



# GUIDE TO CREDIT REPAIR

## Table of Contents

1. [What is Credit Repair](#)
2. [Important Notice and Disclaimer](#)
3. [The Credit Business](#)
4. [Credit Reporting Agencies](#)
5. [Credit Reports](#)
6. [Inaccurate Credit Reports](#)
7. [Fair Credit Reporting Act \(FCRA\)](#)
8. [How Long Items Stay on a Report](#)
9. [Improving Your Credit Report](#)
10. [Repair Your Credit](#)
11. [Important Mailing Instructions](#)
12. [Free Credit Reports](#)
  - i. [Credit Reporting Agency Instructions](#)
  - ii. [Ordering Online](#)
13. [Obtain Your Credit Report](#)
14. [Review Your Credit Report](#)
15. [Dispute Incorrect Personal Information](#)
16. [Rank Questionable Items](#)
17. [Requesting Corrections](#)
18. [The Consumer Statement](#)
19. [The "New Credit File" Scam](#)
20. [Building Good Credit](#)
21. [Pre-Approved Credit Offer Opt-Out](#)
22. [Preventing Identity Theft](#)
23. [Check Your Credit Report Regularly](#)
24. [Stop Abusive Debt Collectors](#)
25. [Filing Suit](#)
26. [Negotiate and Settle Your Debts](#)
27. [Negotiate Your Credit Reporting](#)

28. [Take Advantage of No-call Lists](#)
  29. [Letter Samples \[download-able in Word format\]](#)
    - i. [Sample Letter 1 - Request for Credit Report](#)
    - ii. [Sample Letter 2 - Dispute Letter](#)
    - iii. [Sample Letter 2.5 - Dispute Letter - Unauthorized Inquiries](#)
    - iv. [Sample Letter 3 - Follow-up to Dispute Letter](#)
    - v. [Sample Letter 4 - Notice of Intent to File Complaint](#)
    - vi. [Sample Letter 5 - Dispute Letter to Credit Collector](#)
    - vii. [Sample Letter 6 - Request for Procedure Description](#)
  30. [More Information and Resources](#)
    - i. [Reviews of this Report](#)
    - ii. [Consumer Credit Information](#)
- 

## The Credit Business [\[Contents\]](#)

Just as you would not loan money to just someone you did not know and trust, financial institutions, such as banks, mortgage companies, finance and credit card companies, do not just give loans or issue a line of credit to anyone. But it is impossible for these organizations to personally know everyone of their customers.

## Credit Reporting Agencies [\[Contents\]](#)

This is why credit reporting agencies, or credit bureaus, exist. They collect credit information on individuals, and then sell this information to their clients, primarily lending institutions. The information in these credit reports helps the institution decide whether or not the individual is able and likely to make the payments on the loan, based on their past credit experience. Most lending institutions actively cooperate with the credit bureaus, by giving them the very information that is later resold. In effect, the credit bureaus work as an information exchange center for their customers. If you are curious, [here is the law](#) that dictates the permissible uses of credit reports.

## Credit Reports [\[Contents\]](#)

Some of the information that may be found in your credit file includes information on where you work and live, how you pay your bills, and whether you've been sued, arrested, or filed for bankruptcy. The information credit bureaus collect and sell includes four basic types of information.

- **Identification and employment information.** This is your name, birth date, Social Security number, employer, and spouse's name. Additionally, your report may provide information about your employment history, home ownership, income, and previous address, if a creditor requests this type of information.
- **Payment history.** Your accounts with different creditors are listed, showing how much credit has been extended and whether you've paid on time. Related events, such as referral of an overdue account to a collection agency, may also be noted.
- **Inquiries.** Your report will include a record of all creditors who have asked for your credit

history within the past year, and a record of those requesting your credit history for employment purposes for the past two years.

- **Public record information.** Events that are a matter of public record, such as bankruptcies, foreclosures, judgments, and tax liens, may appear in your report.

Credit reporting agencies do not rate your credit worthiness. That is up to the individual lending organizations, but they rely heavily on the information supplied in the credit reports. The leading credit scoring model is called FICO®, created by a company called [Fair, Isaac and Co., Inc.](#) While their model has been kept secret for decades, public pressure and threats by lawmakers have forced this company to disclose more and more of its details. Check out their [website](#), for more information. To get another idea of what information is important, and how it affects your credit rating, try out the [Free Credit Analyzer](#).

---

## **Inaccurate Credit Reports** [\[Contents\]](#)

Newspaper stories over the last several decades have repeatedly highlighted the problem of inaccurate information contained in credit reports. According to [a 1998 study](#) by the [Public Interest Research Group](#), out of the credit reports surveyed, 29% contained serious errors that could result in the denial of credit, 70% contained mistakes or errors of some kind, 41% contained incorrect personal demographic identifying information, 20% were missing major credit cards, loans, mortgages, or other accounts that are critical to demonstrating consumer credit worthiness. In addition, the report found that it was difficult to obtain credit reports. 15% of total requests were never received by the consumers, despite repeated calls and/or letters. Of the consumers who did obtain their credit reports, at least 14% of them were forced to call back 3 or more times. 12% of consumers waited two weeks or longer to receive their report once they finished requesting it, and it took more than a month for one California man to receive his report.

Other past studies found that more than 3 in 5 consumers have negative information in their credit report, and nearly half of the studied reports contained errors. Some of the errors were serious enough to prevent the individual from qualifying for credit, serious errors like false delinquencies and judgments that simply don't belong to the consumer. Unfortunately, there was very little anyone could do to fix these problems.

## **Fair Credit Reporting Act (FCRA)** [\[Contents\]](#)

To address this issue, and provide a remedy to consumers for poor record keeping on the part of the credit reporting agencies, the US Congress first passed the Fair Credit Reporting Act (FCRA) in 1971. It has, since then, been revised and refined several times, most recently in 1997. The laws established by this act require the credit reporting agencies to remove all obsolete, inaccurate, irrelevant, outdated, misidentifying, incomplete, incorrect, erroneous, and misleading information from their credit reports.

Specifically, if the completeness or accuracy of any item in a consumer's file at a credit reporting agency is disputed, the agency shall re-investigate free of charge and record the current status of the disputed information, or delete the item, before the end of the 30-day period beginning on the date on which the agency receives the notice of dispute.

Further, the credit reporting agency shall promptly provide notification of any dispute to anyone who provided any item of information in dispute. If an item is found to be inaccurate or incomplete or cannot be verified, the credit reporting agency shall promptly delete the item, or modify the item, as appropriate, and notify the consumer no later than 5 business days after the completion of the re-investigation.

The credit reporting agency must also provide the consumer with notice that a description of the procedure used to determine the accuracy, including the business name, address and telephone number of any furnisher of information, must be made available to the consumer upon request. This description of the re-investigation procedure must be provided within 15 days of the request.

The relevant laws are found in United States Code, Title 15, Chapter 41, entitled *Consumer Credit Protection*. The laws relating specifically to credit bureaus are found in Subchapter III of the above cited chapter, entitled *Credit Reporting Agencies*. The laws which detail requirements relating to information contained in credit reports is found in 15 USC § 1681c. The laws which require the credit reporting agencies to assure maximum possible accuracy are found in 15 USC § 1681e.

