

# CREDIT REPORTING

Your credit report contains information about where you live, how you pay your bills, and whether you've been sued or arrested, or have filed for bankruptcy. Credit reporting agencies sell the information in your report to creditors, insurers, employers, and other businesses that use it to evaluate your applications for credit, insurance, employment, or renting a home. The federal Fair Credit Reporting Act (FCRA) promotes the accuracy and privacy of information in the files of the nation's credit reporting agencies.

Monitoring your credit card statements and your credit reports are the most important steps you can take to safeguard your credit and financial identity.

## **Free Credit Reports**

An amendment to the federal Fair Credit Reporting Act, known as the Fair and Accurate Credit Transaction Act, established a FREE credit report program. The program requires the three national credit reporting agencies, Equifax, Experian and TransUnion, to provide consumers, upon request, with a free copy of the credit report every 12 months. It is crucial that you check for inaccuracies and fraudulent use of your accounts. The free reports are available only through a central site set up by the three agencies.

To obtain the free reports, consumers can:

- Order online at [www.annualcreditreport.com](http://www.annualcreditreport.com)
- Call 1-877-322-8228 (mailed within fifteen (15) days of receipt but allow 2-3 weeks for delivery)
- Complete the Annual Credit Report Request form, available at [www.ftc.gov/credit](http://www.ftc.gov/credit) and mail to:

**Annual Credit Report Request Service**  
**PO Box 105281**  
**Atlanta GA 30348-5281**

We recommend that you stagger your reports and order one every 4 months. Staggering the requests throughout the year allows for a continual watch of your credit history and provides further protection from incidences of identity theft. So, if you order from only one company today, you can still order from the other two companies at a later date.

SOUTH DAKOTA OFFICE OF ATTORNEY GENERAL

**CONSUMER  
PROTECTION**

1302 E Hwy 14 Ste 3 • Pierre SD 57501   [consumerhelp@state.sd.us](mailto:consumerhelp@state.sd.us)

**1-800-300-1986**

This handout is for informational purposes and should not be construed as legal advice or as a policy of the South Dakota Attorney General. If you need advice on a particular issue, you should consult a private attorney or other experts.

[WWW.CONSUMER.SD.GOV](http://WWW.CONSUMER.SD.GOV) • 605-773-4400 • 1-800-300-1986

You will need to provide your name, address, Social Security Number, and date of birth when requesting your credit report. Also, if you have moved in the last two years, you may have to provide your previous address. To maintain the security of your file, each nationwide consumer reporting company may ask you for some information that only you would know, like the amount of your monthly mortgage payment. Each company may ask you for different information because the information each has in your file may come from different sources. NOTE: Your credit score is NOT included with the free credit report offered by Annual Credit Report.

### **If You Have Negative Information**

When negative information in your report is accurate, only the passage of time can assure its removal. A consumer reporting company can report most accurate negative information for seven (7) years and bankruptcy information for ten (10) years. Information about an unpaid judgment against you can be reported for seven (7) years or until the statute of limitations runs out, whichever is longer. There is no time limit on reporting: information about criminal convictions; information reported in response to your application for a job that pays more than \$75,000 a year; and information reported because you've applied for more than \$150,000 worth of credit or life insurance. There is a standard method for calculating the seven (7) year reporting period. Generally, the period runs from the date that the event took place.

### **Correcting Credit Report Errors**

Under the Fair Credit Reporting Act (FCRA), both the credit reporting agency and the information provider (that is, the person, company, or organization that provides information about you to a credit reporting agency) are responsible for correcting inaccurate or incomplete information in your report. To take advantage of all your rights under this law, contact the agency and the information provider.

### **ADDING ACCOUNTS TO YOUR REPORT**

Your credit file may not reflect all your credit accounts. Although most national department store and all-purpose bank credit card accounts will be included in your file, not all creditors supply information to credit reporting agencies: some local retailers, credit unions, and travel, entertainment, and gasoline card companies are among the creditors that don't.

If you've been told that you were denied credit because of an "insufficient credit file" or "no credit file" and you have accounts with creditors that don't appear in your credit file, ask the credit reporting agencies to add this information to future reports. Although they are not required to do so, many credit reporting agencies will add verifiable accounts for a fee. However, understand that if these creditors do not report to the agency on a regular basis, the added items will not be updated in your file.

### **Fraud Alerts & Security Freezes**

Anyone can ask the three major credit reporting agencies to place a fraud alert on their cred-

it reports. A **fraud alert** is simply a statement on your credit report that you may be a victim of fraud. Consumers can obtain a 90-day initial fraud alert if they believe they've been victimized.

