

Improving Your Credit Score



Keep an Eye Out for Credit Report Errors!

Last year, the number one complaint received by the Consumer Financial Protection Bureau involved incorrect information listed on consumers' credit reports. Having one or more errors on your credit report could make you appear riskier to lenders, potentially affecting your ability to obtain loans, open new lines of credits, or receive better lending terms and interest rates. It's important to review the contents of your credit reports on a regular basis so you can be on the lookout to catch and correct any errors. Below are some things to keep in mind:

- When applying for credit, make sure you are consistently using the same first name and middle initial. Often, a person may have previously applied for credit under different names (e.g., Robert Smith and Bob Smith or Timothy Jones and Tim Jones), but this increases the risk of your report incorrectly containing information about another person with a similar name
- Ensure your credit file reflects all your credit accounts. While most retail and bank credit card accounts will be included in your file, not all creditors voluntarily supply information to the credit bureaus, nor are they required to report consumer credit information to credit bureaus.
- Watch for clerical errors that could have been made in reading or entering your name or address information from a hand-written application.
- Verify loan or credit card payments have not been inadvertently applied to the wrong account.
- Make sure no accounts have been duplicated on your reports, which could make it appear you have more open lines of credit or higher debt than you actually do.
- If you closed a credit account, make sure your report reflects the account was closed by *you* and not "closed by grantor."
- If you're divorced, verify your former spouse's debts are not reflected on your report.
- Make sure any old bad debts have been removed from your report. (Credit-reporting companies should remove them from your report after seven years.)
- Beware of any mysterious accounts or bad debts that could be the work of identity thieves who have stolen your personal information.
- To ensure mistakes are corrected as quickly as possible, contact both the credit bureau and organization that provided the information to the bureau. Both parties are responsible for correcting inaccurate or incomplete information in your report under the Fair Credit Reporting Act.

Source: www.myfico.com