---

## How Long Items Stay on a Credit Report [\[Contents\]](#)

In most cases, bankruptcies will remain on a credit report for 10 years following the discharge of the bankruptcy. Other entries remain for about 7 years from the date of the last activity. This means that, generally, the 7-year clock is reset whenever you generate any activity on a non-delinquent account, including making a payment. But once the account has gone and remained delinquent, the clock cannot be reset. Some unscrupulous creditors will try to reset the clock by reselling the account, but this is not correct. The FTC has made their position clear on this.

Current law generally prohibits consumer reporting agencies from including in a consumer report accounts placed for collection or charged to profit and loss which predate the report by more than 7 years. The law now specifies that the seven-year period with respect to information concerning a delinquent account charged to profit and loss may begin no more than 180 days after the commencement of the delinquency.

Congress intended to establish a single date -- the start of the delinquency -- to begin the obsolescence period (7 years plus 180 days). This avoids the "multiple date" problem that arguably existed prior to the 1996 amendments to the law. Thus, the date of the "commencement of the delinquency" that led to the creditor's chargeoff or collection action would be the earliest date from which the account was continuously delinquent, plus 180 days.

The start of the 7 year period is now described with some precision by the statute, and subsequent events, including sale of the charged off account by the creditor, or a payment, or a dispute about the account by the consumer, do not change the allowable reporting period.

There is an exception for chargeoffs or collections that were first reported before December 29, 1997. Adverse information such as collections or chargeoffs reported before December 29, 1997, are not subject to the new "commencement of the delinquency" provision, and can be reported for 7 years from the date the creditor actually charged it off.

## Improving Your Credit Report [\[Contents\]](#)

This kit will guide you, step-by-step, through the process of removing all inaccurate or misleading, negative information off your credit report. Please study each step very carefully.

## Repair Your Credit [\[Contents\]](#)

**Here are the steps required to restoring your good credit:**

- Obtain Your Credit Reports
- Review Your Credit Reports
- Repeat ...
  - Request Correction
  - Await Response
- ... Until Satisfied

That's all there is to it. Seems easy enough, but you must have patience, because the credit bureaus are not always very cooperative. They make their money by providing credit reports to lenders, not by fixing bad information in their databases.

While you are following this process, you should simultaneously pursue another strategy, dealing directly with your creditors.

---

## Important Mailing Instructions [\[Contents\]](#)

As you proceed through these steps, keep copies and records of all correspondence you send and receive, including the envelopes! It is very important that you keep copies of everything when communicating with a creditor, debt collector, or credit reporting agency. Should they violate the law, you will have the necessary documentation to prove it, and perhaps make them pay. If you should encounter any special difficulty and need more help, you will also need these records to proceed. Finally, if information that was removed from your credit report should reappear later, you will have the documentation to force the credit agency to permanently delete this entry.

It is recommended that you send both a fax or certified mail copy, as well as standard 1<sup>st</sup> class mail with proof of mailing ["certificate of mailing"]. This is because they may not accept your certified mail, or deny receipt of the fax, but this way, you have gone the extra mile, and can prove it if necessary.

Here is the procedure to follow when corresponding with creditors, debt collectors, or credit reporting agencies:

1. Write your letter, then sign it
2. If you have their fax number and your fax machine will print a fax confirmation sheet
  - fax your letter and all

- print the fax confirmation sheet, and save for your file
- 3. Make 2 copies of your signed letter, and 2 copies of any attachments
- 4. Staple the original attachments to a copy of your letter, and save for your file
- 5. Prepare 2 envelopes, properly addressed and with correct return address
- 6. Staple the attachment copies to your original letter, and enclose in envelope #1
- 7. Staple the attachment copies to your letter copy, and enclose in envelope #2
- 8. Don't put stamps on the envelopes
- 9. Go to the post office
  - send letter #1 by certified mail with return-receipt requested
    - request and save for your file:
      - a dated/stamped cash receipt
      - a dated/stamped certified mail receipt
      - the return-receipt, it should arrive in the mail
  - send letter #2 by 1<sup>st</sup> class mail with a "certificate of mailing" (proof that it was mailed)
    - request and save for your file:
      - a dated/stamped cash receipt
      - a dated/stamped "certificate of mailing" (small extra fee)
- 10. For each letter set you send, you

will have as proof:

- a copy of their letter, with its envelope [if any]
- a copy of your signed letter
- your attachments [if any]
- fax confirmation sheet as proof of faxing [if you used fax]
- dated/stamped cash receipts from post office
- certified mail receipt
- certificate of mailing for your 1<sup>st</sup> class letter
- return-receipt, after it arrives in the mail

11. You should staple all this together, and file it all away in a safe place for at least one year

You should print this outline, and use it as a checklist when preparing your letters. As you can see, the process is a bit involved, and while everything is already laid out for you, it is still **you** that has to do the work.

---

## Free Credit Reports [\[Contents\]](#)

Under the Federal Fair Credit Reporting Act (FCRA), you are entitled to obtain a copy of your consumer credit report from any consumer credit reporting agency for a reasonable charge. The FCRA also states that you are entitled to receive a disclosure directly from the consumer credit reporting agency free of charge, if:

- you certify in writing that you are unemployed and intend to apply for employment within 60 days, or
- you are receiving public welfare assistance, or
- you have reason to believe your consumer file contains inaccurate information due to fraud, or
- you have been denied credit, insurance, or employment within the past 60 days

If you are a resident of Colorado, Maryland, Massachusetts, New Jersey, or Vermont, you may receive a free copy of your consumer credit report once each year, and if you are a resident of Georgia, twice each year.

As you will receive an updated copy in response to your dispute, this is yet another way to obtain your credit report. Dispute a specific erroneous item with each of the three credit bureaus (as detailed later in this report), and after their investigation is complete, you will receive updated credit reports. To be effective, you must have specific knowledge of an erroneous item on your credit report, and it will take two months before you are likely to see the update.

Outside of these circumstances, you may obtain a copy of your credit report for a nominal fee (maximum by federal law is around \$9). In some locations, you may even find local credit bureaus (almost always "affiliated" with one of the big national firms), who may sell you that same credit report over the counter, in person. Check your local yellow pages, under "Credit Reports" (no kidding!).

For reference, here are [Experian's instructions](#), [Equifax's instructions](#) and [Trans Union's instructions](#) on obtaining your credit report. You may even be able to order your credit profile online, but check their site.

This is your first step.

---

## Obtain Your Credit Report [\[Contents\]](#)

Follow the format in [Sample Letter 1](#), and write to each of the three major credit reporting agencies, at the addresses posted on their web sites, or available from the 800 numbers below:

1. [Equifax Information Service Center](#)
  - +1.800.685.1111 or [order online!](#)
2. [Trans Union Corporation](#)
  - +1.800.888.4213 or [order online!](#)
3. [Experian](#) (formerly TRW) Complimentary Report
  - +1.888.397.3742 (+1.888.EXPERIAN) or [order online!](#)

Note: The credit bureaus change their addresses from time to time. Check their web sites or their 800 numbers for the most current addresses.

