

# Disputing Your Credit Report

[www.PLRContentSource.com](http://www.PLRContentSource.com)

You've taken the steps to order your credit report and as you go over it, you noticed that there were some things on it that aren't correct. Whenever you find something like this, you have to take the initiative to correct it.

While the credit reporting agencies are required by law to report only accurate information, they don't always know what is or isn't accurate until the consumer lets them know.

## **Making Corrections to Your Credit Report**

What's on your credit report will remain on it for years to come. You want to make sure that bad accounts that are inaccurate are removed. But you also want to make sure that all your good accounts are listed.

Whenever you notice an account that isn't accurate, you'll have to notify each one of the credit bureaus that's reporting it wrong. Some people think just notifying one credit reporting agency about an error will notify the other two agencies, but it doesn't.

Correction information isn't shared among the agencies. Once you notice that something is wrong, then by law, you can get it removed. The law states that only factual and true information can be reported.

So anything that's not true - such as the amount of a loan, the time frame in which it was paid, or the first time that you went into arrears - the bureau is bound by law to take off.

Some creditors will report a bad account multiple times in the hopes that you will take action to attempt a settlement payment to clear all of them and once you do, they can start the clock rolling on the date of last activity again.

If you notice multiple accounts, you have to let the bureau know that the debt is listed as a multiple account and the extras will be removed. Each additional bad debt pulls down your credit score.

Whether it's multiple accounts from one creditor or a wrong account from a single creditor, the action you'll take is the same. The first step is to let the agency know that something is wrong in writing or by using their online form.

Once you notify the agency, they are required to open up an investigation. They have to resolve your dispute in 30 days and sometimes it takes that long, but usually not.

Whatever you send to the agency is then turned over to the creditor who put the information on your file. Once the creditor is notified, then they have to check their records to see if they reported accurate information.

What they find will then determine their response. If they feel the information was reported accurately, then they'll let the bureau know. If, after checking their records, they find that they made a mistake in reporting, then by law, they are required to send a notification letter to the credit reporting bureaus regarding the mistake.

After the dispute is closed, the bureau that you contacted is required by law to give you the results they found as well as a copy of your credit report if any action was taken.

Even if you just got a free copy of your report prior to the dispute, they still have to give you one. As much as you want negative information taken off your report, you also want the accounts that are in good standing to be listed on your report.

If you have an account that's not showing up and enough time has passed that it should have been reported, you can send a letter along with the account information and proof of on time payments to the credit bureau.

They'll check with the company and then take steps to add it if they find your records are correct. You should ask to add every company you have a good account with that can report to the agencies but may not have.

### **Removing Inquiries**

There are two types of inquiries that will appear on your credit report. One kind is known as a soft inquiry and the other as a hard inquiry. When you have a soft inquiry on your credit report, it means that a company you already have credit with may have checked your credit.

Or it could mean that an inquiry happened when you looked into your credit score yourself. Most people assume that soft inquiries have to be approved by the person being checked on, but they don't.

Soft inquiries have no effect whatsoever on your credit score, so you don't benefit by asking to have them removed. A hard inquiry is what happens when a company that's in the business of lending money takes a look at your credit with your approval.

This is done for the purpose of deciding if they're going to approve your loan or not. You'll generally see hard inquiries associated with creditors such as mortgage companies, auto loan companies, banks or credit card companies. These businesses can only do a hard inquiry if you've applied for credit with them. Unlike soft inquiries, each hard inquiry does impact your credit score. It can lower your overall score by as much as 10%.

Every time you get an inquiry on your credit report, this information is allowed to stay on the report for as long as two years. Soft inquiries don't remain on your credit report as long as a hard inquiry does.

While some people just ignore hard inquiries, they're bad news for your credit - especially if there are multiple inquiries not associated with one particular financial event.

For example, if you're trying to buy a new car, multiple hard inquiries will hit - and it's the same with a mortgage loan. These don't usually impact your credit score when they're done within the same month.

But if you apply for a loan and then wait six months and apply again from another creditor, then both hard inquiries can hurt your score. The reason that multiple inquiries hurt your score is because it looks like you're desperate to find credit somewhere.

This can cause you to get denied credit because a creditor might assume you did get some of those accounts opened since there can be a lag time between you getting credit and it showing up on your report.

The bad news is that if you applied for credit with a company, you can't legally get that inquiry taken off. You can only get ones removed when you did not apply for credit from that company.

