

CONSUMER'S EDGE

CONSUMER PROTECTION DIVISION, MARYLAND OFFICE OF THE ATTORNEY GENERAL

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CREDIT REPORTS

IT PAYS TO CHECK YOUR CREDIT EVERY YEAR

Have you checked your credit report lately? Have you ever checked it? You should, because what's in that report can have a significant impact on your life. If there's something negative in your report, you could be turned down for a credit card, mortgage, job, apartment or insurance. Even if you are not turned down, the contents of your credit report may increase the interest rate or premium you have to pay, and can affect the spending limit you are offered. The federal Consumer Financial Protection Bureau ("CFPB") advises consumers to check their credit reports at least once a year to:

1. Look for and fix mistakes that could hurt your ability to get credit.
2. Be sure your information is correct and up-to-date.
3. Guard against identity theft.

Mistakes in your credit reports, or fraud caused by identity theft, can make borrowing more expensive or prevent you from getting credit.

You Can Obtain Your Credit Reports Annually For Free

Federal law allows consumers to receive a free copy of their credit reports every 12 months by going to AnnualCreditReport.com. This is the only authorized source under federal law that provides free credit reports from the three major national credit reporting companies (also known as Credit Reporting Agencies) – Equifax, Experian and TransUnion. Other websites that promise free credit reports may require you to sign up for "free trials" that eventually charge you or purchase other products or services you may not need.

In addition, Maryland law gives its residents the right to a free annual copy of their credit report. This means you can review your credit report six times **a year for free (two free reports from each agency)**.

How to Request Your Credit Reports

Under federal law: You can receive free copies of your credit reports from each of the three major credit reporting companies every 12 months under federal law by going to the only federally-authorized website, or by calling its toll free number:

- **Online:** www.annualcreditreport.com
- **By phone:** Call toll-free: 1-877-322-8228

If ordering online, be sure to type in the website address exactly. There are commercial websites with similar names that may try to get you to pay a fee for your reports or to buy other products. Also, beware of pop-up ads, e-mails or telemarketing calls that promise to obtain your free credit report for you. Responding to these solicitations may cost you money. Remember to double check that you are using the federally-mandated website. To request your reports, you will need to provide personal information such as your name, address, Social Security number and date of birth.

Under Maryland law: To order your free credit report under Maryland law, you must contact each



credit reporting company directly. The simplest and most straightforward method is to order them on-line at the following links:

- **Equifax:** www.equifax.com/fcra. Under the section called “Reason for Credit File Request,” click the bubble for “Free State Credit File (not denied),” and fill out the forms as prompted.
- **Experian:** www.experian.com/freestate. Follow the instructions for ordering a free copy under Maryland law.
- **TransUnion:** <https://disclosure.transunion.com/dc/disclosure/disclosure.jsp>. Check the bubble indicating that you are eligible to receive a free or reduced price copy of your Personal Credit Report under state law, and then fill out the forms as prompted for ordering a free copy under Maryland law.

Important Notes:

1. All three companies will ask you for your Social Security number to process your request.

It is okay to give it to them in this context; they use the number to link you to the proper credit report. In other circumstances, it may be unsafe to give out your Social Security number. Make sure you trust the person or organization requesting any personal information before giving it to them.

2. Should you request all reports at once or staggered?

You can request your report from each of the three credit reporting companies at once, or you can only order one or two at a time.

If you order all three, you will get the most complete picture of what is being reported about you at that point in time. The companies use different sources, so some information may show up in one report but not another. On the other hand, people who are knowledgeable about identity theft recommend staggering the reports, requesting a different one every two months, which may help you spot suspicious activity as soon as possible.

3. Obtaining additional free copies.

In addition to being entitled to free annual copies of your credit reports, you are also entitled to a free copy of your report for the following reasons: if you are turned down for credit, insurance or employment because of information in your credit report; if you are a victim of identity theft; if you are on public assistance; or if you are unemployed but expect to apply for employment within 60 days. To request a free credit report under any of these circumstances, contact the credit reporting companies directly:

Equifax, 800-685-1111; www.equifax.com
Experian, 888-397-3742; www.experian.com
TransUnion, 800-916-8800; www.transunion.com



What's In A Credit Report?

Your credit report contains information about how you have handled credit, such as loans or credit card accounts, as well as any bankruptcies, tax liens or monetary judgments issued against you. It is compiled by a credit reporting company, which gets the information from creditors and from public records. The companies then sell the report to credit grantors, employers, landlords and others who want to check out an individual's credit history.



Common Mistakes In Credit Reports Include:

- Loans and credit accounts you've never opened.
- Misspelled name, wrong Social Security number, wrong address or phone number.
- Accounts wrongly listed as late, incorrect balances, incorrect credit limits, closed accounts listed as open, incorrect delinquency dates, or accounts listed more than once.



Dispute Mistakes You Find.

Your credit report will include information about how to dispute a mistake. If your dispute is about a credit account, you should send a dispute letter to both the credit reporting company and creditor that was the source of the information.

Your dispute should clearly explain what you think is wrong and why. State the facts, explain why you are disputing the information, and request that it be corrected.

In your dispute letter to the creditor, you may want to enclose a copy of the relevant portion of your credit report. Highlight the items in question. Also include copies of documents that support your position. Never send your original documents. Keep copies of your dispute letters and enclosures.

