

Correcting My Credit

Correcting my Credit Report

When considering purchasing your first home, whether you get that mortgage or not, may depend on a network of credit reporting agencies that either share information with, or are owned by, three major credit bureaus. This report is what lenders use to issue mortgages or other loans.

It's a good idea to check your credit report to know where you stand before you get too far in the home buying process, that way you can be aware of problems before they jump up and derail your plans.

Getting copies of your credit reports is easy. You can request a copy from each of the three major national credit bureaus: Equifax, Experian and TransUnion. Checking your credit can cost you as much as \$9 per report, although it differs from state to state.

If you applied for a loan and were turned down, you are entitled to a free copy of your credit report, but you must request a copy by writing the correct credit bureau within 30 days of the rejection. With your request, you should include a copy of the declined loan application.

You can also get a free report if you are unemployed, planning to apply for jobs in the next 60 days, receiving public welfare assistance or believe the credit file contains mistakes resulting from fraud.

To obtain a copy of your credit report, call the number of the proper credit bureau and follow their directions, or order it online. If you write, you will need to include your full name, date of birth, current and former address, Social Security number, your spouse's name and your phone number. Each person requesting the report should sign the request.

When planning to buy a home, you should check your credit at least three to six months before you apply for a mortgage.

Once you get the report, you should make sure the following information is correct:

- Your name, or names if you are or were married
- Social Security number
- Date of birth
- Addresses of places you've lived
- Names of places you've worked
- Pending accounts and accounts that have been closed
- Nothing has been on the report longer than is allowed by law:

- Bankruptcies must be taken off your credit history after 10 years.
- Suits and judgments, arrest records, and most other kinds of unfavorable information must be dropped after seven years. Tax liens must be dropped seven years after the lien is paid in full.

• Records of delinquent payments or other problems (i.e., make sure they aren't mistakes)

Any error that you find must be investigated by the credit bureau and with the creditor who supplied the data. The bureau will remove any errors a creditor admits are there. If you disagree with the findings, you can file a short statement in your record giving your side of the story. Future reports to creditors must include this statement or a summary of it.

Be certain to be careful about applying for additional credit when you're about to apply for a mortgage. When the mortgage company checks your report they can find out who else has been checking your report and determine what, when and how you have been applying for credit. That means if you have been getting turned down and are desperately applying for credit all over town your potential mortgage company will know, and might turn your loan down because of it.