial payment based on the outstanding balance. If you make a partial payment, you will be charged interest (a "finance charge") on the portion of the balance you do not pay. Department stores, gas and oil companies, and banks typically issue credit cards based on a revolving credit plan.

#### **Charge Agreement**

You promise to pay the full balance each month, so you do not have to pay interest charges. Charge cards and charge accounts with local businesses often require repayment on this basis.

#### **Instalments Agreement**

You sign a contract to repay a fixed amount of credit in equal payments over a specific period of time. Automobiles, furniture, and major appliances often are financed this way. Personal loans usually are paid back in instalments, too.

# **Compare Credit Cards:**

#### **SIDE NOTE:**

For instant credit card comparisons and reviews, go now to: <u>http://www.Direct-Credit-Card.com</u>

We highly recommend that resource. And also check out the articles in the "Resource" section. You'll find tons of money saving, credit management and credit card related "MUST KNOW" information!

Credit card issuers offer a wide variety of terms. When you see credit card offers, consider and compare credit cards terms, including the following, before you select a credit card:

#### **Annual Percentage Rate (APR)**

The cost of credit as a yearly interest rate. *Low interest credit cards* are a good choice for those who plan to maintain a balance on their account (not pay the full amount each month).

#### **Free or Grace Period**

Allows you to avoid any finance (interest) charge by paying your credit card balance in full before the due date. If there is no free period, you will pay a finance charge from the date of the transaction, even if you pay your entire balance when you receive your credit card bill.

#### **Fees and Charges**

Many credit card issuers charge an annual fee for granting credit to you (\$15 to \$55 for most cards, and from \$75 on up for premium gold and platinum cards); many also charge a fee for a cash advance or if you fail to make a payment on time or if you go over your credit limit. Some charge a flat monthly fee whether or not you use the credit card.

If you pay credit card bills in full each month, the size of the annual fee or other fees will be more important. If you carry a balance, the APR and the method of computing your balance are key terms to consider as you compare credit cards.

• Obtain all credit card terms and fees in writing, including whether a deposit is required.

- Apply directly to credit card issuers. Do not give money to a company that offers to get you a credit card for a fee you may not get a card or your money back.
- Beware of "credit cards" that only allow you to buy from their own catalogs.
- Beware of companies that promise instant credit, or that guarantee you a credit card "even if you have no credit history." No one can guarantee you credit in advance.

When shopping for a credit card, you probably will want to look at other factors besides costs -- such as whether the credit limit is high enough to meet your needs, how widely the card is accepted, and what services and features are available under the plan. You may be interested, for example, in "affinity credit cards" -- all-purpose credit cards that are sponsored by professional organizations, college alumni associations, and some members of the travel industry. Frequently, an affinity card issuer donates a portion of the annual fees or transaction charges to the sponsoring organization, or allows you to qualify for free travel or other bonuses.

To avoid many common mistakes as you compare credit cards and credit card offers, be sure to read: <u>Precautions for Choosing or Using a Credit Card</u>.

# **Precautions for Credit Card Offers and Credit Card Use:**

Credit cards can provide tremendous benefits. Unfortunately, many people make mistakes when comparing credit card offers and using credit cards, and then pay the consequences later with extra costs, excessive debt, and frustrations that could have been avoided. Here are some errors many consumers make and tips to avoid them.

- If you get a credit card offer with no annual fee, be sure to consider whether the interest rate (APR) is higher than what you are currently paying. You could end up paying far more in interest charges than on annual fees.
- If you are attracted to credit card offers with free airplane tickets, bonus points toward trips or cars, cash rebates, the logo of a favourite organization or sports team on a card, or other "rewards, " keep in mind that you could end up paying more in fees or interest than the value of the "freebies."

This does not include cases in which people buy items they might not otherwise buy- just to rack up more points or miles on their credit card.

• If you expect to pay your credit card bill in full each month, your best bet is a credit card with no annual fee and the kinds of rebates or rewards you expect to use the most.

