

Protocol Column

Fair Credit Reporting

By Community Lawyer Charlene LaVoie

In 1970, Congress passed the Fair Credit Reporting Act which protects consumers by requiring credit bureaus to furnish correct and complete information to businesses to use in evaluating applications for credit, insurance or a job. Consumers have the right to know what information is in their credit report.

Companies that gather and sell this information are "Credit Reporting Agencies," or CRAs. The most common CRA is the credit bureau. The information sold by CRAs is to creditors, employers, insurers and other businesses is called a "consumer report." Your consumer report probably contains information on how you pay your bills, whether you have been sued, arrested or have filed for bankruptcy. Consumer reports can only be provided to those persons, other than yourself, who have a legitimate business need for the information.

The CRA is required to inform consumers about every piece of information in the consumer report and, in most cases, the sources of the information. The CRA is not required to provide a copy of the report, although many CRAs now do so. You also have the right to be told the name of anyone who received a report on you within the past six months. If an inquiry concerns a job application, you are entitled to the names of those who received a report within the past two weeks.

When a company denies your application based upon information supplied by a

CRA, they must also supply you with the name and address of the CRA. TRW Inc., Trans Union Corp., and Equifax Inc. are the three largest (the addresses and phone numbers are listed separately). More than one may have a file on you, so call each one.

The consumer report is free if your application is denied because of information furnished by a CRA and you request the report within 30 days of the denial. The CRA is entitled to charge a reasonable fee for requests for consumer reports which do not meet these two requirements.

Review the report for inaccurate or incomplete information and if you find any, notify the CRA. The CRA is required to conduct an investigation if you claim the information on you is inaccurate or incomplete. If the investigation reveals an error, you may request that a corrected version of the report be sent to anyone who received the report in the past 6 months. Job applicants can have corrected reports sent to anyone who received a report within the past two years.

If you believe there is an error but the CRA does not correct the report, have the CRA include your version of the disputed information in your file and in future reports. You may also request that a copy of your version be sent to anyone who recently re-



ceived a copy of the old report. There is no charge for this service if it is requested within 30 days after notice of denial.

There are different types of reports compiled by the CRA. If a report is prepared or you in response to an insurance or job application, it may be an investigative consumer

report. These reports are more detailed than the credit consumer reports. They often involve interviews with acquaintances about your lifestyle, character, and reputation. Unlike credit consumer reports, you will be notified in writing when a company orders an investigative report about you. You may request additional information about the report from the company who ordered it. If your application for employment is rejected, however, you may obtain a complete disclosure of all the information in the file by writing the CRA. In this instance the CRA does not have to reveal the sources of the investigative information.

It is important to review your report if you are denied credit since legitimate or uncontested adverse credit information generally stays on your credit report for 7 years.

Congress regularly reviews the operations of credit bureaus. Legislation is pending which would allow consumers to receive a free annual consumer report, require all CRAs to have a toll-free telephone number for consumers to challenge erroneous reports, and businesses that supply information to CRAs would be required to update their files so that incorrect information is not repeatedly included in credit reports. Consumer groups are working to strengthen the consumer provisions in the law.

TRW Inc. provides an annual complimentary copy of your consumer report, \$15.00 for additional reports.

Write: TRW Inc., c/o NCAC, P.O. Box 2104 Allen, Texas 75002; 214-390-9191

TRANS UNION CORP. \$8.00 per report unless you have been denied credit within past 60 days

Write: Members Association Credit Bureau, P.O. Box 3307 Tampa, Florida 33601; 813-273-7855

EQUIFAX INC. \$8.00 per report unless you have been denied credit within past 60 days

Write: Equifax, Inc., P.O. Box 105673 Atlanta, Georgia 30348; 800-685-1111