



CREDIT REPORTS

What they are and why they matter.



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WHAT IS A CREDIT REPORT?

A credit report is a detailed record of how you've managed your credit over time. The more positive information you have in your credit report, the better your credit options will be.

What is a creditor? A business who gives you money, goods or services that you can pay for over time.

WHAT INFO IS IN MY CREDIT REPORT?

Credit reporting agencies (Experian, TransUnion, Equifax) get information from creditors and public records and compile it into a credit report.

Personal information

- Your name and any name you may have used in the past
- Current and former addresses
- Birth date
- Social Security number
- Phone numbers

Credit accounts

- Current and past credit accounts, including the type of account
- The credit limit or amount
- Account balance
- Account payment history
- The date the account was opened and closed
- The name of the creditor

Public records

- Liens
- Civil suits and judgments
- Bankruptcies

Inquiries

- Hard - You applied for credit, which affects your score.
- Soft - When you or a current creditor check your report. Also, when potential creditors check your report for pre-approval offers. No affect on your credit score.

**Not all credit accounts are reported. It depends on whether the creditor provides information to credit reporting companies.*

HOW IS MY CREDIT REPORT USED?

Credit reports are commonly used to determine whether to provide you with credit and how much you will pay for it. Credit is often pulled by creditors and other businesses when you apply to:



- Buy a home
- Set up utility accounts
- Buy a car
- Borrow money
- Get a job
- Rent an apartment
- Buy insurance
- Get a credit card

HOW DO I GET MY CREDIT REPORT?

By law, you're entitled to a free copy of your credit report from each of the three major consumer credit reporting agencies — Equifax, Experian and TransUnion — once every 12 months.

To order, visit
annualcreditreport.com
or call 1 (877) 322-8228.

You can request all three reports at once or you can order one report at a time, spaced throughout the year. There are other times when you may get a free credit report, see page 6 for more details. Already claimed your free reports? A credit reporting company can charge no more than \$12.50 for a credit report.



Tip: Make a habit of pulling your credit report by doing it on the same day every year like your birthday, anniversary, etc.

WHY SHOULD I CHECK MY CREDIT REPORT?



The South Carolina Department of Consumer Affairs suggests that you review your credit report at least once a year. Why?

- **To make sure the information is accurate, complete, and up-to-date.** This way, you know what's on the report and have time to fix errors before you apply for a loan for a major purchase, buy insurance or apply for a job.
- **To help find signs of possible identity theft.** Identity thieves may use your information to open new credit accounts in your name. Then, when they don't pay the bills, the unpaid accounts are reported on your credit report.

WHAT SHOULD I CHECK ON MY CREDIT REPORT?

Go through your credit report with a fine-tooth comb. For a full check-list go to pages 12-13. Here are some areas that have common errors:

Personal Information:

- Make sure all of your personal information is correct including: name, social security number, phone number, previous addresses, marital status and employment history.

Account Information:

- Are the accounts on the list showing the right status? *Examples: open, closed, never late or late in collections.* Are all of the balances and credit limits correct?
- Are the dates listed in each account right? Make sure to look at the date opened, when the last payment was made and the date of the first late payment.
- Are there any accounts you don't recognize or show up more than once?

Find Any Errors?:

- If you found incorrect information, you can dispute it. Your credit report gives directions on how to submit a dispute.
- Do you suspect that you have been the victim of identity theft? Call our Identity Theft Unit at (844) 835-5322 or fill out an intake form at www.consumer.sc.gov.

CREDIT SCORES

WHAT IS A CREDIT SCORE?

A credit score is a three-digit number designed to predict if you will pay your bills on time. Higher credit scores generally result in better credit terms and more options.

HOW DO I BOOST MY CREDIT SCORE?

There is no quick fix to improving your credit score. In order to boost your credit score, you need to improve your credit report. Here's how to start:

BILLS



If your credit report shows that you paid bills late, had an account in collections or declared bankruptcy, it is likely to lower your score.