If you do not expect to pay your credit card balance most months, focus on *low interest credit cards* (with a low APR) and the right mix of rebates or rewards to justify any fees.

- Keep in mind that credit card offers may include a promotional interest rate that increases after six months or so. Also, there may be a low introductory rate that only applies to balances you transfer to your card from other loans or credit cards you have, and not to any new purchases you put on the credit card. Be aware that an interest rate advertised as "fixed" still can be changed with advance notice to credit card holders. If your credit card company does raise your interest rate (APR) for any reason, that new rate usually will apply to any outstanding balance plus new purchases.
- If you routinely carry a balance on your credit card, pay closer attention to how your interest is calculated.

The most common methods for consumers is the "average daily balance" approach, where you would have a 15- to 30-day "grace period" to pay before incurring charges on the daily average for that period.

However, a few credit cards have much costlier calculation methods, including the "two-cycle" system. Under that method, if you pay in full one month but only pay part of the bill the next month, you'll be charged interest for both months instead of just one.

• A "pre-approved" credit card offer does not mean that you are guaranteed a credit card. It means a "pre-screening" indicates you may meet the income, employment, and other criteria that the credit card company might want in a customer.

You still must apply for the credit card and await the results of a credit check. You are also not guaranteed the credit limit stated in your credit card offer.

• Before you sign up for a credit card, carefully review the solicitation and the credit card application. By law, key terms must be disclosed; they are usually described in a separate box somewhere on the application form.

If after reviewing these documents you do not understand something, call the credit card issuer and ask for an explanation.

- It is a big mistake to assume that interest rates, credit limits, grace periods and other credit card features are pretty much the same no matter which credit card you choose.
- You can shop for good deals nationwide, for free. Twice a year, the Federal Reserve Board collects and publishes <u>the interest rates and other terms being offered by many credit card issuers</u>.

The Fed makes this information and general shopping tips available on their web site section, <u>"Shop: The Card You Pick Can Save You Money."</u> It's also available by mail (Federal Reserve Board, Publication Services, Washington, DC 20551).

Major consumer and financial publications regularly list credit cards and toll-free phone numbers as well.

• You should have only a few credit cards. It is good to have more than one credit card, especially if your credit limit is not high enough on one credit card to suit your needs.

Experts agree that two or three general-purpose credit cards and a few (if any) credit cards issued by stores or oil companies should be enough for the average family.

Having too many credit cards makes overspending too tempting. They also become part of your credit history.

• Do not get too deep in debt. If you do have a serious debt problem, there may be corrective steps you can take involving your credit cards.

For example, you can reduce your expenses by paying off the balance on your

highest-rate credit card accounts first (those that charge the highest percentage of interest), even if you have higher balances on others.

Also, you can pay for future purchases using a debit card, which deducts funds directly from your bank account.

There also are reliable credit counsellors you can turn to for help at little or no cost. Unfortunately, there also are scams masquerading as "credit repair clinics" and other companies that charge big fees for unfulfilled promises or services you can perform on your own.

• Be careful to pay your credit card bill or you may face interest charges on the outstanding balance plus your new purchases.

Do not pay with a check that will bounce (when there is insufficient funds in your checking account), and do not exceed your credit limit or you can end up paying \$20 to \$30 penalties.

• "Cash advances" (such as using your credit cards to obtain cash at an ATM or teller window, or using one of the blank "convenience checks" that credit card companies send to you) can carry sizable up-front fees (often two percent of the amount advanced and not less than \$2), which may translate into a higher interest rate than when you normally use your credit card for purchases. Plus there is usually no grace period before interest begins accumulating for cash advances.

It may be better to write a check from your bank account, use a debit card, or charge normally rather than paying in cash.

• If you skip a credit card payment, or pay only the minimum required each month, when you really can afford to pay the balance, you will pay more money in interest charges than necessary (it could add up to thousands of dollars and a debt that takes 10 or 20 years longer to pay than necessary).

Also, your credit card company may begin to see you as a higher risk and decide to increase your interest rate (APR).

