

## Annual credit-report checkup just what the doctor ordered



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**ATTORNEY** Sonya Smith-Valentine says one of her clients has died three or four times.

Well, at least according to his credit reports.

The client has repeatedly learned about his presumed passing after being denied credit because credit reports have erroneously listed him as deceased, the attorney said.

So the client contacts the credit-card company suspected of generating the error, to prove he's alive.

"It gets fixed and later comes back," said Smith-Valentine of Prince George's County, who represents consumers in disputes with card issuers and credit bureaus. "It started in the early 1990s. It's now 2004. How many times does he have

to tell you, Guys, you got this wrong?"

Credit reports reveal a consumer's financial track record, and serious mistakes on them can have serious consequences. Businesses rely on reports to decide whether to extend credit and what interest rate to charge. Employers also look at the reports in making hiring decisions, especially when the prospective worker would be handling money.

A report's contents also determine a consumer's credit score, a number that predicts one's likelihood of repaying bills.

How often errors crop up is debated by consumer advocates and the industry.

A recent report by state Public Interest Research Groups (PIRG) contends that mistakes are common.

A quarter of 197 reports surveyed contained severe mistakes, such as wrongful delinquencies, that could cause a denial of credit, PIRG said. Twenty-two percent listed a mortgage or loan twice, and 30 percent listed accounts as open that had been closed by consumers.

All told, 79 percent of the reports had serious or minor errors, PIRG said.

Errors happen through identity theft, coding and reporting mistakes, or when a credit bureau mixes account information from consumers with similar names or addresses, PIRG said.

Norm Magnuson, a spokesman for the Consumer Data Industry Association, a trade group for credit bureaus, says that the PIRG study sample is too small to provide an accurate assessment. The methodology was skewed to exaggerate the percentage of complaints, he contended.

The one thing that consumer groups and industry players do agree on, though, is that consumers should look at their credit reports at least once a year.

To get reports from the three national credit bureaus, contact Experian at 888-397-3742, Equifax at 800-685-1111 and TransUnion at 800-888-4213.

The new Fair and Accurate Credit Transactions Act, signed into law in December, aims to improve the accuracy of reports and to prevent identity theft. One provision will make it less expensive for consumers to check out what creditors are saying about them.

Beginning in December on the West Coast and following in the



ANDRE F. CHUNG / SUN STAFF

**Attorney Sonya Smith-Valentine represents consumers who have errors on their credit reports, including a man who has been denied credit because his reports have mistakenly listed him as dead.**

rest of the country over nine months, the major credit bureaus must give consumers free copies of their credit reports once a year. (Each year, Marylanders are entitled to a free report under state law.)

What do you do if you spot an error?

If an error is on one report, pull reports from the other two major bureaus to see if the mistake is repeated elsewhere, Smith-Valentine said.

You can always call a credit bureau to report an error, but Smith-Valentine suggests putting your complaint in writing in case the dispute ends up in court and you need to document the steps you took to correct the problem.

Keep copies of everything you send to the bureaus and notes about those you talked to and when, she said.

Send the complaint by certified mail, so you'll get a receipt showing when the bureau received your letter, Smith-Valentine said.

Under law, a complaint must be investigated within 30 days after it's received. If in that time the par-

ticular credit bureau doesn't hear from the lender or creditor that supplied the disputed information, the item must be deleted from the report.

Once the investigation is completed, credit bureaus must tell the consumer in writing whether the report will be revised or not, said Peggy Twohig, assistant director of the Federal Trade Commission's division of financial practices.

If the information is corrected, the consumer can request that the bureau send correction notices to creditors or others who received the report in the past six months, Twohig said. Correction notices also can be sent to any employer that got the report in the past two years, she said.

If a creditor verifies that the information is correct, it stays in the report. However, consumers can ask the credit bureau for the name and telephone number of the creditor who supplied the information.

(Some consumer advocates suggest contacting the credit or involved in the mistake as soon as the error is spotted, in addition to

filing a complaint with a credit bureau.)

A consumer who disagrees with the investigation's findings also can add a statement of up to 100 words on his report, giving his side of the story.

Fair Isaac Corp., which produces the FICO credit score that is widely used by mortgage lenders and creditors, won't include information that's being investigated in a consumer's score, spokesman Craig Watts said. But once a lender or creditor verifies the accuracy of the information, even if the consumer still disagrees, the data will become a factor in the scoring, he said.

Unhappy consumers should also file a complaint with the Federal Trade Commission at 877-382-4357, or at [www.ftc.gov](http://www.ftc.gov), experts say. The agency doesn't take on individual cases but will pursue cases against credit bureaus or businesses that show a pattern of abuse.

Also, under the new credit act, the FTC will share with the credit bureaus the complaints from consumers who disputed information and are unhappy with the results or the process, Twohig said.