If you've missed payments, get current and stay current. The longer you pay your bills on time after being late, the more your score should increase. One way to make sure your payments are on time is to set up automatic payments or reminders. The impact of past credit problems fades as time passes and as recent good payment patterns show up on your credit report.

APPLICATIONS



If you recently applied for too many new accounts, like credit cards, it could lower your score. It may lead creditors to think you can't pay what you owe or stick to a budget. Take your time and think about whether you can afford another bill to pay, or even if you need the new credit at all. Watch out for store credit card offers. The cost to your credit may outweigh any discounts.



CREDIT SCORE RANGES*

300-579 – POOR
580-669 – FAIR
670-739 – GOOD
740-799 – VERYGOOD
800-850 – EXCELLENT

*These ranges are general numbers, not a strict representation of every score range.

CREDIT HISTORY & TYPES OF CREDIT



Lack of credit history may affect your score negatively, but factors like timely payments and low balances can level that out. The more your credit report shows you paying on time, the more info there is to show you know how to handle credit.

A mix of credit types, including long-term loans (A car or mortgage), revolving accounts (Credit cards) and short-term loans (Personal loans) that you pay on-time also show a creditor you are a low-risk.

CREDIT LIMITS



Part of your credit score depends on your credit utilization ratio. You can get your ratio by dividing your total credit card balances by your credit limits. You want to keep your credit utilization under 30%.

If the amount you owe is close to your credit limit, it's likely to have a negative effect on your score. Try to keep your balances low compared to your total credit limit. Paying off the balance each month helps get you the best scores.

COMMON CREDIT MYTHS

MYTH: CHECKING MY CREDIT REPORT WILL HURT MY CREDIT SCORE.

Fact: Getting your credit reports will not hurt your credit scores, and can be an important tool to make sure your information is accurate and up-to-date. Reviewing your credit reports regularly gives you an opportunity to quickly identify and fix any errors.



MYTH: GETTING LOAN ESTIMATES FROM MULTIPLE LENDERS WILL HURT MY SCORE.

Fact: Shopping around for credit and comparing offers can help you find the best rates. For auto loans and mortgages, credit scoring models view multiple credit report inquiries made in a certain time frame as just one. For other types of credit applications, it will impact your score. Do your research before you apply to find the best fit for you.



MYTH: I ONLY HAVE ONE CREDIT SCORE.

Fact: You have multiple credit scores. Often, the score you see isn't the same one the creditor sees.

Your score depends on the scoring model, the type of credit you're seeking and even the day when it's calculated. It's normal to see slightly different numbers throughout the year and from different sources.



MYTH: CARRYING A BALANCE ON MY CREDIT CARDS WILL IMPROVE MY CREDIT SCORE.

Fact: Paying off your credit cards in full every month is the best way to improve a credit score or maintain a good one.



MYTH: I HAVE TO PAY TO GET MY CREDIT REPORTS.

Fact: You're entitled to one free copy of your credit report every 12 months from each of the three major credit reporting companies (See page 2).

You're also entitled to a free report if you're unemployed and plan to look for a job; if you're on welfare; are denied employment/credit or if your report is inaccurate because of fraud, including identity theft.

MYTH: CLOSING CREDIT ACCOUNTS WILL IMPROVE MY CREDIT SCORE

Fact: Closing a credit card account can help you manage your spending and protect from identify theft if you're not using the account. It may make sense for your financial situation, but don't assume it will improve your credit scores.

If you close some credit card accounts, but hold the same balance, you'll be using a higher percentage of your total credit limit, which could lower your scores.

MYTH: THERE ARE ONLY THREE CREDIT REPORTING COMPANIES.

Fact: Equifax, Experian, TransUnion are the three nationwide credit bureaus. But, there are also hundreds of other consumer reporting companies.

The other kinds of credit reporting companies compile and provide information used for purposes like employment, tenant screening, insurance, utilities, etc.

All consumer reporting companies offer a free copy of your report every 12 months.

SHOULD I HIRE A CREDIT COUNSELOR?

