

# The Truth About Credit Repair



## Have you ever heard this before?

**“Credit Problems? No Problem!”  
“Your Bad Credit Erased...  
100% Guaranteed”**

If you have ever read this type of advertisement, **BEWARE!** There are numerous companies throughout the United States that claim they can “fix” your credit report for a fee. In most cases they do little or nothing to fix your credit report. What ends up happening is these companies take your money and disappear with it. Then, you’re left with bad credit and less money in your possession.

Many companies also claim they can create a new credit file for you by getting you a “new” Social Security number. This is illegal and never actually works.

Your credit history is maintained by companies called credit bureaus. These are private companies that collect information that is reported to them by mortgage companies, banks, department stores and other creditors. These bureaus can legally report any accurate negative information for 7 years and bankruptcy information for up to 10 years. Any accurate negative items that are within the 7 (or 10) year reporting period cannot be erased from your report by anyone. Not even companies that advertise to “repair credit” can erase this information.

## Myth

Credit Clinics and/or Credit Repair Services can “clean up” your credit report.

## Fact

No one can legally remove accurate information from a credit report. However, you can request an investigation on any of the information in your file that you dispute as inaccurate or incomplete.

You are entitled to a free copy of your personal credit report once per year and if you have been denied credit within the last 30 days. If you have applied for credit, insurance, or employment and have been denied due to the information supplied by the credit bureaus, the company you applied with must provide you with the name and address of the credit bureau they use.

You can dispute mistakes or outdated items for free. What you need to do is ask the credit reporting agency for a dispute form or submit your written dispute, as well as any supporting documentation you have. Note each item in your report that you wish to dispute, explain the reason for the dispute & request an investigation. If the investigation doesn’t resolve your dispute, you can request that your “version of the dispute” (100 words or less) be included in your file and in future reports.

Time is the only thing that will “repair” your credit report. By making on time payments when they are due, your credit will improve.

## Steps to Check Your Credit

You are entitled to see any information that the credit bureaus have on file about you. This is required by law. To find out what is listed on your credit report, you can follow these simple steps:

- 1. Contact the three major credit bureaus.** (Experian, TransUnion and Equifax)
- 2. Obtain a copy of your credit report.** You are entitled to a free report once per year.
- 3. Review your credit report for any mistakes.** If you do not understand something, you can ask. By law, the credit bureaus are required to explain your report to you.
- 4. If a mistake is found, notify the credit bureau of the mistake and provide them with as much information regarding the error.** An investigation will be conducted to dispute the information (if legitimately incorrect), and all necessary corrections will be made. A corrected copy of your report should be sent to anyone who has received the incorrect version within the past 6 months.

## Are You A Victim?

If you have ever encountered a serious problem with a credit repair company, you CAN report them. You can contact your local consumer affairs office or your state attorney general. Check with your local directory assistance to see if a toll-free number is available.

You can also contact the Federal Trade Commission (FTC) at 1-877-FTC-HELP to report any situations. Although the Commission cannot rectify individual credit problems for the consumer, it can act against a company if they see a pattern of possible law violations. If you feel a company has engaged in credit fraud, you can send complaints to: **Federal Trade Commission, CRC-240, Washington, DC 20580**

This brochure is meant as an overview and is for general information purposes only.  
Please call us if you need further assistance.

---

An Educational Message from

**novadebt**<sup>SM</sup>

A Garden State Consumer Credit Counseling<sup>SM</sup> Organization



225 Willowbrook Road  
Freehold, New Jersey 07728  
**1-800-99-BILLS**  
**www.novadebt.org**