In your request letter, you should provide:

- full name
- birth-date
- Social Security number
- current address
- former addresses in last 5 years
- photocopy of driving license, showing current address
- photocopy of Social Security card

If you fail to include any of these, you will receive a letter back from the credit reporting agency request that it be included. The credit bureau may request additional information anyway, and you should provide it as quickly as possible.

Within 10 to 30 days you should receive a copy of your credit report from each of the agencies.

---

## Review Your Credit Report [\[Contents\]](#)

Now that you have the credit reports in hand, review them very carefully.

Each agency follows their own unique format, but they provide the information which will help you decode your credit report. You can find additional decoding information [here](#). Specifically, for more information on decoding credit reports, see these links:

- [Equifax Credit Reports \[from TenantScreening.com\]](#)
  - [Sample Credit Report](#)
  - [Key to the Credit Report](#)
  - [BEACON Scoring Factors](#)
- [Experian Credit Reports \[from TenantScreening.com\]](#)
  - [Sample Credit Report](#)
  - [Key to the Credit Report](#)
  - [TRW National Risk Model Score Factor Codes](#)
- [Trans Union Credit Reports \[from TenantScreening.com\]](#)
  - [Sample Credit Report](#)
  - [Key to the Credit Report](#)
  - [EMPIRICA Scoring Factors](#)
  - [Credit Report Codes](#)
  - [HAWK Messages](#)
  - [TRANS-ALERT Messages](#)

## **Dispute Incorrect Personal Information**

### **[\[Contents\]](#)**

It is critical to first review all the personally identifying information in the credit reports, including:

1. Names and Aliases
2. Addresses
3. Social Security Number(s)
4. Date(s) of Birth
5. State ID Number(s)
6. Spouse Information
7. Employers

Note whether this information is in any way inaccurate, incorrect, erroneous, misleading, or outdated. You must dispute these mistakes first, because this data is used to help verify the credit items on your credit report. Frequently, when an item not yours appears on your report, it gets there and stays there because it somehow matches up with some incorrect personally identifying information. By disputing these first, other erroneous items will no longer match your file.

So, for each credit report, carefully note any records which you believe to be inaccurate, incorrect, erroneous, misleading, or outdated. It does not matter whether you think the information is negative, neutral, or even positive, if it is in anyway erroneous it should be removed.

## Rank Questionable Items [\[Contents\]](#)

Once you have noted each questionable item, you should rank them. After erroneous personal data, rank the most damaging information first, followed by the next most damaging, etc., until those items which are neutral. Do this for each credit report, as they may not all have the same questionable information on them.

The following ordered list should give you an idea of the significance of erroneous or derogatory information:

1. personal data
2. bankruptcy
3. consumer credit counseling
4. foreclosure
5. consumer credit counseling
6. loan default
7. repossession
8. court judgments
9. collections
10. past due payments
11. late payments
12. credit rejections
13. credit inquiries

You will find that some of the questionable information is duplicated on one or both the other credit reports, but not all will be. Pay particular attention to the addresses listed, and dispute all but your current address first, it will ease having other erroneous, misleading, or outdated information removed. **In any case, you should send a dispute letter to each of the three major credit reporting agencies, for each questionable item, whether it appears on their report or not.** This is to assure that the same questionable item will not be removed from one report only to reappear later on another.

---

## Requesting Corrections [\[Contents\]](#)

It is very important that each questionable item, except for erroneous personal data, is dealt with individually. If you attempt to have the credit reporting agency correct several items at once, it will be easier for the agency to claim that your request is frivolous or irrelevant.

They may attempt to bully you into believing that your request is frivolous, or even unlawful. But the credit reporting agencies are required to assume that all disputes are bona fide, unless there is clear and convincing evidence that it is not. A blanket dispute (i.e. all information is challenged) may be considered evidence that the dispute is frivolous, if you fail to provide any allegations concerning

specific items in your file.

You should challenge each item individually, and not give in to them if they send ominous letters warning of dire consequences if your claims are frivolous. If the information they are reporting is inaccurate, incorrect, erroneous, misleading or outdated, they will have to remove it upon investigation. The specific law on disputes is found in United States Code, Title 15, Chapter 41, Subchapter III, § 1681i, entitled *Procedure in case of disputed accuracy*.

You will now write a letter to each credit reporting agency, requesting an investigation to verify the status of the most damaging item reported by any of the agencies, and asking that they correct the information. In general, it is important that the letter not look like a form letter, so consider handwriting it.

Also, keep in mind that absent a clear statement that the accuracy or completeness of specific information is "disputed" or "challenged", your letter might not be construed as an exercise of rights under the Fair Credit Reporting Act (FCRA). Specific words to use include: erroneous, outdated, misleading, or unverifiable. Mere explanation of the reason a debt was not paid might not constitute a dispute and does not require the credit reporting agency to re-investigate or accept your written dispute statements. Explanations are not useful, but disputes get results.

Once the credit reporting agency has received your dispute letter, they are obligated to investigate. This obligation is not contingent upon you having been denied credit.

Note the addresses to which the credit reports direct you for disputes. They will not be the same as the addresses you used to obtain the credit report. Again, write to each of these three:

1. Equifax Credit Information Services
  - +1.800.448.2321
  - +1.800.882.0648
  - +1.800.290.8749 (Fraud Department)
  - +1.770.612.2603 (Fax)
2. Trans Union Corporation
  - +1.800.888.4213
  - +1.800.916.8800 option 2
  - +1.800.680.7289 (Fraud Department)
3. Experian (formerly TRW) Consumer Relations
  - +1.888.397.3742 (+1.888.EXPERIAN)
  - +1.800.583.4080 (Fraud Department)

Note: The credit bureaus change their addresses and phone numbers from time to time. Check their web sites or their 800 numbers for the most current information.

---

Follow the format in [Sample Letter 2](#), and send it in. If you are dealing with excessive, unauthorized credit inquiries, follow the format in [Sample Letter 2.5](#).

Within 10 to 30 days you will receive a letter from each credit reporting agency telling you that they are investigating your dispute. Within another 10 to 30 days, you should receive an updated credit report, indicating that the disputed item has been removed.

As soon as a credit reporting agency provides you with an updated credit report showing that the item has been deleted, you should send another dispute letter, in regards to the next most damaging item.

Repeat this process, until each and every questionable item has been deleted.

In some cases, the credit reporting agencies are slow to respond to your dispute. If this should occur, you may choose to write another letter, strongly reminding the credit bureau of their obligations under the law. You may follow the format in [Sample Letter 3](#), and be sure to again send it registered, without return-receipt or insurance.

Should the credit reporting agencies just flat out ignore even that letter, you may follow the format in [Sample Letter 4](#), but tailor it specifically to the circumstances in which you now find yourself. Be prepared to contact the FTC to file your formal complaint, should even this letter not elicit a response. At this point, you should seriously consider [retaining an attorney](#), as willful failure to comply may subject the credit reporting agencies to liability.

---

## The Consumer Statement [\[Contents\]](#)

You have a right to add a consumer statement, up to 100 words, to any item on your credit report. This can be helpful in circumstances which were truly exceptional, where a simple and honest explanation will take the "sting" off the item, and when there are just a few negative items among a long list of neutral and positive items.

