

## **YOUR CONSUMER “BILL OF RIGHTS”**

The FACT Act provides a “bill of rights” for consumers’ credit records—your right to ask for your credit score...to know when information in your file is used against you...to dispute incomplete or inaccurate information, and to have it corrected...to restricted access to your report (including employers, who must have your explicit permission).... and to seek damages in specific instances.

### **HOW TO OBTAIN A FREE CREDIT REPORT**

[www.annualcreditreport.com](http://www.annualcreditreport.com)  
(877) 322-8228

## **VICTIMS OF IDENTITY THEFT HAVE ADDITIONAL RIGHTS**

The FACT Act gives you specific rights when you believe that you are the victim of identity theft:

- You can ask the nationwide credit agencies to place “fraud alerts” in your file.
- You have the right to free copies of the information in your file.
- You can request and obtain documents relating to fraudulent transactions made or accounts opened using your personal information.
- You have the right to obtain information from a debt collector.
- If you believe information in your files is the result of identity theft, you can request that the consumer reporting agency block that information from your file.

- You may prevent businesses from reporting information about you to consumer reporting agencies if you believe the information is the result of identity theft.

### **LEARN MORE ABOUT DEALING WITH IDENTITY THEFT**

[www.consumer.gov/idtheft](http://www.consumer.gov/idtheft)  
[www.ftc.gov/credit](http://www.ftc.gov/credit)

Having good credit and using it wisely are more important than ever these days. Fortunately, it is also easier than ever to monitor your credit files and to correct errors that could have a negative impact on your credit rating. Check with your banker to learn more about good credit, identity theft, and maintaining good financial health.



Presented by the  
American Bankers Association

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# YOUR GOOD CREDIT

## **USING YOUR CREDIT REPORT TO**

- ✓ Maintain Good Credit
- ✓ Combat Identity Theft

- What to look for
- How to read a credit report
- How often to evaluate
- FACT Act rights

# Credit Reports and the FACT Act

Your individual credit report is one of the most important barometers of your overall financial health. This summary of your financial reliability—prepared by credit bureaus (also called credit reporting agencies)—tells lenders about your history of paying bills and is used by them to decide whether to loan you money and how much to charge.

A new law makes it easier than ever to access your credit report and to change any errors it might contain, a major step toward establishing and maintaining your good credit and preventing identity theft. The Fair and Accurate Credit Transactions Act (FACT Act) assures you free access to the report annually from each of the three credit reporting agencies: Equifax, Experian and TransUnion. All regions of the country will be covered by September 2005; you may already be eligible for a free report depending on your region of the country.

## WHAT TO LOOK FOR, WHEN TO ACT

You may wish to stagger your request to each of the three agencies over the course of the year. This allows you to consistently monitor your credit throughout the year. Check these key areas:

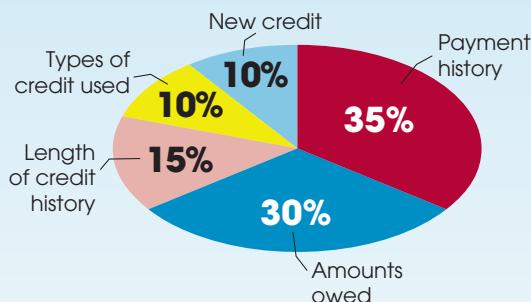
- **Timeliness**—If it shows late payments, but you always pay your bills on time, correct the error immediately.
- **Accounts**—Make sure all the accounts are yours. Identity thieves often open accounts in

your name using stolen information, and they will often show up here.

- **Dormant Accounts**—If you notice accounts you no longer use, it might be wise to close them. They could be affecting your credit score.
- **Credit Score**—If the report does not include your credit score, be sure to ask for it. (There may be a charge. See the section of this brochure about credit scores.)

## Your Credit Score

FICO scores analyze five types of data from your credit reports.



Many lenders base their decisions on FICO scores. The table below shows the score's impact on a \$100,000, 30-year fixed-rate mortgages, as an example.

FICO SCORE	APR	MONTHLY PAYMENT	TOTAL INTEREST PAID
720-850	5.720%	\$582	\$109,401
700-719	5.845%	\$590	\$112,264
675-699	6.383%	\$624	\$124,782
620-674	7.533%	\$701	\$152,531
560-619	8.531%	\$771	\$177,600
500-559	9.289%	\$826	\$197,181

Source: Fair Isaac/Informa Research Services.

## THE IMPORTANCE OF CREDIT SCORES

A credit score is a number used to make a decision on a loan or other credit. Many lenders use a system developed by Fair Isaac and Company called the **FICO score**—a point system based on your credit history to predict creditworthiness (see chart). Your credit score is most influenced by

- **Your payment history**
- **The amount of your debt.**

Late payments, a past bankruptcy, debt collections or a court judgment ordering you to pay money as a result of a lawsuit will negatively affect your credit score. Too much debt relative to your income is also a warning sign to creditors and will usually lower your score.

In general, the better your credit score, the better your chances of getting credit with an attractive interest rate. Since your **credit score** is highly dependent on your **credit report**, it is critical that your credit report is accurate.

Your score, along with an explanation of how the score was derived, is available from any of the three major credit bureaus. Each bureau may have different information about you, so your score may vary from one company to another.

### LEARN MORE ABOUT CREDIT SCORES

[www.equifax.com](http://www.equifax.com)  
(800) 685-1111

[www.experian.com](http://www.experian.com)  
(888) 397-3742

[www.transunion.com](http://www.transunion.com)  
(800) 888-4213