• Credit card issuers are required to give you notice (typically at least 15 days) before increasing your interest rate, lowering your credit limit, adding fees and penalties, reducing or eliminating your grace period or cutting back on bonus programs.

Be sure to monitor your monthly billings or other mailings from your credit card company, or you could end up paying more than the original credit card offer, without even realizing it.

• Check your monthly credit card statements for over-billings. If there is a problem with your monthly bill, immediately call your credit card company's

toll-free number to report the matter. Follow up with a note that includes your name and account number, and details why the charge is incorrect. Send your note to the address designated on the bill for handling errors; do not send it in the same envelope with your payment.

If you do not receive an answer or acknowledgement within 30 days, follow up in writing using certified mail for proof of arrival. Keep a copy of all correspondence for your records. And be aware that you are still expected to pay the rest of your bill that is not in dispute.

You must report the problem to your credit card company in writing within 60 days of the postmark of the bill.

- Take precautions against lost or stolen credit cards. Under federal law, if your credit card or card number is used by a thief, you are liable for no more than \$50 per card. If you contact your credit card company before any unauthorized charges are made, you owe nothing.
- Never give your credit card number, confidential "PIN" (personal identification number) or similar personal information over the telephone unless you originate the call to someone who you know is legitimate. Save your receipts to compare to your monthly credit card statement.

If you receive new credit card applications and blank "convenience checks" that you do not intend to use, destroy them immediately.

- Notify your credit card company immediately if your card is lost or stolen, or if you spot something unusual in your monthly billing. If you've been a victim of fraud, see <u>Identity Theft Protection / Identity Theft Prevention (What to Do if Your Identity is Stolen)</u>.
- If you do not use a credit card anymore, cancel it. Too many cards on your credit record could prompt a lender to reject your application for a mortgage or some other loan.

Even if you do not find the credit card of much value, a thief who takes it from your home or wallet can use it fast!

• Once you decide to cancel a credit card, take precautions. Send a letter to the credit card issuer stating that you decided to stop the card. This clarifies, for your credit records, that the card was closed by you and not by the credit card issuer because of any problems you may have created.

Also, cut up your old credit card and dispose of it in such a way that a thief rummaging through your trash cannot piece it together and get your account number and expiration date.

# When You Receive Your Credit Card:

Once you receive your credit card in the mail, sign it immediately so no one else can use it. The accompanying papers have important information, such as customer service telephone numbers and where to call if your credit card is lost or stolen.

Keep this information in a safe place. There will usually be instructions to call the credit card issuer in order to activate the card. Many credit card issuers require this step to minimize fraud and to give you additional information.

Keep your credit card account information to yourself, and do not lend your credit card to anyone, even to a friend. Never give out your credit card number or expiration date over the phone unless you know with whom you are dealing. A criminal can use this information to steal money from you, or even to assume your credit identity.

If your credit card is lost or stolen, you are not liable for any charges if you report the loss before the credit card is used. If the credit card is used before you report it missing, the most you will owe is \$50.

Keep copies of credit card sales receipts and compare charges when your bill arrives. Promptly report any questionable charges to the credit card issuer - if you call first, make sure you also send them details in writing.

When you have used your credit card for a purchase and you do not receive the goods or services as promised, you might be able to withhold payment for the goods or services. Contact your credit card issuer - they must investigate billing disputes by law - and be sure to send details in writing.

Protect your credit record. Pay bills promptly to keep finance charges low and to protect your credit rating. Keep track of your credit card charges and do not exceed your credit limit. Report any change of address prior to moving, so that you receive bills promptly.

While a credit card makes it easy to buy something now and pay for it later, you can lose track of how much you have spent by the time the bill arrives if you are not careful. And if you do not pay your bill in full, you will probably have to pay finance charges on the unpaid balance.

If you continue to charge while carrying an outstanding balance on your credit card, your debt can snowball. Before you know it, your minimum payment is only covering the interest. If you start having trouble repaying the debt, you could tarnish your <u>credit</u> report and make yourself a higher risk. That can have a sizable impact on your life.