Example of helpful consumer statements include:

- I was in an accident, and unable to work
- My employer went bankrupt, and I did not recover several weeks of wages
- I was called up to active duty, and was unable to tend to these matters
- Due to a natural disaster, my life suffered a major disruption
- The product/service ordered was not provided as promised, and the creditor refused to resolve the matter

It is important that in each case you also add that the problem is now resolved, and will not continue to affect your finances. The key is, this was an exceptional occurrence, and you have done your best to take care of things, and at the time, these creditors could not be taken care of properly, but everything is back to normal now. Recite the simple facts, and make sure you can prove them, and these negative items are unlikely to be of much significance. Your statement should be "just the facts", leave out any emotional or derogatory comments, and you will often be viewed as reasonable and the item given less weight.

---

## The "New Credit File" Scam [\[Contents\]](#)

By now, you have undoubtedly seen many ads and some Spam e-mail regarding a "fool-proof" way to create a "new credit file", otherwise know as "File Segregation".

**What is "File Segregation"?**

File Segregation, (known as 'Getting a New Credit File') is the process of obtaining a separate identification number, usually a federally issued EIN (Employer Identification Number) or TIN (Taxpayer Identification Number), and using it in place of your Social Security number when applying for credit. This is intended to shield an applicant's true credit history from an inquiring agency. So far, this may sound like a reasonable idea.

### **So, what's the scam?**

There are many, many sites and scammers offering File Segregation Services, and each in turn is shut down by government investigators, but not before many people fall prey to the site operators first. What these operations are trying to do is to give you a "new identity". You pay their fee and sign up for their services. Then you are directed to apply for an Employer Identification Number. Sometimes, they even provide you the forms and some instructions on how to fill them out.

When you get the EIN, you will be told to use that instead of your Social Security number when you apply for credit. They'll probably also tell you to use a new mailing address.

### **OK, so what's wrong with "File Segregation"?**

Basically, some of the acts to required accomplish this new credit file are ILLEGAL!

First, you are applying for an EIN, when in fact you have no intentions of using the number provided by the IRS for the intended purposes. Since the form requires you to sign it under penalties of perjury, well, you can see the problem there. You can view the application form at <http://ftp.fedworld.gov/pub/irs-fill/fss4.pdf>.

Second, under the Federal Trade Commission's Credit Repair Act, it may be a felony to use a false identification number.

Third, if you use any means of interstate commerce, such as the mails, telephone, or fax, to submit an application for credit, you can also be prosecuted for mail or telecommunications fraud.

And finally, if a creditor is damaged (they lose money) because you defaulted on a loan obtained by an application with false statements, they can sue you for fraud as well.

Though it may be tempting and a quick fix for your present credit problems, it could cost you thousands of dollars and maybe even jail or prison time. And while you will have a second file for a while, it will not take very long for the credit bureaus to catch on. This scam has been around long enough that the credit bureaus are quite familiar with it, as soon as they detect it, they will merge the real and the "new" files, with an additional notation that you are using a false SSN.

---

## **Building Good Credit [\[Contents\]](#)**

The basics of good credit start with having three open trade lines, with twelve months of good payment history. For example, get three credit cards, even secured credit cards, and use them responsibly for a year. Charge only small purchases, such as your groceries and gas for your car, and always, always, always pay on time, every time, and in full if you can manage. Do not foolishly fall back into a poor credit situation after all of the hard work just to get to this point.

Another way to get some good credit history is by getting and paying a loan. Borrow \$10,000 from your bank to use for a \$10,000 certificate of deposit (CD). You pledge the CD as collateral for the loan, and they hold the CD for safe keeping. Of course, there is some expense to you involved, you will have to pay a small spread on the loan. For example, if the CD pays 4% and the loan is at 8%, so your cost is 4%. You may be able to arrange to have the CD interest paid automatically against the loan payment, with the rest deducted from you checking account, with the final balance of the loan due when the CD matures. Make sure to pay the loan monthly, to create a pay history on the loan. Also, make sure that your bank agrees to report the loan to the credit bureaus, and request that it be listed "secured" and not "secured by CD". This is just an example, and should work with any amount of money. Of course, keep in mind that the larger the loan, the greater the loan costs in interest. Your credit rating will improve with a good payment history.

## **Pre-Approved Credit Offer Opt-Out [\[Contents\]](#)**

According to the FTC: "Credit bureaus can release your credit information only to people with a legitimate business need, as recognized by the Fair Credit Reporting Act (FCRA). For example, a company is allowed to get your report if you apply for credit, insurance, employment, or to rent an apartment." But there's more: "In addition to the uses described above, lenders and insurers may use information in your credit file as a basis for sending you unsolicited offers. This is known as 'prescreening.' However, you have a right to opt out of these offers."

In general, you should opt out of "pre-screened" junk mail offers. You have a right to keep the credit reporting agencies from using your credit file in connection with any transaction that you do not initiate, specifically those "pre-approved" credit offers. An opt-out bureau run by Equifax, Experian, Innovis and Trans Union is set up to process such consumer requests. You call the toll free number, and answer the questions, and in a few days, you should receive a letter at the address you provided in the call. The letter will ask you to verify your name and provide corrections if there are any errors. Keep in mind, this process addresses only unsolicited "pre-screened" credit card application offers, and the like. To exercise your right, notify the three agencies by calling +1.888.567.8688 (+1.888.5.OPTOUT). If you prefer, you may notify them in writing:

Trans Union  
Marketing Opt-Out  
PO Box 97328  
Jackson, MS 39288

Experian  
PO Box 919  
Allen, TX 75013

Equifax Credit Information Services  
Equifax Options  
PO Box 740123  
Atlanta, GA 30374

## **Preventing Identity Theft [\[Contents\]](#)**

Don't make it easy on "identity-thieves". With the use of a little bit of common sense, months, even years of trouble can be averted.

Never pre-print your Social Security Number (SSN) on checks or any other pre-printed forms. It is too easy for "identity-thieves" to get that information, fraudulently obtain credit in your name, and severely damage your credit.

Also, if your driving license uses the SSN as the driving license number, in most states, you may

request that the DMV use another number instead. Most states mandate this option.

And finally, if you find yourself being asked to provide your SSN by a private business, just refuse, or write "REFUSED" in the requesting form. If they persist, demand to see their written policy requiring an SSN. Most business will have none, and cannot legitimately require you provide it. They generally will back down if you persist. In the case of an employment application, just write "provided upon hire". Stand up for your rights, and protect your privacy.

---

## Check Your Credit Report Regularly [\[Contents\]](#)

If you have studied this document carefully, you know know that, much like a resume summarizes your work experience for a prospective employer, a credit report summarizes your credit history for prospective creditors (and in some cases employers and insurers). And like a resume, your credit report can influence whether you will receive what you are applying for.

Ideally, your credit report is an accurate, up-to-date reflection of your credit history. However, in this less-than-ideal world, there are many reasons why your credit report could contain inaccuracies that might prevent you from receiving the credit you deserve. Here, you have learned how to take action to keep your report accurate. Here are some important reasons why you should make a practice of regularly reviewing your credit report:

### 1. Inaccuracies & Mixed Credit Files

Many inaccuracies on a credit report can be the result of simple human error, and are therefore are not difficult to dispute. Whether the inaccuracies relate to payments not credited, late payments, or data mixed in from the credit file of someone else with a name similar to yours, you will want to contact the credit bureau to dispute inaccurate information promptly.

