

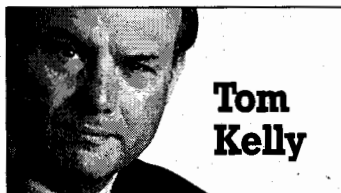
If a credit report is incorrect, take steps to make it right

My oldest brother not only was a victim of credit fraud the past year, but his family's passports also were stolen just two weeks before a long-awaited vacation.

Mike, 60, took all the right steps and notified the police, credit card companies, his local bank and the postmaster. Just when he felt he was back on track, he discovered some incorrect information on his credit report dating back more than three years.

Credit fraud and credit repair, although not on the same level of loss and anxiety, are two separate challenges. Don't wait until you need a clean credit report to check it. Credit blemishes could delay your new home loan or request to refinance.

If you have protested incorrect information on your credit report, check with your state's consumer protection division or the state's Attorney General's Office. In Washington state, a credit bu-



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reau has 30 business days to reinvestigate any contested blemish on your credit report and then contact you with the findings. If the credit bureau cannot verify the delinquency in question, the delinquency must be removed.

The laws are an attempt to get creditors and reporting agencies to clean up their files and speed up processing. Many also require that the credit-reporting agency contact the creditor within five days to verify the debt.

Often, problems with credit reporting occur to consumers with extremely common last names — like Kelly. Eight years ago when I applied for a mortgage, I re-

ceived a credit report showing two delinquent payments to department stores. The "30-day lates" were more than 15 years ago, and I determined they occurred when we were moving into a new home. I wrote the stores, explained what happened, and both companies removed the delinquent notices.

However, the letter from one store was never received by the credit bureau.

Three years later, it happened again: The same delinquent notice showed up on my report when I was considering a refinance. I dug out the original letter, called the credit-reporting agency and demanded an explanation.

Consumer credit laws give the credit-reporting agency five business days from the time I inquired to contact the store about the delinquency. The inquiry does not have to be in writing. The credit agency has 30 busi-

ness days from the day I called to get back to me.

Needless to say, I also called the department-store chain and spoke to a credit agent. I read her my letter over the phone and explained someone had dropped the ball. What added fuel to my fire was the long-distance call (no toll-free number) and the time it took while I was on hold and to converse and take names.

Credit reports are powerful vehicles. Jobs, homes, reputation and future credit often depend on them. When a lender obtains a credit score for a basic transaction, it usually contains information from three major bureaus. There's a difference between a credit agency and a credit bureau. Bureaus collect data from banks, court records, department stores, etc. Agencies research what is in the bureau and report the findings.

There are three major national bureaus — Trans Union

(800-888-4213), Equifax (800-685-1111) and Experian (800-682-7654). The Fair Credit Reporting Act allows consumers to obtain all information in their file from each credit bureau. Requests must be made to each bureau.

If an incorrect item appears on a credit report, it's up to the consumer to see that it is corrected. For example, I once had two mortgages with the same lender. Both payments were once credited to one account, and I got a delinquency notice on the other. It took two letters and numerous phone calls to get the 30-day delinquency removed from my credit report.

Merely telling the agency is not enough. You should submit the explanation or proof in writing. Consumers sometimes often don't understand that a credit agency cannot remove something from a credit report without the authorization of the company

filing the delinquency. Delinquencies include tax liens, judgments and repossessions.

A company's willingness to delete a past mistake or credit delinquency often depends on who answers your letter or call. Many credit reps have heard a variety of excuses and explanations (because people try to say their bad credit isn't their fault) and are uncooperative. An innocent person can be looked on as a guilty party. The attitude seems to come with the territory.

If you have not been given a fair shake on your credit report and all around you have been dropping the ball, ask a real estate professional, local banker or an attorney about creative suggestions for a next step.

Tom Kelly hosts "Real Estate Today" 11 a.m.-noon Sundays on KIRO (710 AM). Send questions and comments to news@tomkelly.com.