A negative credit report can make it more difficult to finance a car or home, get Insurance, and even get a job.

# Your Credit Card Rights and Protections:

Federal law protects consumers when they use credit cards. The protections include the following items:

#### **Prompt Credit for Payment**

A credit card issuer must credit your account on the day the issuer receives your credit card payment, unless the payment is not made according to the creditor's requirements or the delay in crediting to your account does not result in a charge. To avoid delays that could result in finance charges, follow the credit card issuer's instructions about where to send payments.

Credit card payments sent to other locations could delay getting credit for your payment for up to five days. If you lose your payment envelope, look on the billing statement for the payment address or call the credit card issuer.

#### **Refunds of Credit Balances**

When you return merchandise or pay more than you owe, you have the option of keeping the credit balance on your account or requesting a refund (if the amount exceeds \$1.00). To obtain a refund, contact the credit card issuer.

The credit card issuer must send you the refund within seven business days of receiving your request (to protect yourself, make the request in writing). Also, if a credit balance remains on your account for more than six months, the credit card issuer must make a good faith effort to refund the credit balance.

#### **Errors on Your Credit Card Bill**

Federal law provides specific rules that the credit card issuer must follow to promptly correct billing errors. The credit card issuer will give you a statement describing these rules when you open the credit card account and, after that, at least once a year. In fact, many credit card issuers print a summary of your rights on each bill they send you.

You must notify the credit card issuer in writing at the address specified for billing errors when you find an error, and you must do so within 60 days after the first bill containing the error was mailed to you. (For this reason, keep your credit card receipts and promptly compare them when your bills arrive.)

In your notification letter, include your name, your credit card account number, the amount of the suspected error, and the reason why you believe that the bill contains an error. The credit card issuer, in turn, must look into the problem and either correct the error or explain to you why the bill is correct.

This must occur within two billing cycles and not later than 90 days after the credit card issuer receives your billing error notice. During the period that the credit card issuer is investigating the error, you do not have to pay the amount in question.

#### **Unauthorized Credit Card Charges**

Under federal law, if your credit card is used without your authorization, you can be held liable for up to \$50 per card. If you report the loss before the credit card is used, federal law says the credit card issuer cannot hold you responsible for any unauthorized charges. If a thief uses your credit card before you report it missing, the most you will owe for unauthorized charges is \$50.

This is true even if a thief is able to use your credit card at an automated teller machine (ATM) to access your credit card account.

To minimize your liability, report the loss of your credit card as soon as possible. Some credit card companies have toll-free numbers printed on their statements and 24-hour service to accept such emergency information. For your own protection, you should follow up your phone call with a letter to the credit card issuer.

The letter should give your credit card number, say when your credit card was missing, and mention the date you called in the loss. For more information, see Identity Theft Protection / Identity Theft Prevention (What to Do if Your Identity is Stolen).

#### **Disputes about Merchandise or Services**

If you have a problem with merchandise or services that you charged to a credit card, and you have made a good faith effort to work out the problem with the seller, you have the right to withhold from the credit card issuer payment for the merchandise or services.

You can withhold payment up to the amount of credit outstanding for the purchase, plus any finance or related charges.

If the credit card you used is a bank card, a travel and entertainment card, or another card not issued by the seller of the defective merchandise, you can withhold payment only if the purchase exceeded \$50 and occurred in your home state or within 100 miles of your billing address.

If these conditions do not apply to you, you may want to consider filing an action in small claims court -- an informal legal proceeding that can be used to settle disputes.

While the maximum amounts that can be claimed or awarded differ from State to State, most small claims courts hear cases involving amounts ranging from \$25 to \$2,000.

Some states have recently raised their limits to \$5,000. Check your local telephone book under your municipal, county, or state government headings for small claims court listings.