### 2. Tracking Payments

One of the most important elements of credit is a demonstrated history of on time payments. Once you send the check though, anything can happen--a delay in the payment being received can kick you over to a 30-day delinquency. If you call your creditor and explain the situation, they might adjust the information.

### 3. Identity Theft

Identity theft is an insidious crime, involving a thief who assumes your name to open new accounts, divert your card statements to another address, and run up all sorts of bad debt without you ever knowing about it until collectors come calling. Over time, identity theft could jeopardize your ability to obtain further credit. The best way to catch a thief who is using your name is by getting a copy of your credit report, which will show you if there are accounts listed you know you haven't opened. For example, if a thief has intercepted a pre-approved credit card offer in your name and sent it in with a change of address, your credit report will include the account.

### 4. Inquiries

If you're shopping around for a loan or more credit, you should know that when creditors check your credit, it places an inquiry on your credit report. Inquiries can add up, which is often interpreted as a negative by creditors. For this reason, too many inquiries can actually make getting credit more difficult. Moreover, if you didn't authorize someone to look at your credit report and they did, they may have broken the law.

## 5. Credit Fraud--Unauthorized Charges

Credit fraud involves the theft of your credit card or account number to make unauthorized charges to your account. Though consumers are protected financially from this abuse, other creditors may take note of all this activity and decide to raise your interest rates or refuse to grant you a loan. Reviewing your credit report will help you catch new activity on accounts that you haven't been using, or may have closed.

For these and other reasons, you should check your credit report regularly, or you might never know about any problems until it is too late. When it comes to managing your credit worthiness, your credit report is your best resource.

---

## Stop Abusive Debt Collectors [\[Contents\]](#)

Here is some information you might find helpful in dealing with collection situations, by using the Fair Debt Collection Practices Act (FDCPA).

Collection agents and some collection attorneys must comply with the [Fair Debt Collection Practices Act, 15 USC §§ 1692 et seq. \(FDCPA\)](#). The FDCPA regulates the language that collection agents can use in collection letters. If you receive a collection letter, it is a good idea to check out the letter with an attorney who practices in this area of law.

Some of the letters sent by collection agents contain false or misleading information. Others attempt to confuse you as to your rights. If any collection letter you have received violates the law, you may be entitled to sue the collection agency for damages of up to \$1,000, plus get back all of your attorneys fees.

Because this law allows attorneys to collect their legal fees from the violating collection agency, some attorneys will not charge you to take on a case. There are some law firms that practice in this area of law quite a bit, as well as Truth in Lending cases, Consumer Leasing Act cases, and other consumer law matters. You may try to locate some by using a lawyer referral service, or your state bar, if you have received any collection letters. [CreditAttorney.com](#) is another organization that may be of help.

The FDCPA regulates collection actions in [acquisition of location information](#), [communication in connection with debt collection](#), [harassment or abuse](#), [false or misleading representations](#), [unfair practices](#), [validation of debts](#), [multiple debts](#), [legal actions by debt collectors](#), and [furnishing certain deceptive forms](#).

If you find yourself the target of a debt collection action, make sure that the debt collector is staying within the law, or they may face [civil liability](#). Recently, for example, collection agency Perimeter Credit settled charges of violating the Fair Debt Collection Practices Act (FDCPA) for a \$300,000 civil

penalty.

It requires only minor effort to stop a debt collector from harassing. Included in this kit, you will find a letter, [Sample Letter 5](#), to use whenever you are contacted by a collection agency. Use the letter to dispute the debt, or *any part* of the debt, you are not sure you owe. It is the collection agency's job to make sure they are collecting only the right amount. You should also send copies of this letter to the company for whom the collector is trying to collect. If the collection agency violates the law, you will need the necessary documentation to prove it and make them pay. Even if you owe the money, you can still send a letter to tell the collector to stop calling or writing you.

Once the collector has your letter, they should suspend collections and not contact you for 30 days, during which time they should investigate the validity of the debt. Most collectors will not bother to investigate at all. If that collector contacts you after you have disputed a debt without having validated the debt, they most likely have violated the law. Contact your lawyer immediately, the collector could owe you \$1,000.

Remember that nothing is foolproof, and you should be prepared to deal with the situations as they come up. Be creative, be flexible, and be persistent. You will be successful.

## Filing Suit [\[Contents\]](#)

If all else fails, you may consider asking the courts for help. Suing in small claims court has sometimes been called the "poor man's class action lawsuit". Not only can this be effective in helping to solve your immediate problem, it can help effect long-term changes in some of the credit and collections practices. If enough consumers are successful in enforcing the consumer protection laws, which will cost these corporations real dollars to fight and in judgments paid, ultimately, their practices will change to cost them less money.

The best part is, a single violation of consumer protection laws can make the violator liable for \$1,000 to \$2,500 in statutory (that means automatic) damages, once you prove the violation in court. The very reason for these statutory damages is to encourage consumers to take these violators to court.

Here's some more information to help you get started:

Who	Why	Precedent/Law	Damages
Creditors that report your credit history inaccurately	Defamation, financial injury	<a href="#">Nelson vs. Chase Manhattan</a> US Court of Appeals, Ninth Circuit, No. 00-15946, decided 03-01-2002	Damages incurred by injured party, as proven in court
Creditors that pull your credit report without permissible	Injury to your credit report and credit score	<a href="#">FCRA § 604 (a)(3)</a> <a href="#">Andrews v. TRW Inc.</a>	Statutory damages of \$2,500 for each proven violation

<p>purpose</p>		<p>US Court of Appeals, Ninth Circuit, 225 F.3d 1063, decided 10-04-2000</p> <p>FTC Staff Opinion Letters: <a href="#">Coffey</a>, <a href="#">Bauchner</a>, <a href="#">Throne</a>, <a href="#">Gowen</a>, <a href="#">Benner</a>, <a href="#">Woolford</a>, <a href="#">Landever</a>, <a href="#">Long</a>, <a href="#">Tatelbaum</a>, <a href="#">Tatelbaum (#2)</a></p>	
<p>Creditors, Collection Agencies, or Credit Bureaus that 're-age' your account by falsely updating the date of last activity on your credit report to keep negative information longer on your report</p>	<p>Consumer protection provided in the FCRA</p>	<p><a href="#">FCRA § 605 (c)</a></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Credit Bureaus that fail to respond to your written disputes within 30 days (though they get a 15 day extension if they receive information from the creditor within the first 30 days)</p>	<p>Consumer protection provided in the FCRA</p>	<p><a href="#">FCRA § 611 (a)(1)</a></p> <p>FTC Staff Opinion Letters: <a href="#">Tabler</a>, <a href="#">Cohan (#2)</a></p>	<p>Statutory damages of \$2,500 for each proven violation</p>
<p>Credit Bureaus that reinsert a deleted item from your credit report without notifying you in writing within 5 business days</p>	<p>Consumer protection provided in the FCRA</p>	<p><a href="#">FCRA § 611 (a)(5)(B)(ii)</a></p>	<p>Statutory damages of \$2,500 for each proven violation</p>
<p>Credit Bureaus that refuse to correct information after</p>	<p>Defamation, willful injury, consumer protection provided in</p>	<p><a href="#">FCRA § 623</a></p> <p><i>Cushman v. Trans</i></p>	<p>Damages incurred by injured party, as proven in court</p>

