

Credit Facts for Consumers. What Everyone Should Know About Credit Repair

in order to succeed in your efforts of fixing your **bad credit**, you must learn about your rights as per all federal regulations. This information will allow you to understand how a **credit repair process** must be followed. You will also understand why it is important to have an "ally" like **Credit Healer Software** during the credit repair process.

Accuracy, Access to Reports and Reinvestigations

Studies have shown that credit reports and resulting credit scores are often inaccurate or incomplete, resulting in consumers paying too much for credit. Further, consumers face difficulty fixing mistakes. (The major provision of the 1996 amendments was the imposition, for the first time, of duties on companies providing information to credit bureaus, known as furnishers.) The following FACT Act amendments address accuracy, access and reinvestigations.



Annual Free Credit Reports: Each national credit bureau must provide a free report upon request within 15 days of a request by phone, Internet, or mail through a one-call centralized source to be established by the FTC within a year. Reports will also be available from specialty bureaus, such as landlord – tenant or insurance reporting services, with the method of distribution to be established in regulations to be issued within six months, effective six to nine months thereafter. States are preempted from increasing the frequency of the provision of free reports (free report laws in Colorado, Georgia, Maine, Maryland, Massachusetts, New Jersey, Vermont are “grandfathered”).

Reinvestigations: CRAs (Equifax, Experian and Transunion) have 45 days to conduct reinvestigations of disputed items resulting from free report requests (compared to 30-45 days for all other reinvestigations). This does not apply if the CRA has not been continuously providing consumer reports for 12 months preceding request.

FTC To Create Summary Of Rights For Consumers: These rights include the availability of free credit reports, the right to dispute information in a credit report, and how to request and obtain credit score. The summary of rights will be distributed with adverse action notices (if a consumer is denied or offered credit at less than favorable terms) and actively promoted by FTC and posted on its website. This summary must also tell consumers that they may have additional rights under state law.

Credit Bureaus Must Provide Credit Scores, and information on up to four key factors (or five factors if the number of inquiries was a factor and not among the four key factors) adversely affecting a consumer’s score. Bureaus can charge a “fair and reasonable fee” for score, as determined by the FTC. This does not apply to mortgage scores, such as those created by automated underwriting programs.

One-Time Written Notification That Negative Information Will Be Or Has Been Sent To Credit Bureaus: Any financial institution that submits negative information to national CRA must give consumers one-time written notice that they have done so or will do so. This notice may be included in a notice of default or a billing statement, but not with Truth in Lending disclosures.

