

MORTGAGE LENDING UPDATE

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Correcting Credit Report Errors

This excellent consumer information was found at the website for the Federal Trade Commission (ftc.gov).

First, get a free copy of your credit report from each of the three main credit reporting companies, Trans Union, Equifax and Experian. Do this at www.annualcreditreport.com or by calling 1-877-322-8228. Georgia residents are allowed a free copy from each credit reporting company every 6 months under the provisions of the Fair and Accurate Credit Transactions Act (FACT Act) section of the Fair Credit Reporting Act (FCRA).

Under the FCRA, both the credit reporting company and the information provider (the person, company, or organization that provides information about you to a credit reporting company) are responsible for correcting inaccurate or incomplete information in your report. To take advantage of all your rights under the FCRA, contact the credit reporting company and the information provider if you see inaccurate or incomplete information.

Tell the credit reporting company, in writing, what information you think is inaccurate. Include copies (NOT originals) of documents that support your position. In addition to providing your complete name and address, your letter should clearly identify each item in your report that you dispute, state the facts and explain why you dispute the information, and request that the information be deleted or corrected. You may want to enclose a copy of your report with the items in question circled. Send your letter by certified mail, return receipt requested, so you can document what the credit reporting company received. Keep copies of your dispute letter and enclosures. Many providers specify an address for disputes.

Credit reporting companies must investigate the items in question — usually within 30 days — unless they consider your dispute frivolous. They also must forward all the relevant data you provide about the inaccuracy to the organization that provided the information. After the information provider receives notice of a dispute from the credit reporting company, it must investigate, review the relevant information, and report the results back to the credit reporting company.

If the information provider finds the disputed information is inaccurate, it must notify all three nationwide credit reporting companies so they can correct the information in your file. If the provider reports the item to a credit reporting company, it must also include a notice of your dispute. And if you are correct — that is, if the information is found to be inaccurate — the information provider may not report it again.

When the investigation is complete, the credit reporting company must give you the written results and a free copy of your report if the dispute results in a change. (This free report does not count as your twice annual free report under the FACT Act.) If an item is changed or deleted, the credit reporting company cannot put the disputed information back in your file unless the information provider verifies that the information is, indeed, accurate and complete. The credit reporting company also must send you written notice that includes the name, address, and phone number of the information provider.

If you request, the credit reporting company must send notices of any correction to anyone who received your report in the past six months. A corrected copy of your report can be sent to anyone who received a copy during the past two years for employment purposes.

If an investigation doesn't resolve your dispute with the credit reporting company, you can ask that a statement of the dispute be included in your file and in future reports. You also can ask the credit reporting company to provide your statement to anyone who received a copy of your report in the recent past. Expect to pay a fee for this service.

When negative information in your report is accurate, only the passage of time can assure its removal. A credit reporting company can report most accurate negative information, including collection accounts or charged off accounts, whether paid or unpaid, for seven years and bankruptcy information for 10 years. Information about an unpaid court judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer. There is a standard method for calculating the seven-year reporting period. Generally, the period runs from the date that the last activity on the account took place.

David Griffin has been financing homes in Macon, Warner Robins and all of Middle Georgia since 1983 and is a member of the Mortgage Bankers Association of Georgia, mbag.org. For an archive of past articles visit mbag.org/ML_Update.html.(6/9/10)