<p>being provided proof of their error</p>	<p>the FCRA</p>	<p><i>Union Corporation</i> US Court of Appeals for the Third Circuit Court, 115 F.3d 220, filed D.C. No. 95-cv-01743, decided 06-09-1997</p>	<p>Statutory damages of \$2,500 for each proven violation</p>
<p>Collectors that call you after 9 pm at night or before 8 am in the morning</p>	<p>Consumer protection provided in the FDCPA</p>	<p><u>FDCPA § 805 (a)(1)</u></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Collectors that call you at job if they know or have reason to know (because you told them) that your employer prohibits you from receiving such calls</p>	<p>Consumer protection provided in the FDCPA</p>	<p><u>FDCPA § 805 (a)(3)</u></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Collectors that call any third party, such as friends, neighbors, relatives, etc., about your debt; exceptions: they may contact your attorney, consumer reporting agencies, the creditor or the attorney of the creditor, or the attorney of the debt collector</p>	<p>Consumer protection provided in the FDCPA</p>	<p><u>FDCPA § 805 (b)</u>  FTC Staff Opinion Letters: <a href="#">LaScuola</a>, <a href="#">Halverson</a>, <a href="#">Jones</a>, <a href="#">Borowski</a>, <a href="#">Zbrzezni</a>, <a href="#">Fisher</a>, <a href="#">Atteberry</a>, <a href="#">Kwait</a></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Collectors that continue to call or write after you have sent a 'stop contacting me' letter</p>	<p>Consumer protection provided in the FDCPA</p>	<p><u>FDCPA § 805 (c)</u></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Collectors that harass or abuse**</p>	<p>Consumer protection provided in the FDCPA</p>	<p><u><a href="#">FDCPA § 806</a></u></p>	<p>Statutory damages of \$1,000 for each proven violation</p>

<p>Collectors that claim they will garnish your wages, seize property, or have you arrested ***</p>	<p>Consumer protection provided in the FDCPA</p>	<p><a href="#">FDCPA § 807</a> FTC Staff Opinion Letters: <a href="#">Klayman</a></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Collectors that</p> <ul style="list-style-type: none"> <li>• Cash a post-dated check before the date on the check</li> <li>• Cost you money by making you accept collect calls or COD mail</li> <li>• Take or threaten to take any personal property without a judgment</li> </ul>	<p>Consumer protection provided in the FDCPA</p>	<p><a href="#">FDCPA § 808</a></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Collectors that do not validate your debt, yet continue to pursue collection activity (file suit, call or write you)</p>	<p>Consumer protection provided in the FDCPA</p>	<p><a href="#">FDCPA § 809 (b)</a> <i><a href="#">Spears v. Brennan</a></i> Indiana Court of Appeals, 745 N.E.2d 862, No. 49A02-0003-CV-169, decided 03-26-2001  FTC Staff Opinion Letters: <a href="#">Mezines</a>, <a href="#">Cass</a>, <a href="#">Berger</a>, <a href="#">Bergstrom</a>, <a href="#">Castle</a>, <a href="#">Miller</a>, <a href="#">Wollman</a>, <a href="#">Krisor (#2)</a></p>	<p>Statutory damages of \$1,000 for each proven violation</p>
<p>Collectors that have not validated your debt, but they still continue to report to the credit bureaus</p>	<p>Consumer protection provided in the FDCPA</p>	<p><a href="#">FDCPA § 809 (b)</a> FTC Staff Opinion Letters: <a href="#">Mezines</a>, <a href="#">Cass</a>, <a href="#">Berger</a>, <a href="#">Bergstrom</a>, <a href="#">Castle</a>,</p>	<p>Statutory damages of \$1,000 for each proven violation</p>

<p>Collectors that try to sue you in a county which is not where you now live or where you lived when you signed the original contract</p>	<p>Consumer protection provided in the FDCPA</p>	<p><a href="#">Miller, Wollman, Krisor (#2)</a></p> <p><a href="#">FDCPA § 811 (a) (2)</a></p> <p><a href="#">Yu v. Signet Bank</a> California Court of Appeal, First Appellate District, Division Four, 69 Cal. App. 4th 1377, decided 02-16-1999</p> <p>FTC Staff Opinion Letters: <a href="#">Krisor</a></p>	<p>Statutory damages of \$1,000 for each proven violation</p> <p>Cause to have judgement obtained in violation of this provision vacated</p>
--------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------

\*\* [FDCPA § 806](#) defines prohibited harassment or abuse thus: A debt collector may not engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

1. The use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person.
2. The use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader.
3. The publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency or to persons meeting the requirements of [FCRA] section [603\(f\)](#) or [604\(3\)1](#) of this Act.
4. The advertisement for sale of any debt to coerce payment of the debt.
5. Causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number.
6. Except as provided in [section 804](#), the placement of telephone calls without meaningful disclosure of the caller's identity.

\*\*\*Once a Collector obtains a judgment, then they may be able to garnish wages or seize property, but not before then.

---

## Negotiate and Settle Your Debts [\[Contents\]](#)

Collectors only have a limited amount of time to attempt collection of payments, because of the statute of limitations. First, determine if the statute of limitations for collecting this debt in your state has passed. If the last payment or charge you made on an account is older than the statute of limitations, tell the collector. Then

tell them that they are wasting their time by harassing you for an uncollectable debt, since the original creditor or the assigned collection agency cannot succeed in court by getting a judgment.

Certain debts are good candidates for settlement, for example, most unsecured debts can be settled. An unsecured debt is a debt where there is no collateral. Unsecured debts include medical bills, credit cards, department store cards, personal loans, collection accounts, deficiency balances remaining after foreclosure or repossession, and bounced checks. There are a few creditors who will never compromise, but most will take a less-than-full payment as settlement-in-full, but make sure you get any settlement in writing. You have the natural advantage in debt settlement, because you have something the creditor wants, and you must hold out for your terms until the creditor gives you what you want. But once you've written that settlement check, your advantage disappears. Get the settlement terms in writing, long before you even consider sending a payment. Everything must be in writing and, even then, you will likely have some work to make the creditor live up to their end of the bargain.

Getting any penalties and additional interest removed or reduced should be your first goal in negotiating on the debt. Most companies would agree to you paying the original debt, even without the extra penalties, and will often be willing to waive these fees, just to get some money paid. As long as you have made no payment or agreement to pay, time is on your side. The longer the debt remains unpaid, the better your chances will be of getting a good settlement. Eventually, the creditor will have to consider the bad debt a loss in order to receive a corporate tax write-off. This does not necessarily mean that they won't pursue you for the debt. The corporation may then collect on the debt themselves, sell or assign the debt to a collection agency, press for a judgment and garnishment, or temporarily ignore the debt. The course of action chosen by the creditor will vary widely from corporation to corporation and debt to debt.

