

More Information on Correcting Credit Report Errors

March 8, 2013 - Last month, we told you about an FTC report with some disturbing conclusions. Among these, that 40 million Americans have errors on their credit reports and that it is nearly impossible for individuals to get these errors corrected. We also included a video report from 60 Minutes. There is also a follow-up video worth watching from 60 Minutes Overtime that demonstrates some of the difficulty faced by consumers trying to get their credit report corrected. NOTE: ACCESS does not agree with some of the advice given presented by the 60 Minutes crew - especially the advice about checking your credit report online - so after watching this be sure to read the remainder of this article (below the video). We'll give you information about how to do this without jeopardizing your privacy.

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The video above provides a glimpse of what consumers face when trying to correct errors on their credit report. However, it also provides some information that we believe could have been better presented. Here are some things that you should know:

60 Minutes was correct when they said that everyone should get familiar with their credit report and review it annually. But ACCESS advises against using the AnnualCreditReport.com website for this purpose. That site has an extremely weak privacy policy in our opinion. You can get the same thing for free by calling AnnualCreditReport at 877-322-8228. The phone privacy policy is much better; although you will not get instant access to your report. Instead, it will be sent to you via snail-mail.

The video also mentions websites like FreeCreditReport.com and TrueCredit.com. Steve Croft did say in the video that these sites were really teasers to get you to purchase services. But what he didn't say was that you really need to read the fine print on the sites. For instance, anyone who orders a \$1 credit report (this gives you instant access) at FreeCreditReport.com is enrolled in credit monitoring (another worthless service in our opinion). You get a 7 day free trial

when you order, but it is up to you to cancel the service in that time frame. If you don't you wind up getting billed \$19.99 per month for the service. TrueCredit.com has a similar program.

If that doesn't make you angry then consider the fact that the CRAs (like Experian which owns FreeCreditReport.com and TransUnion which owns TrueCredit.com) have a legal obligation to make sure that your credit report is accurate. That is federal law! Question of the day. If they actually followed the law, why would anyone need to purchase credit monitoring in the first place? I think you can probably come up with your own answer for that.

And finally, the 60 Minute crew suggested filing complaints with the FTC, your State Attorney General and the CFPB if you can't get your issues resolved. While we agree that you should do this, don't expect much from the government in this area. The FTC has been bombarded with these complaints for years yet the government has done almost nothing to force the CRAs to correct the problem. If you are really experiencing an issue and it is causing problems in your life, the best advice they gave in the video was to get an attorney. While this will not be a fast or easy solution, it is often the only one which is effective.

The thing to keep in mind if you are considering getting an attorney is that you need to set your own expectations beforehand. First, if you are trying to get a credit issue resolved, set a reasonable amount of time for resolution. The CRAs can run you through hoops for years. You will probably be better off setting a shorter time frame for yourself. Say six months.

Second, the CRAs will attempt to draw out the legal process for as long as possible. Just know when you go into it that could take you two or three years to get close to a court date. While that may sound ominous, it could be worse. You could have taken all of that time to continue to work directly with the CRAs to resolve your issue and still not have it fixed. This is what happens to most people. And most people eventually just give up. That's what they are counting on.

As a final note, you should know that the author of this article is not a fan of law suits. In fact, I believe that there is far too much litigation in the United States. With that said, this is one area that I really think the legal option may be the most effective and which is warranted. A bad credit report doesn't just impact your ability to borrow. It can impact your ability to get a new job or keep an existing job. It can keep you from purchasing a home and make it nearly impossible to find a landlord who will rent to you. It impacts nearly every major aspect of life for the average consumer. If the companies tasked with managing your credit file don't take their responsibilities seriously, then it is up to consumers to right the system. I can pretty well assure you that if the 40 million Americans with errors on their credit reports decided to file individual law suits against the CRAs tomorrow, things would change almost immediately. All of a sudden it could be more expensive for the CRAs to sell credit monitoring than it would be to keep accurate records.

by Jim Malmberg

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