

How Do I Dispute Information on My Traditional Credit Report?

The information in your credit report (including personal information, credit accounts, loans and payment history) helps creditors determine how risky a borrower you are, whether or not you'll receive credit and what interest rate and fees you'll pay to get that credit.

That's why it is in your best interest to make sure all of the information contained in your credit report is accurate. You might be surprised to discover that credit reports frequently contain details that are inaccurate, untrue or completely wrong.

Consider Jorge's case. Jorge got a big federal tax refund one year. With that money, he paid off the balance of his car payment. Unfortunately, the bank that held the note on Jorge's car didn't record the account as paid off and instead kept sending him notices for late payments. Jorge finally got the problem (a clerical error) straightened out with the bank, but it had already automatically reported Jorge's "missed payments" to the traditional credit bureaus. As a result, his credit history was damaged and his credit score dropped.

To clear his report, Jorge had to file a dispute with the credit reporting bureaus . Here's what he did:

1. He notified the credit reporting company—**IN WRITING**—of what information he thought was inaccurate.
2. He included copies (NOT originals) of documents that supported his position, which was that the bank had made a mistake.
3. He provided his complete name and address, and his letter clearly identified each item that he was disputing in his report. He stated the facts very calmly, without emotion.
4. He requested that the incorrect information be removed or corrected.
5. He enclosed a copy of his report with the items in question circled.
6. He sent the whole bundle by certified mail with return receipt requested, so he could document when the credit reporting company received it.
7. Finally, he kept copies of his dispute letter and the other documents, for his own files.

Credit reporting bureaus must investigate the disputed items in question within 30 days. If the information provider—in this example, the bank that held Jorge's car note—finds the disputed information to be inaccurate, it must notify the three major credit reporting bureaus (Experian, Equifax and TransUnion) so they can in turn correct the information in your files.

When the investigation is complete, the credit reporting bureaus must give you the results in writing, as well as a free copy of your report if the dispute results in a change on it. This free report does *not* count as your annual free report.

After about six weeks, Jorge learned that the incorrect information had been removed from his credit file and would no longer affect his credit score.

Because your credit score affects more than just getting a credit card or buying a house or car, it is important to check the information on it very closely.