If you are contacted by more than one collection agency on the same debt, it may mean that the original creditor has retained a second or even third collection agency. This may indicate that the original creditor and perhaps the first collection agency have given up their collection efforts. A collection agency agreeing to take this bad debt at this stage will likely insist that the original creditor pay a fee (usually 50%-60% of what is owed). Many of these collection agencies will in turn accept 33-55 cents on the dollar, and if the collector has been unable to contact you by phone, but knows that you are receiving their letters, they may be willing to take even less.

Never appear too eager to settle. If you let slip that you really need to get this settled to get into your dream home, forget any kind of reasonable settlement, the creditor will most likely insist on the full balance. Just keep reminding the creditor that the statute of limitations is approaching, and after that date, the debt will become uncollectable. To be effective, know when the statute is up on each debt, and be prepared to share that information with the creditor.

## **Negotiate Your Credit Reporting** [\[Contents\]](#)

Always ask for a "Good Pay Rating". The ideal is to get the creditor to report your account after the settlement as "Paid as Agreed" or "Account Closed - Paid as Agreed". Some creditors may not change the status to "Paid as Agreed". At least, get the creditor list the account as "Paid". Since this is an accurate statement on the status of the account, many creditors will agree to this wording. Of course, insist that the account show "Paid" only, and that all other negative notations (such as "Charge-off," "Repossession," late payments, or "Collection") are deleted at the same time. A simple "Paid" notation on a regular trade line is neutral and should not hurt your credit.

If they think it to their advantage to restore your rating, they will do this. For example, "I know you would like to receive the \$1500 balance on the account, but it will not help my credit report if you can't change the account reporting to 'Paid as Agreed'. This is all I have and I will pay it to the other creditors who agree to change my credit rating in writing." Collection agencies will more readily agree to delete the negative reporting than banks or credit card companies, since the collector can change their reporting, but you remain stuck with the original creditor's negative reporting. Better to negotiate with the original creditor, because the reporting on your "applied for" accounts that primarily determine your credit rating.

Finally, upon settlement of the account, verify that all three of your credit reports have been correctly updated. Send a copy of the letter you received showing the account has a zero balance to the credit bureau to have the collection account removed. The Fair Credit Reporting Act requires that you have no more than one listing per delinquent account (you can have the original creditor report you late but you cannot have a collection listed for this same account).

## **Take Advantage of No-call Lists** [\[Contents\]](#)

The FCC Telephone Consumer Protection Act of 1991 (TCPA--47 U.S.C.S. 227; 47 C.F.R. 64.1200), together with the FTC CFR enacted in 1995 (the Telemarketing Sales Rule or "TSR"--15 U.S.C. 6101; 16 C.F.R. 310), require all telemarketing companies to keep a company specific "Do Not Call" list, along with a written policy for its use. Being placed on the list is free to consumers, and can keep "existing relationship" creditors (credit card and car loan people) as well as cold-callers from calling. These federal rules apply not only to residential lines but to all telephone lines.

To take advantage of the protection provided by these regulations, just say to the caller: "Do you have a do-not-call list?" Any interstate business will say that they do, as will many of the larger non-interstate businesses.

Next, tell them, "Please put me on your do-not-call list." Often, they will start to read a long policy script regarding calls in the next thirty days and the like. Feel free to interrupt and state that you have already heard this and are aware of it. Then tell them, "I have the following other numbers to be placed on the list," and give them any and all other numbers. Finish by thanking them briefly and hanging up.

Should a sales caller assert that they do not have a do-not-call list, ask them: "Are you aware that there is a federal law which requires all companies to keep a company specific 'do-not-call' list? Perhaps your legal department needs some pointers, and in any case, the FTC should look into this." Demand to get their name, their company name, their address, and the like, if nothing else, it will get them off the

phone.

After about three months, you should notice a decrease in call volume, since it may take that long for the callers to rotate through their lists and get to you again, including the thirty day "grace period". Keep in mind, researchers/surveyors and non-profits are generally exempt, you may continue to get their calls.

Some states may have protections that are in addition to these mentioned above, and may complement those. For example, In Texas, telemarketing companies are now barred from calling consumers who have registered with the Texas "no-call" list. That system uses rolling registration periods for consumers, with an enrollment deadline and a later effective date. Here's the catch, the signup fee is US\$2.25 minimum for 3 years on a residential phone number; there may be other fees for other options and periods of coverage. The phone number is toll free 1-866-896-6225, have your VISA or MC number handy, or register online, <http://www.texasnocall.com>. But remember, the federal rules apply in any case, so take advantage of them.

---

## Sample Letter 1 - Request for Credit Report [\[Contents\]](#)

Your Name  
123 Your Street Address  
Your City, ST 01234

Big Credit Bureau  
Their Street Address  
Some City, ST 56789

1/12/1999

Dear Credit Bureau,

Please send me a copy of my credit report.

My full name is Your Name.

My birth-date is 01-01-1950.

My Social Security number is 123-45-6789.

My current address is 123 Your Street Address, Your City, ST 01234.

I formerly lived at 456 Old Street Address, Old City, ST 34567.

Enclosed, also please find a photocopy of my driving license, showing my current address, and a photocopy of my Social Security card.

Please send the credit report as soon as you can. Thank you.

Sincerely,

your signature

Your Name

---

## Sample Letter 2 - Dispute Letter [\[Contents\]](#)

Your Name  
123 Your Street Address  
Your City, ST 01234

Big Credit Bureau  
Their Street Address  
Some City, ST 56789

2/10/1999

Dear Credit Bureau,

This letter is a formal complaint that you are reporting inaccurate and incomplete credit information.

I am distressed that you have included the below information in my credit profile and have failed to maintain reasonable procedures in your operations to assure maximum possible accuracy in the credit reports you publish.

Credit reporting laws ensure that bureaus report only 100% accurate credit information. Every step must be taken to assure the information reported is completely accurate and correct.

The following information therefore needs to be re-investigated. I respectfully request to be provided proof of this alleged item, specifically the contract, note or other instrument bearing my signature. Failing that, the item must be deleted from the report as soon as possible:

CREDITOR AGENCY, acct. 123-34567-ABC

The listed item is completely inaccurate and incomplete, and is a very serious error in reporting. Please delete this misleading information, and supply a corrected credit profile to all creditors who have received a copy within the last 6 months, or the last 2 years for employment purposes.

Additionally, please provide the name, address, and telephone number of each credit grantor or other subscriber.

Under federal law, you have 30 days to complete your re-investigation. Be advised that the description of the procedure used to determine the accuracy and completeness of the information is hereby requested as well, to be provided within 15 days of the completion of your re-investigation.

Sincerely,

your signature

Your Name

SSN# 123-45-6789

---

## Sample Letter 2.5 - Dispute Letter, Unauthorized Inquiries

[\[Contents\]](#)

Your Name  
123 Your Street Address  
Your City, ST 01234

Big Credit Bureau  
Their Street Address  
Some City, ST 56789

2/10/1999

Dear Credit Bureau,

This letter is a formal complaint that you are reporting inaccurate and incomplete credit information.

I am distressed that you have included the below information in my credit profile and have failed to maintain reasonable procedures in your operations to assure maximum possible accuracy in the credit reports you publish.

Credit reporting laws ensure that bureaus report only 100% accurate credit information. Every step must be taken to assure the information reported is completely accurate and correct.