#### Some Suggestions

- Shop around for credit card terms that are best for you.
- Make sure you understand the terms of a credit card plan before you accept the card. Review the disclosures of terms and fees that must appear on credit-card offers you receive in the mail.
- Pay credit card bills promptly to keep finance charges as low as possible.
- Keep copies of credit card sales receipts and promptly compare charges when your bills arrive.
- Protect your credit cards and account numbers to prevent unauthorized use. Draw a line through blank spaces above the total when you sign receipts. Rip up or retain carbons.
- Keep a list of your credit card numbers and the telephone numbers of each card issuer in a safe place in case your cards are lost or stolen.

# Where to Go for Help with Credit Card Issues:

#### **Identity Theft or Fraud**

If someone has used your credit card number or other personal information, or if you have been a victim of fraud, see <u>Identity Theft Protection / Identity Theft Prevention</u> (What to Do if Your Identity is <u>Stolen</u>).

#### **Complaints about Your Credit Card Issuer**

The following federal agencies are responsible for enforcing federal laws that govern credit card transactions. Questions concerning a particular credit card issuer should be directed to the enforcement agency responsible for that issuer.

#### State Member Banks of the Reserve System

Consumer and Community Affairs Board of Governors of the Federal Reserve System 20th & C Sts., N.W. Washington, D.C. 20551

#### **National Banks**

Comptroller of the Currency Compliance Management Mail Stop 7-5 Washington, D.C. 20219

#### **Federal Credit Unions**

National Credit Union Administration 1776 G St., N.W. Washington, D.C. 20456

#### **Non-Member Federally Insured Banks**

Office of Consumer Programs Federal Deposit Insurance Corporation 550 Seventeenth St., N.W. Washington, D.C. 20429

# Federally Insured Savings and Loans, and Federally Chartered State Banks

Consumer Affairs Program Office of Thrift Supervision 1700 G St., N.W. Washington, D.C. 20552

**Other Credit Card Issuers** (includes retail/gasoline companies) Division of Credit Practices Bureau of Consumer Protection Federal Trade Commission Washington, D.C. 20580

# What is a Credit Report (and How Do I Get Mine)?

A *credit report* is a consumer report that contains information about where you work and live and how you pay your bills. It also may show whether you have been sued or arrested or have filed for bankruptcy. Companies called consumer reporting agencies (credit bureaus) compile and sell your credit report to businesses. Because businesses use this information to evaluate your applications for credit, insurance, employment, and other purposes, it is important that the information in your credit report is complete and accurate.

Some financial advisors suggest that you periodically review your credit report for inaccuracies or omissions. This could be especially important if you are considering making a major purchase, such as buying a home. Checking in advance on the accuracy of information in your credit report could speed the credit-granting process.

Because more than one consumer reporting agency (credit bureau) may have a credit report on you, some with different information, you may want to review a comprehensive credit report including information from all three major national credit bureaus, from a service such as <u>Consumer Info</u>. If you prefer, you may contact each credit bureau directly to obtain or purchase your credit report. Their websites are listed at the bottom of this page. You may also call the credit bureaus listed in the Yellow Pages under "credit" or "credit rating and reporting."

You may also consider using a <u>credit report monitoring service</u>. These services monitor your credit reports at the major credit bureaus and inform you when there are any significant changes. You should learn immediately if any problems arise, and many services even inform you every time inquiries are made into your credit report.

**Important:** If you have been denied credit, insurance, or employment because of information supplied by a credit bureau, the law says that the company you applied to must give you the credit bureau's name, address, and telephone number.

If you contact the credit bureau for a copy of your credit report within 60 days of receiving a denial notice, the credit report is free.

In addition, you are entitled to one free copy of your credit report a year if you can prove that:

- (1) you're unemployed and plan to look for a job within 60 days,
- (2) you're on welfare, or ...
- (3) your credit report is inaccurate because of fraud.

If you live in Colorado, Georgia, Maryland, Massachusetts, New Jersey or Vermont, State law requires credit bureaus to provide you a free copy (two in Georgia) of your credit report each year upon request. Otherwise, a credit bureau may charge you up to \$8 for a copy of your credit report.

