

News Release

**Faye Malek, Family Living Educator
Manitowoc County UW-Extension
P.O. Box 1150, 4319 Expo Drive
Manitowoc, WI 54221-1150**

March 13, 2005

Free Credit Reports Available

With the topic of identity theft prominent in the news, most people are excited about the availability of free credit reports in Wisconsin. Monitoring and periodically reviewing your credit report is an effective tool in fighting identity theft.

The credit file provides information maintained by a consumer reporting company that they provide about you to a third party, such as a lender. The file discloses a record of everyone who has received a credit report about you within a certain period of time. It identifies from whom you have received credit, if you pay on time or miss payments, and the length of time you have had credit with the company. It also contains information not provided to a third party, such as inquiries of companies for pre-approved offers of credit or insurance and account reviews, and any medical account information suppressed for third party users.

Until now, one could only get a free credit file disclosure, commonly called a credit report, if refused credit by a lender. Now, set by federal law, as of March 1, you may request a free credit report once every 12 months from each of the three nationwide consumer credit reporting companies, through a single source. This free credit report can be requested through the Central Source web site at <https://www.annualcreditreport.com/cra/index.jsp> or by calling 877-322-8228 or by mail at Annual Credit Report Request Service, P.O. Box 105281 in Atlanta, GA 30348-5281.

You are entitled to receive one free credit file disclosure every 12 months from each of the credit reporting companies: Equifax, Experian and TransUnion, through the Central Source. You may order all three of the file disclosures at the same time so that you can compare them. On the other hand, you may space them out, ordering one now and from a second company in four months and from the third in eight months. That would allow you to track any changes or new information that may appear in your credit file.

This free credit disclosure will not provide you with your credit score (formally known as your FICO score). The credit score evaluates different types of information about your credit behavior and is used by a lender to help determine risk and if you will qualify for a particular loan or service. The most important factors are your payment history and your level of debt; these two factors account for almost 65 percent of the FICO score. The higher the score, the more a lender judges you to be less risky to lend money to. A higher score may also help you obtain lower rates when you borrow. The score represents the likelihood that the person who is extended credit will make payments on time in the next two to three years.

If you want to know your credit score, you can purchase the score by contacting one of the nationwide consumer credit reporting companies. The cost will be around ten dollars. Of the three companies, TransUnion is most frequently used in the Midwest. The web site above allows you to purchase a credit score when you request your free annual credit report. The file provides a fairly good profile of creditworthiness. It may not be necessary to know the credit score to get a snapshot of risk.

Some people may not have the best credit and may be tempted to seek the help of a credit clinic. The Federal Trade Commission (FTC) cautions consumers to be wary of companies that make claims

regarding credit repair. These companies don't do anything for consumers that consumers cannot do for themselves at little or no cost. If any organization promises to create a new identity and credit file for you by removing late payments, bankruptcies or similar information, it is likely they are committing fraudulent practices. The FTC and state attorneys have filed action against some of these companies. Remember, the best way to improve your credit score is to make timely payments on your debt, and the only way to erase the impact of negative credit history is to create new positive history.

An EEO/Affirmative Action employer, University of Wisconsin-Extension provides equal opportunities in employment and programming, including Title IX and ADA requirements. Please make requests for reasonable accommodations to ensure equal access to educational programs as early as possible preceding the scheduled program, service or activity.

- END -