



Kiplinger Financial Services, L.L.C.



Kiplinger Financial Services' COMMON CENTS MATTERS

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MANAGING YOUR CREDIT

A credit report or credit history is, unfortunately, not an option in life. Somewhere, information on you will activate the formation of a file with your name and social security number on it along with other personal information. It is your responsibility to review and monitor your credit report to make sure that the information is accurate.

You need a good credit report when you want to purchase a home, a car or apply for a credit card. More often credit reports are being accessed by insurance companies for additional coverage as well as by prospective employers, looking at a person's character.

OBTAIN YOUR CREDIT REPORT

You can call, write or go online to the three major credit bureaus or credit reporting agencies listed below:

Experian
P.O. Box 2104
Allen, TX 75013-2104
800-682-7654
www.experian.com

Equifax
P.O. Box 105873
Atlanta, GA 30348-5873
800-685-1111
www.equifax.com

Trans Union Corporation
750 West Sproul Road
P.O. Box 390
Springfield, PA 19064-0390
800-888-4213
www.transunion.com

You will want to get a report from all three agencies. If you are obtaining your report through the mail, be sure to include a copy of your driver's license, credit card bill or utility bill along with your full name address and Social Security number. Each report will cost about \$8.

DISPUTE YOUR CREDIT REPORT FOR ERRORS AND OBSOLETE INFORMATION

Review your reports carefully for inaccurate information. You have the right to dispute obsolete or erroneous information. You can challenge the information directly with the creditor or with the credit bureaus. If there is a negative entry (i.e., delinquency, leins, bankruptcy, etc), it remains on the report for seven years (ten years for bankruptcy). The credit bureaus have dispute forms that you can call to obtain or you may choose to write a letter. In writing a letter, include all necessary information such as the name of the creditor(s), account number(s), and the reason why the report is incorrect, i.e., the account has been paid in full. In addition, the letter should include your name, address, daytime phone number, Social Security number, date of birth, as well as the identification number on your credit report. Your letter should simply state the facts leaving out threats, accusations, and commentary.

It may take up to six weeks to hear something from the credit bureau. It is important to keep excellent records of all correspondence and phone calls. Take notes on any phone calls and record the name of the person you spoke with as well as the date and time of the call.

MAINTAIN A GOOD CREDIT REPORT

There are easy steps you can follow to maintain a good credit report:

- ***Pay your bills on time.*** You want to be viewed as a person who pays their bills on time. If you are not current with your bills, catch up as soon as possible.
- ***Watch your credit limits.*** The closer your credit card balances are to your credit limits, the greater risk you appear to be.
- ***Keep only a few credit cards.*** The ability to charge up to all of your available credit could be viewed as serious debt, even if you are maintaining a zero balance on all those credit cards. Therefore, it is wise to cancel any credit cards you do not have to use.
- ***Limit the number of inquiries.*** Every time you apply for a credit card or apply for a loan, an inquiry is added to your credit report. Employers are inquiring as well.
- ***Obtain and review copies of your credit report and correct any mistakes.*** It has been estimated that one in four credit reports contain errors.

OPT OUT OF DIRECT MARKETING LISTS

Did you ever wonder why you get so many pre-approved credit card applications in the mail? The credit bureaus have put your name on lists they sell to companies looking for potential customers. You do have a right to opt out, thus telling the credit bureaus that you do not give authorization for your name to be on their lists pursuant to the Fair Credit Reporting Act (FCRA) of 1971, amended in 1996.

You can call (888) 567-8688 to opt out. This is an automated system that will prompt you to answer questions to identify you. It takes approximately three months for your opt-out instruction to reach the three credit bureaus.

In addition, you can opt out of other direct-mail marketing lists to limit the junk mail that fills your mail box. Send a letter providing your complete name as well as name variations and mailing address to:

Mail Preference Service
Direct Marketing Association
P.O. Box 9008
Farmingdale, NY 11735

To take your name off of many telephone solicitation lists send your complete name, address and telephone number including area code to:

Telephone Preference Service
Direct Marketing Association
P.O. Box 9014
Farmingdale, NY 11735

THE FAIR CREDIT REPORTING ACT

The FCRA provides certain rights regarding individual credit reports. The full text of the FCRA can be found on the Internet at <http://www.ftc.gov/os/statutes/fcra.htm>. Here are some of those rights:

- You can obtain the information in your file as well as those who have requested it.
- You can dispute inaccurate information.
- Inaccurate information must be corrected or deleted.
- Outdated information may not be reported.
- Access to your file is permitted only by those with a need to know and are recognized by the FCRA.
- You may choose to remove your name from bureau lists.
- You may seek damages from violators.

For more information, contact the Federal Trade Commission, Consumer Response Center—FCRA, Washington DC 20580, (202) 326-3761. To learn more about your credit report visit the website <http://www.creditinfo-center.com>.