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Free Credit Reports Are Set to Go Nationwide

But Consumers May See Pitches for Other Services And Imposter Web Sites

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Identity thieves continue to proliferate, but soon all consumers will have access to at least one free method of surveillance.

Beginning next month [Sept 1], a federal law expands nationwide to allow individuals to get free copies of their credit reports, once a year, from each of the three major credit-reporting agencies.

As part of the Fair and Accurate Credit Transactions Act, passed in late 2003 and aimed at combating identity thieves, the rule was rolled out across the U.S. over the past year, and culminates with the addition of the Eastern states, Puerto Rico and all U.S. territories next month. At that point, all consumers will have access to the reports from Experian, Equifax Inc. and TransUnion LLC.

The official Web site where you can request the free reports is www.annualcreditreport.com, or you can call toll free 1-877-322-8228. (Don't contact the three credit companies individually.)

Be sure you are at the correct Web site: Impostors are already cropping up on the Web. Pop-up ads or email messages claiming to be the official Web site are likely scams. [**CAUTION:** One of these is freecreditreport.com, which automatically charges \$12.95/mo--that's \$155/yr--unless you cancel. Other sites have different, and sometimes hidden, charges.]

The Federal Trade Commission, the U.S.'s consumer-protection agency, has already received complaints from individuals who thought they were ordering their free annual credit reports but were instead responding to unrelated television ads, email offers or incorrect online searches. The official site can also be accessed through the FTC's Web site at www.ftc.gov/freereports, which has a link to the correct Web site.

Also keep in mind that the credit companies themselves might try to sell other services that you might not need. The FTC recently announced that Experian agreed to a settlement related to complaints that it lured customers to two Web sites that offered free credit reports for individuals who signed up for a free trial of a credit-monitoring service. The FTC said Experian didn't adequately disclose the charges that would be levied if customers didn't cancel within 30 days. Experian maintains that its sites were never misleading to consumers.

In addition to checking for unusual activity that may be signs of identity theft, consumers may want to order a report before applying for a loan for a major purchase such as a house or a car to be sure the information is correct and current.

The free credit report contains payment histories, loan balances, whether you have been sued, arrested or filed for bankruptcy, as well as other personal and financial information. It doesn't include your credit score, which can be ordered through the

site for an additional fee ranging from \$4 to \$8, a FTC spokeswoman says. Your credit score is an actual numeric measure -- based on payment history, how close you are to your credit limits, the type of credit, among other factors -- of your creditworthiness used by lenders and others.

"The reason to buy a credit score is if you are thinking about getting into the credit market over the next six months or so," says Ed Mierzwinski, consumer program director at the U.S. Public Interest Research Group. The three agencies sell different scores, but Mr. Mierzwinski says he prefers those computed by Fair Isaac Corp., which are known as FICO scores and are used by most mortgage companies when evaluating buyers. Only Equifax sells FICO scores to consumers.

When ordering your report, you will need to provide your name, address (and a previous address, if you have moved in the past two years), Social Security number and date of birth. You might also be asked by each credit agency for information only you would know, like the amount of your monthly mortgage payment, the FTC says.

If you do notice anything fishy or seemingly incorrect on your report, notify the credit agency as well as the creditor, the FTC says. Call both parties, but also document your request in writing. Credit-reporting companies must investigate the claim -- typically within 30 days -- unless they deem it "frivolous," the FTC says. They also must forward all relevant data you provide about the inaccuracy to the organization that gave them the information.

If they find the information is wrong, the company that provided the information must notify all three reporting agencies. Then, the credit agency must give you a free -- and corrected -- copy of your credit report. That doesn't count as your annual freebie, either.