

## CORONAVIRUS AND YOUR MONEY

# How to Fix Your Credit Reports

Before you apply for a mortgage or car loan, check your credit files for errors that could derail your plans.



*Illustration by Raul Arias*

Inaccurate information on your credit reports could hurt your credit score, and errors are not uncommon. Complaints to the Consumer Financial Protection Bureau about the major credit reporting agencies—Equifax, Experian and TransUnion—skyrocketed in 2020, and the majority concerned incorrect information, according to a report from the U.S. Public Interest Research Group.

Under the Fair Credit Reporting Act, you have a right to dispute information in your credit reports that you believe is inaccurate. Unfortunately, however, you can't just send a complaint to the CFPB and watch the mistakes magically disappear. You need to take specific steps to get the credit agencies to scrub errors.

You can download or print your credit reports from each of the three bureaus for free at [www.annualcreditreport.com](http://www.annualcreditreport.com) on a weekly basis until April 2022. In general, the credit reporting agencies receive information about you from your creditors on a monthly basis. And while your credit reports should look similar, there will be some differences, because some lenders don't report to all three agencies. For example, if you have a credit line with Affirm, which offers payment plans for online purchases, it may show up on your Experian report and not your Equifax or TransUnion report. When you're checking each report, make sure your address is correct and that information about lenders and your payment history is accurate for all of your accounts. For example,

each entry should show when you've paid your bills and whether the payments were on time.

**Disputing an error.** If you find an error, you have three options: Call the toll-free number provided on the report, fill out the bureau's online dispute form or write to the bureau. (If an error appears on two or three reports, you'll have to contact all of the bureaus that are reporting the error.) Experts suggest starting with the online form. It's typically the easiest to do, and you can attach documents, such as bank or credit card statements or letters from your lender, to support your contention that the information on your report is wrong.

Once a credit bureau receives your dispute, the bureau is required to conduct an investigation and contact the lender. The lender will then instruct the credit bureau either to update the information you're contesting or to leave the info alone because the lender believes it's accurate. After the lender responds to the credit bureau, the credit bureau is required to tell you the results of its investigation. Ideally, the credit reporting agency will get back to you within 10 to 14 days after you've filed your dispute, but it can take up to 30 days.

If a lender corrects an error, that should resolve your dispute. But things can get complicated if a lender contends that the information on your credit report is correct. If you're convinced that the information is incorrect, you can file a new dispute. Credit expert John Ulzheimer suggests filing this dispute by mail because that will allow you to provide more detail than the credit bureaus' online forms can handle.

Alternatively, you can go directly to the lender and state your case. Gerri Detweiler, credit expert and coauthor of *Debt Collection Answers*, did that when she applied for a car loan and discovered that her mortgage lender had reported that she had made six late payments. After she was transferred several times, she finally reached a representative with the mortgage lender who confirmed that the information was incorrect. From there, the mortgage company instructed each of the credit bureaus to fix the information on her reports. Detweiler's mortgage company also sent her a letter through the mail confirming that her situation was resolved.

If you come to an agreement or resolution with a lender, make sure you get it in writing and save it for your records. That's important because although you may get your error resolved more quickly by going directly to the lender, you could lose the right to get legal help if the lender mishandles your dispute.

If your credit reports contain errors stemming from identity theft, the bureaus must block the fraudulent items from appearing, as long as you follow certain procedures. According to the Federal Trade Commission, you must provide the following documents to the credit bureau (or bureaus, if the issue involves more than one report): A copy of a police report, a letter detailing the information that is fraudulent, and proof of identity, such as your Social Security number. If the credit bureaus determine that you were a

victim of identity theft, they'll notify the lender. For more information on what to do if you're a victim, go to [www.identitytheft.gov](http://www.identitytheft.gov).

**Caveats.** Fixing an error on your credit report doesn't necessarily mean your credit score will improve (correcting your address, for example, likely won't have an effect). However, successfully disputing a late payment should help because payment history counts for 35% of your FICO score. If you have a debt in collection—an old medical debt, say—that's reported twice, you should file a dispute, Detweiler says. Debts that have gone into collection are sometimes sold to other debt collection agencies, and that can lead to duplicate accounts on your report.

When reviewing your reports for errors, keep in mind that credit cards you have with retailers, such as Home Depot and Target, may show up under different names on your credit report. Retail credit cards are issued through financial institutions, such as Citibank and Synchrony Financial, so an account you don't recognize could be legitimate.

Finally, keep in mind that the Coronavirus Aid, Relief and Economic Security (CARES) Act enacted last year requires lenders to report your account as current if you were adversely affected by the pandemic and were current on your account when you entered into an agreement to defer or make partial payments.

“Some lenders have been better than others at following the CARES Act rules,” says Matt Liistro, founder of National Credit Fixers, a credit repair company. If your account was incorrectly reported as delinquent, your best bet is to call the lender with your payment agreement in hand so it can contact the credit bureaus about the error.

If disputing an error (or errors) becomes overwhelming, you can outsource the work to a credit repair agency. Note, however, that credit repair companies can't get accurate information removed from your report. Also, be sure to check with the Better Business Bureau ([www.bbb.org](http://www.bbb.org)) to see if there have been complaints filed against a credit repair agency before you enlist its help.

**NYSUT Note:** NYSUT Member Benefits endorses Cambridge Credit Counseling, to provide free debt counseling and other debt management services for NYSUT members. Click [here](#) for more information.

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