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HOW TO UNDERSTAND YOUR

## CREDIT HISTORY

If you have ever used a major credit card or financed an expensive purchase, such as a car, you probably have a record at a local credit bureau. This record of your credit history allows creditors to check your payment habits before they give you credit.

If you have been denied credit because of information that was supplied by a credit bureau, the Fair Credit Reporting Act requires the creditor to give you the name and address of the credit bureau that supplied the information. If you contact that bureau to learn what is in your file within 30 days of receiving a denial notice, the information is free. If not, the credit bureau may charge you a small fee.

You're always entitled to learn what is in your credit file, but credit bureaus vary in how they disclose this information. Most will send you a printed copy of your credit report. Some, however, will ask you to visit the bureau to review your record or will give you information over the telephone once you have provided proper identification.

### HOW CREDIT BUREAUS WORK

Credit reporting agencies, often called credit bureaus, are companies that gather information on credit users and sell that information in the form of credit reports to credit grantors, such as banks, finance companies, and retailers. Credit bureaus keep records of consumers' debts and how regularly these debts are repaid. They gather information from creditors who send computer tapes or other payment data to credit bureaus, usually on a monthly basis, showing what each account-holder owes or has paid. The data shows if payments are up-to-date or overdue, and if any action has been taken to collect overdue bills. The credit bureau adds this data to existing information in consumer files, creating a month-by-month history of activity on consumer accounts.

Credit bureaus cooperate with each other in passing information on to other bureaus when people move, for example. But, as businesses, they also compete for subscribers (credit grantors), who judge credit bureaus on the completeness of their records and the quality of their service.

### HOW TO CONDUCT YOUR OWN CREDIT CHECK-UP

Even if you have not been denied credit, you may wish to find out what information is in your credit file. Some financial advisors suggest that consumers review their credit reports every three or four years to check 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 file could speed the credit-granting process.

To find which credit bureaus have your file, check the Yellow Pages under Credit Bureaus of Credit Reporting Agencies for the phone number and addresses of the bureaus near you.

When you contact them, give all identifying information, such as your full name, Social Security number, current address, former address, and spouse's name (if applicable). Ordinarily, a credit bureau will charge \$5 to \$15 to give you your credit file information. To get a complete credit picture, ask all local credit bureaus if they maintain a file on you.

If you are married, you and your spouse probably have individual credit files. These files may contain identical or different information, depending on whether you and your spouse have separate or shared accounts. You and your spouse may find it helpful to review and compare your credit histories together.

Credit information on accounts opened before June 1, 1977, that are shared by a husband and wife often are reported only in the husband's name. However, creditors must report the credit history individually, in the name of each spouse, if you ask them to do so. Newer accounts should be reported on an individual basis automatically. If you find this is not the case, write to the creditor and request that the account be reported in both names. This will help both of you build a credit history.