

## Where to Get a Copy of Your Credit Report

You can get a free copy of your credit report online by visiting [www.annualcreditreport.com](http://www.annualcreditreport.com), a central Web site that allows you to request a free credit report every 12 months from each of the three nationwide consumer credit reporting agencies (CRAs): Equifax, Experian, and TransUnion. To order a credit report by phone, call toll free: 1.877.322.8228.

You can also obtain a free copy of your credit report when a company takes adverse action against you, such as denying your application for credit, insurance or employment, and you request your report within 60 days of receiving notice of the action. You are entitled to one free report a year if you are unemployed and plan to look for a job within 60 days, if you are on welfare, or if your report is inaccurate because of fraud. Otherwise a CRS may charge a fee of up to \$10 for a copy of your report.

## Dispute Process

If you find an error on your credit report, the CRA should be notified immediately. The CRA will re-verify the item in question with the creditor at no cost to the consumer. The law requires that reinvestigations be responded to by the creditor within 30 days and once the reinvestigation is complete, the credit reporting agency notifies the consumer of the outcome. If information in the report has been changed or deleted, the consumer is also sent a copy of their revised report.

## Credit Scores

Your credit score is a number based on the information in your credit file that shows how likely you are to pay a loan back on time – the higher the score, the less risk you represent. The credit score that lenders use is called a FICO score. Your FICO score helps a lender determine whether you qualify for a loan and what interest rate you'll pay. FICO scores are calculated from credit data in your credit report that can be grouped into five categories: Payment History, Amounts Owed, Length of Credit History, New Credit and Types of Credit Used. Lenders also look at your income, employment history and credit history.

Raising your score takes time and there is no quick fix. Here are some tips to improve your credit history: Pay your bills on time, if you have missed payments, get current and stay current, keep balances low on credit cards/revolving credit accounts and pay off debt, don't close unused credit card accounts as a short-term strategy to raise your score, don't open accounts you don't need to increase your available credit, re-establish your credit history if you have had problems by opening new accounts responsibly and paying them off on time. A score is a snapshot of your risk at a particular point in time and changes as new information is added to your files.

## Debt-to-Income Ratio

This figure measures the percentage of gross monthly income that is used to pay monthly expenses. Lenders generally like to see this percentage at 35% or lower.

1. Total your monthly expenses
2. Total your annual gross salary and any other income and divide by 12
3. Divide total from A by total from B



Thirty-five percent or less is a healthy debt to carry for most people, 37%-42% is not bad, but you should start paying off debt to avoid trouble, 43%-49% means financial difficulties may be imminent unless immediate action is taken, and 50% or more shows you probably need to seek professional help to aggressively reduce debt.

### **National Do Not Call List**

You can register free with the National Do Not Call Registry online at [www.donotcall.gov](http://www.donotcall.gov) or call toll free 1.888.382.1222 from the number you wish to register.

### **Opt Out Information**

To opt out of receiving prescreened offers of credit, call 1.888.567.8688. Please be sure to call from the telephone number you wish to register. You may also opt out of receiving prescreened credit offers at [www.optoutprescreen.com](http://www.optoutprescreen.com).

For more consumer credit information, visit [www.ftc.gov](http://www.ftc.gov).