

# MANAGING YOUR MONEY



## Why It Pays To Understand Your Credit Report

by David R. Wolff, Vice President,  
Consumer Relations, TransUnion

(NAPSA)—The U.S. functions in a credit economy, where a significant amount of business-to-consumer transactions are based on credit



David Wolff

scores or assessing credit risk. Unfortunately, the average American does not usually recognize the importance of periodically checking his or her credit report and score.

Credit reports come into play when applying for a mortgage or auto loan, purchasing a cell phone plan, renting an apartment, getting insured, and more. Many people learn about the significance of their credit history only after being turned down for credit.

Lenders and credit grantors use your credit report and score as tools to determine whether to extend credit or approve a loan application. A credit score is one measure of how likely it is that you will repay a debt; and is based on the following information from your credit report:

- **Credit information:** Information about your accounts, including credit limit or loan amount, balance, date opened, monthly payment, and your payment history for the last few years.

- **Inquiries:** Names of businesses or individuals who, with permissible purposes as stated in the Federal Fair Credit Reporting Act, have received a copy of your credit report. Excessive recent inquiries may indicate to

lenders that you are taking on too much new debt.

- **Public record information:** Financial and credit risk-related information, such as bankruptcy records, state and county court records, tax liens and monetary judgments, etc.

Your credit report also includes identifying information—such as name, Social Security number, date of birth, and current and previous addresses—which are not part of your score.

Chicago-based TransUnion, a leading credit reporting company, encourages all consumers to obtain a copy of their credit report and score at least once a year to keep track of changes in their credit profiles.

If you notice incorrect information on one of your established accounts—perhaps a note about delinquency—you can dispute such information. To file a dispute or to update personal information, contact the credit reporting company that provided the report. While credit reporting companies and credit grantors do their best to ensure the accuracy of your credit file, it is still a good idea to personally review your report to confirm that no information is missing or incorrect.

If you think you may be a victim of identity theft or credit fraud, contact TransUnion's Fraud Victim Assistance Department at 1-800-680-7289.

For additional information or to order a copy of your credit report and score, contact TransUnion at: [www.transunion.com](http://www.transunion.com) or call 1-800-888-4213.