

# The Complete Guide to Credit Reporting

Your credit report includes information about your credit history that creditors who have given you credit have submitted to the credit reporting bureau. Credit scores like the ones you'll see on the Fair Isaac Corporation website are calculated based on the data in your credit report.

You can check for inaccuracies that can be reducing your credit scores by regularly monitoring your credit reports. It can also alert you to possible identity theft. Correcting errors via the dispute procedure may improve your ability to get credit or better conditions.



# What Is a Credit Report?

A credit report is a kind of report card for your credit history. Potential lenders can use it to determine how risky it is to lend you money, which is just how likely you are to pay your monthly payments on time. Your credit report can tell them:

- When you opened your account
- The current balance on each account
- If you made your payments on time
- Your payment history
- The credit limits and total loan amounts
- Transferring your debt to collection services
- Opening [credit cards for rebuilding credit with no deposit](#)
- Any bankruptcies
- Your identifying information

Any business that may be contemplating offering you a loan or credit account will get your information from a credit bureau or credit-reporting organization. These bureaus all operate independently, so their reports may differ depending on the information provided by the lenders they use.

## How Your Credit Record is Kept Up to Date

The three agencies responsible for maintaining credit records are TransUnion, Equifax, and Experian. As authorized by law, they provide credit reports to lenders, insurers, and other companies.

The creditor will seek a copy of your credit report from one or more of the credit bureaus when you apply for any new line of credit, such as a new credit card. Your creditworthiness and interest rate will be determined by the creditor after

reviewing your credit record, credit score, and any other information you provide (such as income or debt details). If accepted, a tradeline—a new credit card—will be added to your credit record and updated about every 30 days.

Tens of thousands of credit grantors, including merchants, credit card businesses, banks, finance firms, credit unions, and others, provide information to all three credit agencies regularly. These updates provide details on how their clients utilize and maintain their accounts.

## **What to Look for When Reading a Credit Report**

The components may appear in a different sequence since each credit agency arranges its reports differently, but the fundamental elements are the same across all of your reports.

### **Hard Questions You Don't Understand**

Check credit reports often to minimize losses; an unusual hard inquiry may be a sign of impending identity theft. Pay attention to whether past hard check dates are erased from credit records after two years as well.

### **Credit Report**

This section contains the majority of the report. Included in your credit history are all of the above, from personal information to your loans to salaries.

Check that everything stated in this section is accurate by reading it many times. Now double-check. Search for any new accounts and look for payments that are marked as late (even if they weren't).

Verify that any credit card accounts you've closed are shown as closed on your credit report. Additionally, check to see if

any credit lines haven't been started in your name without your permission; this is a major red flag and might indicate that you're vulnerable to identity theft.

## **Employers You've Never Heard Of**

Verify the accuracy and completeness of the list of your employment while reading your credit report. If you see any unidentified businesses, someone may be utilizing your personal information.

## **Fiscal Liens**

If you discover a tax lien on your credit report, whether it be for property, income, state tax, or federal tax, it is probably a mistake. There is no need to be concerned about tax liens since they no longer affect your credit score. If you come across this omission, contact the credit bureaus to contest the inaccuracy.

Civil judgments and tax liens have to be excluded from credit reports.

## **Errors with Typos and Identity**

Personal Information contains information that only you and no one else are interested in. As a result, you should challenge any name—including your spouse's—that appears in this area. The same is true for any errors in your name (such as misspellings), current and prior residences, Social Security number (such as an incorrect digit), and other information.

The contradictions in this section suggest that your report was mistaken for someone else's.

## **How Can I Get My Credit Report?**

You are entitled to a free yearly credit report from each of

the three credit reporting agencies on AnnualCreditReport.com. Experian, Equifax, and TransUnion are some of these organizations.

About [89% of respondents](#) are struggling financially as a result of the COVID-19 outbreak. You may get free credit reports to keep your finances under control.



You may either order all three reports at once or one by one. Find out under what other circumstances you may ask for a free credit report.

## **Dispute Any Inaccuracies You Find**

Collect evidence to support your claim if you find errors that could be affecting your grades. The credit bureau displaying the mistakes will let you dispute them. You must include copies of the documentation establishing your identity and demonstrating the error of the item. Although the Consumer Financial Protection Agency has guidelines extending that to 45 days due to the epidemic, the bureau has 30 days to investigate and react.

## **Bottom Line**

You are now fully prepared to read a credit report. This is crucial since having a negative credit rating makes it challenging to survive. You gained knowledge on how to get a credit report and what data to check for. Therefore, keep in mind to periodically verify your information. You can find it difficult to qualify for a credit card or a loan if your credit report contains mistakes that lower your score.