The credit reporting company and the creditor should investigate the dispute or fix any mistake. If the disputed information is wrong or cannot be verified, the creditor must delete or change it and provide a correction to the credit reporting companies that received the disputed information. If an investigation

doesn't resolve your dispute filed with a consumer report company, you can ask that a statement of the dispute be included in your credit file and in future credit reports.

Following a dispute, Marylanders can ask the credit reporting company to disclose the name, address and telephone number of each person contacted during the reinvestigation. That way, you don't have to spend hours tracking down who at "the bank" or other large creditor verified adverse information with the credit reporting company.

If you are unable to resolve the problem, call the State of Maryland's Division of Financial Regulation at 410-230-6100.

TIP: If you suspect that the error on your report is a result of identity theft, you will need to file a dispute to correct it. For information about identity theft and steps to take if you have been victimized, the Consumer Financial Protection Bureau provides information at the following link: <https://www.consumerfinance.gov/askcfpb/31/what-do-i-do-if-i-think-i-have-been-a-victim-of-identity-theft.html>. You can also visit the Federal Trade Commission's Fighting Back Against Identity Theft website, <https://www.identitytheft.gov/>.

What About Your Credit Score?

Many lenders will base their lending decisions on your credit score without looking at your underlying credit report. Your credit score is calculated using a formula based on the information in your credit report. Different credit rating agencies and creditors use different criteria based upon what information they consider most important. Unlike credit reports, you are not entitled to obtain your credit score for free. However, if you order the free copies of your credit reports, make sure any incorrect information is corrected or removed, and make efforts to address problems such as late payments. Since your credit score is based on the information in your credit report, removing incorrect negative information may improve your credit score.

The major credit reporting companies (Equifax, Experian and TransUnion) are allowed to charge a "reasonable fee" for you to obtain your credit score from them. If you are interested in obtaining your credit score, you should contact those companies directly.

Consider Placing a Security "Freeze" On Your Credit Report

If you are not planning to seek new credit in



the near future, you may want to consider placing a “freeze” on your credit report as a protection against identity thieves opening credit in your name. Contact Equifax, Experian and TransUnion and ask that they put a freeze on your credit reports. A freeze prevents prospective creditors from accessing your credit file unless you lift the freeze for that creditor or for a specified period of time. Typically, creditors won’t offer you credit if they can’t access your credit reporting file, so a freeze prevents you or others from opening accounts in your name. You should also consider doing this for your children as well to prevent them from becoming the victims of identity theft, especially since such identity theft may not be discovered for years.

Freezes are generally free for victims of identity theft. In addition, for all Maryland residents, as of October 1, 2017, the placement of the first freeze on a credit report with each credit reporting agency is also free. For further information on how to freeze your credit report, see our identity theft website.

You Don’t Need To Pay For Credit Monitoring.

Many companies that promise free credit reports want to sign you up for credit monitoring services or other products. Some companies will sign you up for a credit monitoring service when you order a “free” credit report if you do not follow the instructions provided above. Make sure to read any fine print before submitting a request, ESPECIALLY if the request requires your credit card number, because the companies charge a fee for the monitoring service. You can take these free or lower cost steps to protect yourself.

- Monitor your credit yourself by staggering when you order your free credit reports. For example, you could visit AnnualCreditReport.com in January to get your Experian report, in March to check your Equifax report, and again in August to get your TransUnion report. You could order your free credit reports under Maryland law by contacting the credit reporting companies directly in other months. By rotating your requests this way, you can keep a periodic eye on your credit records for free.
- Put the freeze on identity thieves: You do not need to pay a credit monitoring service to stop thieves from opening accounts with your information. Contact Equifax, Experian and TransUnion and ask that they put a freeze on your credit reports.
- Request a fraud alert: If you believe that

you have been or are about to become the victim of identity theft or fraud, you can place a fraud alert on your credit report. A fraud alert requires lenders to take steps to verify your identity before opening a new account in your name, or issuing an additional credit card or increasing the credit limit on an existing account. You can also provide a telephone number so lenders can call you to verify your identity. (A fraud alert does not prevent a lender from opening credit in your name.)

- Service members: If you are a member of the military on active duty, you may place an “active-duty alert” on your credit report to reduce the risk of identity theft while you are deployed. This alert lets a business know that you are probably out of the country, so the business is required to take reasonable steps to verify your identity before issuing credit in your name. More information about active-duty alerts can be found on Ask CFPB at <https://www.consumerfinance.gov/askcfpb/>.

If you have complaints or concerns about a credit monitoring service, contact the Federal Trade Commission, 877-FTC-HELP.

HOW TO CONTACT US

Consumer Protection Division

200 St. Paul Place, 16th Fl., Baltimore, MD 21202

- **General Consumer Complaints:** 410-528-8662
Toll-free: 1-888-743-0023 TDD: 410-576-6372
9 a.m. to 3 p.m. Monday-Friday
www.marylandattorneygeneral.gov/Pages/CPD/
- **Health Consumer Complaints:** 410-528-1840
Toll-free: 1-877-261-8807 TDD: 410-576-6372
9 a.m. to 4:30 p.m. Monday-Friday
www.marylandcares.org
- **For information on branch offices** in Largo, Salisbury, Hagerstown, and a full list of offices across Maryland, visit: www.marylandattorneygeneral.gov/Pages/contactus.aspx

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