

# How's Your Credit?

## Score, Payment History Determine Loan Eligibility

Can you lease or finance a car, or get a mortgage or home equity loan, or get a new credit card? Will your rates be reasonable? It all depends on your credit.

Although credit issuers (banks, mortgagors, credit card companies) have different policies, many rely on two factors - your credit score and credit history.

Credit score is a mathematical calculation based upon five factors. Payment history matters most, and how much you owe second. The higher the score, the more likely it is you'll get credit, and at better rates (based upon you being a lower risk). The most widely used scoring method was developed in the 1950s by the Fair Isaac Corp., now known as FICO. There are web sites that will provide your credit score, for a fee.

There are three major companies that compile credit information and issue reports - Equifax, Experian and Trans Union. Credit issuers subscribe to them and send reports as to inquiries, payments, delinquencies, suits, termination of accounts and the like.

When you apply for credit (or employment), you usually sign an authorization to the credit issuer (or employer) to obtain a report. They then evaluate it in aid of determining whether to issue you credit.

You have a right under federal law, the Fair Credit Reporting Act (FCRA), to obtain a free copy of your report once a year. Some states have similar laws; Pennsylvania does not. There is one le-

rected timely. Negative information that is more than seven years old, and bankruptcies more than 10 years old, may no longer be reported.

The law provides that you may seek damages from violators. An entire body of case law has developed under the statute. Suit can be filed in state or federal court. The Federal Trade Commission ([www.ftc.gov/credit](http://www.ftc.gov/credit)) is helpful in learning about these rights. Information about identity theft is also available there.

How do you get better credit? It's obvious - pay on time, pay at least minimums, don't carry too much debt, don't cause accounts to be closed, and don't be unresponsive to creditor communications.

All of the foregoing is meant to be an introduction to the subject, and not an exhaustive examination. Consumer debtor lawyers should be consulted for problems that can't seem to be solved. The law is complex, but remedies are available. ■

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gitimate web site ([annualcreditreport.com](http://annualcreditreport.com)) that will assist you in making a request without paying a fee. Beware of other sites that seem to offer it free but couple it with the purchase of a service or products.

If you don't agree with what you see on a report, you should contact the creditor who submitted the information, and the credit reporting company or companies, and dispute the information. The agency must then investigate your complaint. Incomplete, inaccurate or unverifiable information must be removed or cor-

TO CHECK YOUR CREDIT SCORE,  
CONTACT ONE OF THE FOLLOWING  
**Credit Bureaus**

**Trans Union,  
L.L.C.**  
Transunion.com  
Box 6790  
Fullerton, CA  
92834

**Equifax, Inc.**  
Equifax.com  
Box 740256  
Atlanta, GA  
30374

**Experian**  
Experian.com  
Box 9554  
Allen, TX 75013

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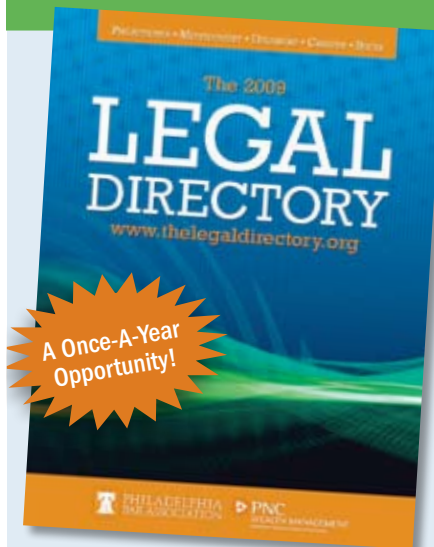
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