The following information therefore needs to be re-investigated. I respectfully request to be provided proof that these inquiries were in fact authorized with an instrument bearing my signature, and for legitimate business purposes. Failing that, the unauthorized inquiry must be deleted from the report as soon as possible:

CREDITOR AGENCY, acct. 123-34567-ABC

The listed inquiry was without authorization, and for no legitimate business purposes. As such, it is a very serious error in reporting. Please delete this misleading information, and supply a corrected credit profile to all creditors who have received a copy within the last 6 months, or the last 2 years for employment purposes.

Additionally, please provide the name, address, and telephone number of each credit grantor or other subscriber.

Under federal law, you have 30 days to complete your re-investigation. Be advised that the description of the procedure used to determine the accuracy and completeness of the information is hereby requested as well, to be provided within 15 days of the completion of your re-investigation.

Sincerely,

your signature

Your Name  
SSN# 123-45-6789

---

### Sample Letter 3 - Follow-up to Dispute Letter [\[Contents\]](#)

Your Name  
123 Your Street Address  
Your City, ST 01234

Big Credit Bureau  
Their Street Address  
Some City, ST 56789

3/20/1999

RE: Dispute Letter of 2/10/1999

Dear Credit Bureau,

This letter is formal notice that you have failed to respond in a timely manner to my dispute letter of 2/10/1999, deposited by registered mail with the Post Office on that date.

As you are well aware, federal law requires you to respond within 30 days, yet you have failed to respond. Failure to comply with these federal regulations by credit reporting agencies are investigated by the Federal Trade Commission (see 15 USC 41, et seq.). I am maintaining a careful record of my communications with you on this matter, for the purpose of filing a complaint with the FTC should you continue in your non-compliance. I further remind you that, as in Wenger v. Trans Union Corp., No. 95-6445 (C.D.Cal. Nov. 14, 1995), you may be liable for your willful non-compliance.

Be aware that I am making a final goodwill attempt to have you clear up this matter. You have 15 days to cure.

For your benefit, and as a gesture of my goodwill, I will restate my dispute. The following information needs to be verified and deleted from the report as soon as possible:

CREDITOR AGENCY, acct. 123-34567-ABC

The listed item is completely inaccurate and incomplete, and is a very serious error in reporting. Please delete this misleading information, and supply a corrected credit profile to all creditors who have received a copy within the last 6 months, or the last 2 years for employment purposes.

Additionally, please provide the name, address, and telephone number of each credit grantor or other subscriber.

Under federal law, you had 30 days to complete your re-investigation, yet you have failed to respond. Do not delay further.

Be advised that the description of the procedure used to determine the accuracy and completeness of the information is hereby requested as well, to be provided within 15 days of the completion of your re-investigation.

Sincerely,

your signature

Your Name  
SSN# 123-45-6789

---

## Sample Letter 4 - Notice of Intent to File Complaint [\[Contents\]](#)

Your Name  
123 Your Street Address  
Your City, ST 01234

Big Credit Bureau  
Their Street Address  
Some City, ST 56789

4/30/1999

RE: Dispute Letter of 2/10/1999, Follow-up Letter of 3/20/1999

NOTICE OF INTENT TO FILE COMPLAINT

Credit Bureau,

This letter shall serve as formal Notice of my Intent to file a Complaint with the FTC, due to your blatant disregard of the law.

As indicated by the attached copies of letters and mailing receipts, you have been delivered by registered mail both a dispute letter, dated 2/10/1999, as well as a follow-up letter, dated 3/20/1999. As of this moment, you have not done your duty mandated under the law. Your inaction in this matter is inexcusable, and your disregard for the law is contemptible. Rest assured, I will hold you to account.

As you are well aware, federal law requires you to respond within 30 days, yet you have failed to respond. Failure to comply with these federal regulations by credit reporting agencies are investigated by the Federal Trade Commission (see 15 USC 41, et seq.). I am maintaining a careful record of my communications with you on this matter, for the purpose of filing a complaint with the FTC should you continue in your non-compliance. I further remind you that, as in Wenger v. Trans Union Corp., No. 95-6445 (C.D.Cal. Nov. 14, 1995), you may be liable for your willful non-compliance.

For the record, the following information is being erroneously included on my credit report, as I have advised you on two separate occasions, more than 75 days and again 40 days ago:

CREDITOR AGENCY, acct. 123-34567-ABC

If you do not immediately remove this inaccurate and incomplete information, I will file a formal complaint with the FTC. Furthermore, I intend to seek redress in civil action, for recover of both damages, costs, and attorneys fees,

should you continue in your deliberate obstruction of the law. For this purpose, I am carefully documenting these events, including the lack of response REQUIRED under law from you.

You are further directed to supply a corrected credit profile to all creditors who have received a copy within the last 6 months, or the last 2 years for employment purposes.

Additionally, please provide the name, address, and telephone number of each credit grantor or other subscriber.

Under federal law, you had 30 days to complete your re-investigation, yet you have failed to respond. Your continued delays are inexcusable.

Be advised that the description of the procedure used to determine the accuracy and completeness of the information is hereby requested as well, to be provided within 15 days of the completion of your re-investigation.

Sincerely,

your signature

Your Name  
SSN# 123-45-6789

---

## Sample Letter 5 - Dispute Letter to Credit Collector [\[Contents\]](#)

Big Bad Credit Collector  
Their Street Address  
Some City, ST 56789

6/8/1999

Your Name  
123 Your Street Address  
Your City, ST 01234

Dear Collector,

I am writing in response to your letter dated May 28, 1999 [copy enclosed]. This is the first letter I've received from you on this matter.

I do not believe that I owe what you say I owe, and I request that you please do the following:

1. tell me what this money that you say I owe is for
2. show me how you calculated what you say I owe
3. give me copies of any papers that show I agreed to pay what you say I owe
4. show me that you are licensed in my state, and give me your license number
5. stop contacting me about this or any other matter you have, except to provide me with proof that I owe what you say I owe

I demand that you also send a copy of this dispute to the company that you say I owe money to, so that they do not report this on my credit report.

I further demand that if you have reported me to a credit reporting company, you tell them that I do not agree with this debt.

Sincerely,

your signature

Your Name

---

## Sample Letter 6 - Request for Procedure Description [\[Contents\]](#)

Your Name  
123 Your Street Address  
Your City, ST 01234

Big Credit Bureau  
Their Street Address  
Some City, ST 56789

6/21/1999

Dear Credit Bureau,

This letter is a formal request for the description of the procedures used to determine the accuracy and completeness of the disputed information, including the business name, address, and telephone number of any furnisher of information contacted in connection with this re-investigation.

I am disappointed that you have failed to maintain reasonable procedures to assure complete accuracy in the information you publish, and insist you comply with the law by providing the requested information within the 15 days allowed.

For your benefit, and as a gesture of my goodwill, I will restate the relevant dispute:

CREDITOR AGENCY, acct. 123-34567-ABC

As already stated, the listed item is inaccurate and incomplete, and is a very serious error in reporting. Please supply a corrected credit profile to all creditors who have received a copy within the last 6 months, or the last 2 years for employment purposes.

Additionally, please provide the name, address, and telephone number of each credit grantor or other subscriber.

Sincerely,

your signature

Your Name  
SSN# 123-45-6789