

Mistakes In Your Credit Report

What should you do if you find mistakes in your credit report? As you read through your report, make a list of everything out-of-date. These may include such things as lawsuits, paid tax liens, accounts sent out for collection, criminal records, late payments and any other adverse information older than seven years.

Credit bureaus often list Chapter 13 bankruptcies for only seven years, but they can stay for ten. Credit inquiries (requests by companies for a copy of your report) remain on your credit report for up to two years.

Next, look for incorrect or misleading information, such as:

- ✓ incorrect or incomplete name, address, phone number, Social Security number or employment information
- ✓ bankruptcies not identified by their specific chapter number
- ✓ accounts that are not yours or lawsuits in which you were not involved
- ✓ incorrect account histories, such as late payments when you paid on time
- ✓ closed accounts that are listed as open – It may look as if you have too much open credit. Any account that you have closed should say, “closed by consumer”.
- ✓ mistakes made not by you but by your bank or creditors
- ✓ any companies that have been looking into your report without your permission

After reviewing your report, immediately complete the “request for reinvestigation” form that the credit bureau sent you or send a letter listing each incorrect item and explain exactly what is wrong.

Once the credit bureau receives your request, it must complete an investigation of your disputed items within 30 days and provide you written notice of the results of the investigation within five days of its completion, including a copy of your credit report if it has changed based upon the dispute. If you don’t hear back within this time, send a follow-up letter. If you let them know that you’re trying to obtain a mortgage or car loan, they can do a rush investigation.

If you are right or if the creditor who provided the information can no longer verify it, the credit bureau must remove the information from your report. Often credit bureaus will remove an item on request without an investigation if rechecking the item is more bother than it's worth.

Once you've found a mistake on one credit bureau's report, you'll need to request the other two and repeat the process to make sure they're all in sync.

If you don't get anywhere with the credit bureau, directly contact the creditor and ask that the information be removed. Write to the customer service department, vice president of marketing and president or CEO. If the information was reported by a collection agency, send the agency a copy of your letter, too. Creditors are forbidden by law to report information that they know is incorrect.

If you feel a credit bureau is wrongfully including information in your report or you want to explain a particular entry, you have the right to put a 100-word statement in your report. Be clear and concise; use the fewest words possible. The credit bureau must give a copy of your statement—or a summary—to anyone who requests your report. Lenders who get the full report are likely to take it into account. After all, they're in the business of trying to make as many loans as possible.