Consumers who can provide evidence they've been victimized, such as a police report, can get an extended fraud alert that lasts up to seven years. A fraud alert directs lenders to verify an individual's identity before issuing loans or credit, typically by calling the individual first. Fraud alerts are supposed to alert you when someone applies for credit in your name and signals creditors to contact you for permission to issue credit in your name. Creditors, however, aren't required to abide by or even check the alert. Accounts can still be opened in your name even if you have a fraud alert on your credit report.

When you request a fraud alert from one agency, it will notify the other two for you. Your credit file will be flagged with a statement that says you may be a victim of fraud and that creditors should phone you before extending credit.

Equifax fraud department: 1-800-525-6285 • [www.equifax.com](http://www.equifax.com)

Experian fraud department: 1-888-EXPERIAN (888-397-3742) • [www.experian.com/fraud](http://www.experian.com/fraud)

TransUnion fraud department 1-800-680-7289 • [www.transunion.com](http://www.transunion.com)

A **Security Freeze** provides much stronger protection than a Fraud Alert. With a security freeze, no one can open any form of credit in your name without the correct Personal Identification Number (PIN) supplied by you. Your credit file is off limits to potential lenders, insurers and even potential employers.

A security freeze means that your credit file cannot be shared with potential creditors, insurance companies or employers doing background checks without your permission. Most businesses will not open credit accounts without checking a consumer's credit history first. A security freeze means that your credit file cannot be shared with potential creditors or potential identity thieves.

A security freeze can help prevent identity theft because even someone who has your name, address and SSN probably would not be able to obtain credit in your name. This, however, does not mean that you won't be able to get credit for yourself or allow potential employers to run a background check. The three (3) credit reporting agencies assign a PIN to you when you freeze your report. Using this PIN, you can lift the freeze when necessary. With a credit lock-down, a criminal can have your name, birthday and SSN — but it won't matter. No credit will be issued.

### **How do I place a security freeze?**

To place a freeze, you must request a security freeze in writing by certified mail to each of the three credit reporting agencies. If you are a victim of identity theft there is no cost for the placing, temporarily lifting (also referred to as "thawing") or removing a security freeze, as long as you have a report from either the police or a law enforcement agency. South Dakota

residents who are not identity theft victims must pay \$10 to freeze each credit report, or a total of \$30 to freeze their files with the three (3) credit reporting agencies. There is also a \$10 fee to temporarily lift (also known as “thaw”) or permanently remove a security freeze on your credit report.

Write to the three addresses below and include the information that follows:

**Equifax Security Freeze**  
PO Box 105788  
Atlanta, GA 30348

**Experian Security Freeze**  
PO Box 9554  
Allen, TX 75013

**TransUnion Security Freeze**  
PO Box 6790  
Fullerton, CA 92834-6790

**You must:**

- Send a letter by certified mail.
- Provide your full name (including middle initial as well as Jr., Sr., II, III, etc.,) address, SSN, and date of birth.
- If you have moved in the past 5 years, supply the addresses where you have lived over the prior 5 years.
- Provide proof of current address such as a current utility bill or phone bill showing your name and current mailing address.
- Send a photocopy of a government issued identification card (state driver’s license or ID card, military identification, etc.).
- If you are a victim of identity theft, to avoid the fee you must include a copy of report of alleged identity fraud or an identity theft passport.
- Pay the \$10 fee by check, money order, or credit card (Visa, Master Card, American Express or Discover cards only.) Give name of credit card, account number and expiration date and Card Identification Number (4-digit number on front of American Express or 3-digit number on back of other credit cards).

Different credit issuers may use different agencies; therefore, if you want to stop your credit file from being viewed, you must freeze it with Equifax, Experian, and TransUnion. To protect your credit, both you and your spouse have to freeze your separate credit files, via separate letters requesting the freeze, in order to get the benefit. That means the total cost for freezing is \$10 X 3 credit reporting agencies x 2 people = \$60.

After five (5) business days from receiving your letter, the credit reporting agencies will place a freeze providing credit reports to potential creditors. After ten (10) business days from receiving your letter to place a freeze on your account, the credit reporting agencies will send you a confirmation letter containing your unique PIN or password. Keep this PIN or password in a safe place. The freeze(s) will automatically expire seven (7) years from the date of placement and then can be renewed.

To permanently remove a security freeze, before it expires, you must request it by contacting each credit reporting agency. You will need your 10-digit PIN and two (2) forms of identification (e.g. pay stub with address and utility bill). It will cost \$10 with each credit reporting agency to remove it.