The three major consumer reporting agencies (credit bureaus) are:

**Experian** (formerly TRW) P.O. Box 949 Allen, TX 75013 (800) 682-7654

#### **Trans Union**

760 West Sproul Road P.O. Box 390 Springfield, PA 19064-0390 (800) 916-8800

#### **Equifax**

P.O. Box 740241 Atlanta, GA 30374-0241 (800) 685-1111

You may purchase a comprehensive credit report with information from all three major consumer reporting agencies (credit bureaus) from <u>Consumer Info</u>.

# How to Dispute Credit Report Errors?

Both the Credit Bureau (also called Consumer Reporting Agency) and the organization that provided the information to the credit bureau, such as a bank or credit card company, have responsibilities for correcting inaccurate or incomplete information in your credit report.

To protect all your rights under the law, *contact both the credit bureau and the information provider*.

For details on obtaining your credit report, see "<u>What is a Credit Report (and How Do</u> <u>I Get Mine)</u>?"

#### **Contact the Credit Bureau**

Tell the credit bureau in writing what information you believe is inaccurate in your credit report.

Include copies (NOT originals) of documents that support your position. In addition to providing your complete name and address, your letter should clearly identify each item in your credit report you dispute, state the facts and explain why you dispute the information, and request deletion or correction.

You may want to enclose a copy of your credit report with the items in question circled. Send your letter by certified mail, return receipt requested, so you can document what the credit bureau received. Keep copies of your dispute letter and enclosures.

Credit bureaus must reinvestigate the items in question-usually within 30 days-unless they consider your dispute frivolous. They also must forward all relevant data you provide about the dispute to the information provider.

After the information provider receives notice of a dispute from the credit bureau, it must investigate, review all relevant information provided by the credit bureau, and report the results to the credit bureau.

If the information provider finds the disputed information to be inaccurate, it must notify all nationwide credit bureaus so they can correct this information in your file.

Disputed information that cannot be verified must be deleted from your credit report.

If your report contains erroneous information, the credit bureau must correct it. If an item is incomplete, the credit bureau must complete it. For example, if your credit report showed that you were late making payments, but failed to show that you were no longer delinquent, the credit bureau must show that you are current. If your credit

report shows an account that belongs only to another person, the credit bureau must delete it.

When the reinvestigation is complete, the credit bureau must give you the written results and a free copy of your credit report if the dispute results in a change. If an item is changed or removed, the credit bureau cannot put the disputed information back in your credit report unless the information provider verifies its accuracy and completeness, and the credit bureau gives you a written notice that includes the name, address, and phone number of the provider.

Also, if you request, the credit bureau must send notices of corrections to anyone who received your credit report in the past six months. Job applicants can have a corrected copy of their credit report sent to anyone who received a copy during the past two years for employment purposes.

If a reinvestigation does not resolve your dispute, ask the credit bureau to include your statement of the dispute in your file and in future credit reports.

#### **Contact the Information Provider**

In addition to writing to the credit bureau, tell the creditor or other information provider in writing that you dispute an item.

Again, include copies (NOT originals) of documents that support your position. Many providers specify an address for disputes. If the provider then reports the item to any credit bureau, it must include a notice of your dispute.

In addition, if you are correct - that is, if the disputed information is not accurate - the information provider may not use it again.

#### You Should Also Know...

When negative information in your credit report is accurate, only the passage of time can assure its removal:

- Accurate negative information can generally stay on your credit report for 7 years.
- Bankruptcy information may be reported for 10 years.
- Information about a lawsuit or an unpaid judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer.

Some information has no time limit:

• Credit information reported in response to an application for a job with a salary of more than \$75,000 has no time limit.

• Credit information reported because of an application for more than \$150,000 worth of credit or life insurance has no time limit.

Your credit report may not reflect all your credit accounts.

Although most national department store and all-purpose bank credit card accounts will be included in your credit report, not all creditors supply information to credit bureaus: Some travel, entertainment, gasoline card companies, local retailers, and credit unions are among those creditors that do not.