So if a credit card company or a loan company that you don't currently have checks your credit, you can legally get that hard inquiry removed. You must contact each of the inquiring companies in writing to tell that the inquiry was unauthorized by you and that you want it removed from your credit report.

Send a copy of the letter that you sent to each inquirer to the credit reporting agency for each hard inquiry dispute that was unauthorized. Then wait for a decision on its removal.

### **Proper Correspondence When Disputing Errors**

There are three ways that the credit bureaus say that you can contact them. One is by phone, another by online contact form and the third through their mailing address.

Trying to get through by phone doesn't usually work because you're not likely to get through to a representative and because the hold time is astronomically long. This isn't the most effective way to spend your time.

Plus, when you get through, they're only going to tell you that you need to take further steps such as putting your dispute in writing. So save yourself some grief and avoid calling.

The option of using the online form is a bit tricky. It will only allow you to pick your dispute problem from a drop down menu. Nine times out of ten, the problem that you're having isn't even listed on the form.

Not only that, but it's harder for you to keep accurate copies of any online communication once it's sent. You have to do a right click, copy and paste of what you wrote, but that often doesn't contain the information that you need legally - such as the time you sent the information in.

Plus, attaching the documents that you need to dispute the error can be difficult and sometimes won't even go through. The best way to contact any of the three agencies is by mailing them a dispute letter.

You don't want to simply drop this letter in the regular mail because then you have no proof backing you up when you say that you sent a dispute in. You'll want to send a letter using registered mail so that you have a tracking number proving when and to which credit reporting agency the letter was sent to.

Make sure that you get a return receipt so that you can prove when the agency got it. In the dispute letter, make sure that you date it. You'll have to make sure that your full name as it shows on your credit reporting file is shown along with your current residence.

You'll need to list the account information that's incorrect. It can be helpful to include a copy of the page where the wrong information is listed with that information highlighted.

In the letter, you'll want to have copies of everything that proves that you're right and the creditor is wrong. When you write out the letter, don't get emotional and don't add a lot of unnecessary information.

Keep it simple and put in the reason why the information is wrong. Clearly state what it is that you want from the dispute - which in most cases is for something to be taken off the report if it's wrong.

But if you know that the account is yours but the creditor just has the wrong amount or something else is wrong, then just state that you want it fixed so that it's accurate and state how it can be made accurate.

Make a copy of your letter for your records as well as the mailing receipt and any documentation that you sent. When something isn't correct in your credit report and you dispute it, the bureaus will usually fix it.

But if the error remains, you do have the right to include a short personal statement concerning the error. However, this is a practice that isn't recommended if you want to add an explanation rather than a statement that applies to a specific creditor.

When you dispute things and they're taken off your credit report, you can expect that your score will go up by a few points depending on how much the inaccurate information originally dropped it.

### **How Long Does It Take for Things to Drop Off Your Report?**

The length of time that it takes for things to fall off your credit report depends on what they are. If it's a soft inquiry, those usually remain on for a short amount of time and are often dropped at the same time that a hard inquiry is - which is about two years, unless you dispute the hard inquiry and have it removed.

For credit accounts such as a student loan, if you defaulted on those, they usually fall off after seven years. However, there are some types of student loans that can remain on there until the debt is paid off.

Home foreclosures remain credit report for 7 years. If a creditor charged off one of your accounts for non-payment, then that account will show up on your credit report for seven years.

If you have an account that was in good standing but you closed it, these can remain on your credit report for as long as 10 years. But you want these to stay on your account since they show a solid history of paying as agreed.

How long a bankruptcy remains on your credit report is dependent upon what type it is. If you have a Chapter 7 bankruptcy, it will show up on your account for 10 years.

If it's a Chapter 13, it shows on your credit report for 7 years. Accounts from collection agencies are supposed to stay on your account for only seven years from the date that the original debt first became late.

It doesn't matter if the collection agency purchased that debt a year later, they don't get to add that year back to the seven-year clock. Most of them do try this, however, so you'll want to be diligent about errors in date of last activity.

When you do dispute something on your credit report and you've proven that you're correct and the creditor is wrong, then the bureau has to take that information off. They can't legally continue to report it as valid.

However, the amount of time that it takes for the bureau to finish their investigation can vary depending on the agency and the creditors involved. They have to answer within 30 days and usually, most inaccurate information is removed within that time frame.



## **PLR CONTENT SOURCE**

Your Source For High Quality, Private Label Rights  
Content That You Can Actually Afford and Profit From

[www.PLRContentSource.com](http://www.PLRContentSource.com)