If you think you need help managing your credit, you may consider hiring a credit counselor. But first:

Are they licensed?

- Credit counseling includes debt management, debt settlement/negotiation and credit repair.
- People offering and providing credit counseling services to South Carolinians must be licensed with SCDCA.
- To see if a counselor is licensed, visit consumer.sc.gov.

Do your research.

- Check online for reviews/complaints on SCDCA's complaint portal or with the Better Business Bureau.
- Research the qualifications of the company and its employees.
- Determine if the services offered fit your budget and needs.
- Find out what the services cost.

Know Your Rights.

- Credit counselors must provide a financial education program and analyze your budget to make sure the program is right for you.
- They must provide you with a completely filled-in contract, no blank spaces.
- If the credit counselor is paying your creditors, they must send you an account statement every three months.

Remember: You can cancel at any time by giving a 10 day written notice and the credit counselor cannot charge you for cancelling.

Credit counselors and organizations CANNOT:

- Charge you more than what the law allows. Call or visit SCDCA's website to find out the current fee caps. For example, credit repair companies cannot charge you more than \$50/month.

If you'd like to file a complaint against a credit counselor, visit consumer.sc.gov, click "How do I..." and then "File a Complaint."

Credit problems? No problem!

We can erase your bad credit — 100% guaranteed.

**WE CAN REMOVE BANKRUPTCIES, JUDGMENTS, LIENS,
AND BAD LOANS FROM YOUR CREDIT FILE FOREVER!**

CREATE A NEW CREDIT IDENTITY — LEGALLY.

Don't believe these claims: they're very likely signs of a scam.

The truth is you can dispute errors in your credit report for free. You don't need to pay a credit repair organization to do it.

RED FLAGS OF A CREDIT REPAIR SCAM

If you choose to get help, watch out for these red flags:

• Pressures you to pay up-front fees.

A simple rule to follow is "Don't pay upfront."

• Promises to remove ALL negative information from your credit report.

No one can do this if the information is accurate and current.

• Tells you to not contact credit reporting companies or creditors.

Again, you can dispute your credit report directly with credit reporting companies and creditors for free. If you just signed up for a credit repair service, you have the right to cancel the contract within three business days at no charge.

KEEP *your* INFORMATION SAFE

Take these four free steps to keep your personal information safe from fraudsters:

1 CONSIDER A SECURITY FREEZE & FRAUD ALERT

Prevent scammers from opening new accounts using your information by placing a **FREE** security freeze on your credit reports. A security freeze puts your credit report on lockdown, limiting access to it without your OK, and lasts until you lift it.

A fraud alert will allow a business to pull your credit report, but only after taking extra steps to verify the applicant is really you.

2 MONITOR YOUR STATEMENTS

Make sure your bills and benefits, medical and financial statements are arriving on time and are correct. Identity thieves can use your info, like a social security number, the same way you do. Including to get:

- Government benefits
- Cell phones/utilities
- Tax refund
- Driver's license/ID
- Medical benefits
- A job

3 DEFEND AGAINST SCAMS

Scam artists use information from breaches to make their requests seem legit. Never reply to calls, texts, pop-ups, or e-mails that ask you for, or to verify, personal information.

Fraudsters may even pose as a monitoring service and send emails with subject lines or content like: "Identity Theft Alert" or "Your Score Has Dropped." Avoid clicking on links or downloading attachments from suspicious emails or texts.

4 INTERESTED IN A MONITORING SERVICE?

Think you might need some help keeping track of everything? Monitoring services often offer to do what you can do yourself for free. Just remember to research the company to ensure they are trustworthy, reliable, legitimate and that their services fit your needs.

Even if you enroll in a service, it doesn't take you out of the picture. You are the best tool for detecting identity theft.

FREE ACCOUNT MONITORING TOOLS

Consider these tools for protecting your accounts.



SET-UP ACCOUNT ALERTS

Most banks and credit unions offer alert programs to help you easily track your accounts. You can setup alerts for purchases, low balances, available credit and more. The options are almost endless because you can tailor them to your liking. You can also choose how you'd like to receive the alert (ie: text/email).