If you have been told that you were denied credit because of an "insufficient credit file" or "no credit file" and you have accounts with creditors that do not appear in your credit report, ask the credit bureau to add this information to future reports. Although they are not required to do so, many credit bureaus will add verifiable accounts for a fee.

You should, however, understand that if these creditors do not report to the credit bureau on a regular basis, these added items will not be updated in your credit report.

# **Identity Theft Protection / Identity Theft Prevention?**

When an impostor co-opts your name, your Social Security number, your credit card number, or some other piece of your personal information for their use and appropriates your personal information without your knowledge, it is a crime of identity theft.

You may not know you are a victim of identity theft until you notice that something is wrong.

You may get bills for a credit card account you never opened, your credit report may include debts you never knew you had, a billing cycle may pass without your receiving a statement, or you may see charges on your bills that you did not sign for, did not authorize, and do not know anything about.

#### Take control of the situation:

• The <u>Federal Trade Commission</u> is the federal clearinghouse for identity theft protection and identity theft prevention. The complaints about identity theft that the Commission receives help it, and other law enforcement agencies, track, investigate and prosecute identity thieves.

You can file a complaint with the FTC by contacting the Consumer Response Center by phone: 202-FTC-HELP (382-4357); TDD: 202-326-2502; by mail: Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Ave, NW, Washington, DC 20580; or through the Internet, using the <u>online</u> <u>complaint form</u>.

Although the Commission cannot resolve individual problems for consumers, it can act against a company if it sees a pattern of possible law violations.

- You also may want to contact the <u>Privacy Rights Clearinghouse</u> (call 619-298-3396), which provides information on identity theft protection and identity theft prevention -- and how to network with other identity theft victims.
- If someone has stolen your mail to obtain access to your new credit cards, bank and credit card statements, pre-approved credit offers and tax information, or the person falsified change-of-address forms, (s)he has committed an identity theft crime. Report it to your local postal inspector.
- If you discover that an identity thief has changed the billing address on an existing credit card account, close the account.

When you open a new credit card account, ask that a password be used before any inquiries or changes can be made on the account.

Avoid using easily available information like your mother's maiden name,

your birth date, the last four digits of your Social Security number or your phone number, or a series of consecutive numbers.

Avoid the same information and numbers when you create a Personal Identification Number (PIN).

- To thwart an identity thief who may pick through your trash to capture your personal information, tear or shred your charge receipts, copies of credit applications, insurance forms, bank checks and statements, expired charge cards, and credit card offers you get in the mail.
- If you have reason to believe that an identity thief has accessed your bank accounts, checking account or ATM card, close the accounts immediately. When you open new bank accounts, insist on password-only access.

If your checks have been stolen or misused, stop payment. If your ATM card has been lost, stolen or otherwise compromised, cancel the card and get another with a new PIN.

- If an identity thief established new phone service in your name and is making long-distance calls, making unauthorized calls that appear to come from and are billed to your cellular phone, or using your calling card and PIN, contact your service provider immediately to cancel your account and calling card. Get new accounts and new PINS.
- If it appears that someone is using your Social Security number when applying for a job, get in touch with the <u>Social Security Administration</u> to verify the accuracy of your reported earnings and that your name is reported correctly. Call (800) 772-1213 to check your Personal Earnings and Benefit Estimate.
- If you suspect that your name or Social Security number is being used by an identity thief to get a driver license, contact your appropriate State driver license office. If your State uses your Social Security number as your driver's license number, ask to substitute another number.
- The <u>Social Security Administration</u> may issue you a new Social Security number if you still have difficulties even after trying to resolve the problems resulting from identity theft. Unfortunately, there is no guarantee that a new Social Security number will resolve your problems.
- The <u>US Secret Service</u> has jurisdiction over financial fraud cases. Although the Service generally investigates cases where the dollar loss is substantial, your information may provide evidence of a larger pattern of fraud requiring their involvement. Contact your local field office.