A credit report (see sample, page 2) is a record of your financial activity. Your past and current lenders keep credit reporting agencies informed of your borrowing history and habits. The agencies share this information with future lenders who want to know whether you’re a good credit risk.

**Credit report contents**

Although each agency uses a different format, all reports include:

- **Identifying information.** Your identifying information includes your name, address, Social Security number, and date of birth. It also includes your employment history. Working at the same job for several years indicates to lenders that you are stable. Check your identifying information for accuracy. If just one digit of your Social Security number is wrong, some information in your report may not be about you.

- **Public record and collection agency account information.** Your credit report includes bankruptcies, foreclosures, lawsuits, wage garnishments, liens, judgments, and collection-agency actions. A bankruptcy will remain on your report for up to 10 years and unpaid tax liens for up to 15. Other public records will stay for seven years. Your installment loans (those with fixed payments and ending dates) and revolving credit (usually credit cards) also become part of your public record if a collection agency has taken action on them.

- **Inquiries.** When you apply for a loan or credit, you voluntarily give the lender permission to see your credit report. Your lenders’ inquiries are noted on your report. If you apply for several credit cards at once and lenders see several inquiries, they may suspect you’re overextending yourself. Some inquiries aren’t from lenders at all. Instead, they may be from prospective employers, landlords, or utility companies. If you ask, the agency must tell you who has inquired about your credit for the past year—or two years if the inquiries were about work.

- **Trade lines.** Your accounts are described by type and the date you opened them. In addition, your payment history is recorded and your credit limits compared with your balances. “R” stands for revolving (open-end accounts). “I” stands for installment (closed-end accounts). “J” indicates that the account is a joint one for which someone else is also responsible. Credit reporting agencies compare your credit card limits with your actual borrowing. It’s better to have fewer rather than more credit cards and not to borrow to your maximum limits.

**Your right to know**

You have the right to know what’s in your credit report and who supplied the information. You also have the responsibility to make sure the information is correct. Mistakes occur on credit reports when information is incomplete or is actually about someone else. Sometimes a clerk errs in entering a name or address from a hand-written form or applies payments to the wrong account. To minimize the chance of errors, always use the same name on financial paperwork. Don’t use Susan Jones one time and Sue Jones another.

You can request copies of your report from these major agencies:

- Experian (formerly TRW): (888) 397-3742, www.experian.com
- Equifax: (800) 685-1111, www.equifax.com
- TransUnion: (800) 888-4213, www.transunion.com

If you think there is an error in your credit report, notify the agency in writing. The agency must investigate the items in question and report back to you in writing. Expect any action to take about 30 days.

The Fair and Accurate Credit Transaction Act of 2003, or FACTA, offers some protection to consumers when it comes to credit reports, credit scores, and credit histories. Not only does FACTA entitle you to one free copy of your credit report each year but, for a fee, it lets you see your credit score. Under FACTA, mortgage lenders must show you the score they used in reviewing your application. Merchants must also give you a chance to dispute negative information before it becomes part of your credit history.

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**Further reading**

A sample credit report.

The credit report status column uses these “type of account” codes:
- **O** Open (entire balance due each month)
- **R** Revolving (payment amount variable)
- **I** Installment (fixed number of payments)

The status column uses these “timeliness of payment” codes:
- 0 approved not used; too new to rate
- 1 paid as agreed
- 2 30+ days past due
- 3 60+ days past due
- 4 90+ days past due
- 5 pays or paid 120+ days past the due date; or collection account
- 6 making regular payments under wage earner plan or similar arrangement
- 7 repossession
- 8 charged off to bad debt