LOGIN PROTECTIONS.

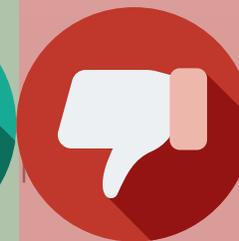
Logging in online? Research any extra security options offered such as: (1) two-factor authentication - requires an extra step to verify it's you attempting to login, and (2) login alerts - give you notice when someone logs into your account from a device you don't normally use.

DO THESE THINGS:

- Shred items that include personal information before getting rid of them.
- Before sharing information at the doctor's office, your child's school or a business ask: why they need it, how it will be protected, and what options you have if you don't want to give the information.
- Take those outgoing bills to a USPS blue mailbox.
- Use anti-virus software and update it often.

DON'T DO THESE THINGS:

- Never release your personal identifying information (PII) to someone you don't know. That means keep your SSN, date of birth and financial account numbers to yourself!
- Don't use your debit card when shopping online.
- Don't use public wi-fi to make purchases or login to your mobile banking site.
- Don't carry around your social security card or birth certificate.



CREDIT REPORT CHECKLIST

Use the following worksheet to review each section of your credit report. Do this for each credit report you get throughout the year. Then, keep the completed checklist with your credit report.

TODAY'S DATE:

1. Is your name correct? YES NO

2. Is your Social Security number correct? YES NO

3. Is your current address correct? Is your current phone number correct? YES NO

4. Are the previous addresses they have listed for you correct? YES NO

5. Is your marital status listed correctly? YES NO

6. Is the employment history they have listed for you accurate? YES NO

7. Is everything listed in the personal information section correct? YES NO

8. Is there anything listed in the public record information? YES NO

Is it correct? YES NO

Highlight the information you think may not be correct.

9. Are the accounts on the list still open? YES NO

Review each item under the credit account (trade account) section.

10. Are all of the current balances correct? YES NO

11. Are accounts where you are an authorized user or joint owner listed? YES NO

12. Are zero balances recorded for debts discharged in bankruptcy? YES NO

For debts paid in full? YES NO

13. Are you listed as a co-signer on a loan? YES NO

Is this correct? YES NO

14. Are accounts that you closed listed as "closed by the consumer"? YES NO

15. Is negative information reported on each credit account correct? YES NO

Look for late or missed payments and other defaults. Highlight items you think are not correct.

16. Are any accounts listed more than once? YES NO

Check to make sure the same account is not listed multiple times in the collections section.

17. Is old negative information still being reported? YES NO

If yes, highlight the information. In most cases, negative info that is more than 7-years-old and bankruptcies more than 10-years-old cannot be reported.

18. Do you suspect that you have been the victim of identity theft after reviewing your credit reports? YES NO

Your credit report contains a lot of personal and financial information. Be sure to keep any hard copies in a safe and secure place. If you do not want to hang on to your credit reports, shred them.

CONTACTS

EXPERIAN

Online:
experian.com/help

Phone: (888) 397-3742

TRANSUNION

Online:
transunion.com/credit-help

Phone: (800) 680-7289

EQUIFAX

Online:
equifax.com/personal/credit-report-services

Phone: (800) 685-1111

REPORT SCAMS TO:

SCDCA: (844) 835-5322 or www.consumer.sc.gov
FTC: (877) 382-4357 or ftccomplaintassistant.gov
FCC: (888) 225-5322 or fcc.gov/complaints (phone)

DO NOT CALL REGISTRY

Add your number to the Do Not Call Registry:
Donotcall.gov or (888) 382-1222

STOP UNSOLICITED OFFERS

Opt out of snail mail marketing:
Dmchoice.org

Opt out of preapproved credit offers:
www.optoutprescreen.com or call (888) 567-8688.

South Carolina

DEPARTMENT OF CONSUMER AFFAIRS

PO Box 5757 • Columbia, SC 29250
(800) 922-1594 • www.consumer.sc.gov

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