

Obtaining a Credit Report

Under the Fair Credit Reporting Act, amended a few years ago to beef up consumer privacy rules, you are legally entitled to obtain your credit report from a credit reporting agency. This includes receiving a list of everyone that has requested your report.

If you are denied credit based on information in your credit report (the creditor must provide a reason for denial), you have 60 days from the day you receive a denial notice to receive a free copy of the credit report.

The law also entitles you to receive a free credit report every 12 months if you are unemployed and seeking work within the next 60 days, are on welfare or your report is inaccurate as a result of credit fraud.

Of course, you can also pay to obtain a credit report anytime. The three major credit reporting agencies, or credit bureaus, are Equifax, Experian and Trans Union (Dun & Bradstreet Credit Services provides credit reports of businesses):

A few states, including California and Connecticut, cap the fee at a slightly lower level.

Credit bureaus also offer a variety of bundled services related to your credit report. For example, Equifax and Experian presently offered a combination of your credit score and credit report for \$12.95-\$14.95.

Equifax
(800) 685-1111
Basic fee: \$9

Experian
(888) 397-3742
Basic fee: \$14.95

TransUnion
(800) 888-4213
Basic fee: \$9.95

The Fair Credit Reporting Act also entitles you to contact each or all of the major credit bureaus (and Innovis, a fourth credit bureau) and request them to stop sending you card solicitations and related offers. For more information, call 888-5OPTOUT (567-8688).

Avoiding Over-Inquiries

There are two types of credit inquiries that can be made to your credit report: hard inquiries and soft inquiries.

A hard inquiry occurs when you seek to obtain credit. This happens when you apply for a loan or credit card, for example. Each time you fill out a credit card application at a department store, the inquiry counts as a hard inquiry. Only you can authorize a creditor to perform a hard inquiry on your credit report. A prospective lender or other creditor will likely be concerned with an applicant whose credit report shows a high volume of hard inquiries. That's because it suggests a carefree attitude in applying for credit or an effort to borrow excessively.

Borrowing too much -- a situation called over-leveraging -- is a potential red flag for creditors. It signals you may face more difficulty in repaying your debts in cash-strapped times than a person who judiciously applies for credit.

If you're going to ping your credit report with frequent hard inquiries, it may be best to concentrate them around the time you apply for a home or auto loan.

Fair, Isaac and Co., which designs credit-scoring software and sells consumers copies of their credit scores, suggests that your credit score is less likely to be impacted by a concentration of hard inquiries around such circumstances.

A soft inquiry is one where the inquiry is not tallied on your credit report. A soft inquiry does not constitute a bona fide request for credit. For example, a soft inquiry occurs when you obtain a copy of your report.

A soft inquiry also occurs when a company gathers potential marketing information about you based on your credit report. You can opt out of these kinds of inquiries. The Fair Credit Reporting Act entitles you to contact each or all of the major credit bureaus and request them to stop sending you card solicitations and related offers. For more information, call 888-5OPTOUT (567-8688).