

Your Finances

Protect Yourself From Credit Repair Scams

(NAPSA)—Every day, companies promise consumers who have poor credit histories that, for a fee, they'll clean up their credit report so they can get a car loan, a home mortgage, insurance or even a job. The truth is, these companies can't deliver an improved credit report using the tactics they promote. It's illegal: No one can remove accurate negative information from your credit report. So after you pay them hundreds or thousands of dollars in up-front fees, you're left with the same credit report—and a lot less money.

Indeed, attorneys for the Federal Trade Commission, the nation's consumer protection agency, say they've never seen a legitimate credit repair operation. The fact is, there's no quick fix for bad credit. The only legitimate credit repair starts with you—and it takes time and a conscious effort to pay your debts.

Recognizing A Credit Repair Scam

If you see a credit repair offer, here's how to tell if the company behind it is up to no good:

- The company wants you to pay for credit repair services before they provide any services. Under the Credit Repair Organizations Act, credit repair companies cannot require you to pay until they have completed their promised services.
- The company doesn't tell you your rights and what you can do for yourself for free.
- The company recommends that you do not contact any of the three major national credit reporting companies directly.
- The company tells you they



Companies that promise to scrub your credit reports of accurate and timely negative information for a fee are lying—plain and simple.

can get rid of most or all the negative credit information in your credit report, even if that information is accurate and current.

- The company suggests that you try to invent a “new” credit identity—and then, a new credit report—by applying for an Employer Identification Number to use instead of your Social Security number.

- The company advises you to dispute all the information in your credit report, regardless of its accuracy or timeliness.

To learn how to improve your credit and find legitimate resources for low- or no-cost help, see *Credit Repair: How To Help Yourself* at ftc.gov/credit.

To file a complaint or to get free information on consumer issues, visit ftc.gov or call toll-free, (877) FTC HELP (1-877-382-4357); TTY: (866) 653-4261.