

Cleaning the Mess in Your Credit Report

An important factor that plays an important role in maintaining a clean credit report is actually the contents of your credit report. The credit report is pretty much the story of your financial life, contained in a detailed document.

The credit report carries the credit score, which is a numeric ranking usually between 300 and 850. Several lenders use the credit score to help them decided whether you are worthy of a credit. More so, the score is also used to determine your capability of paying a loan. The credit report is important and cleaning or maintaining a good credit report is vital to your financial survival.

A Look inside the Credit Report

In a credit report, the first entry is normally your personal information. It includes your name, listed telephone number/s, previous and current addresses, reported differences of your Social Security Number, past and present employer and the date of birth.

The information regarding your credit accounts follows your personal information entry. This is also listed in detail and normally includes loans, the maximum loan amount, and information of any joint account holders or co-signers. The credit report also incorporate a section, called Inquiries, which lists any person who has recently requested a copy of the credit report.

There are some states, wherein the credit report contains public record information. This information can feature overdue payments, bankruptcies or other judgments in the court. Normally, these entries can last for up to ten years and may affect your chances of obtaining a loan negatively.

How to Start

Firstly, in order to clean your credit report, you

will need to order a copy of the report. You must determine what is out of date or inaccurate, after which you can submit a letter to the bureau requesting fixes to the information. This process may take a long time and you may be required to do several follow-ups with each bureau before achieving a clean credit report. However, to perform this correctly, you must be aware of the information the credit agencies are allowed to report and the duration.

Ordering a credit report can be easily done and accessible to everyone, since at least one free report can be obtained by the consumer each year; this rule is also included under the FCRA or Fair Credit Reporting Act. More so, the consumer is also allowed to obtain a free copy of his or her credit report each year from each of the three major companies handling credit reporting, namely the Experian, TransUnion, and Equifax. However, in case you have already obtained a copy of your credit report this year, you may be required to pay an additional fee if you want another copy.

Once you have obtained your report, review it carefully. Every detail must be inspected since bureaus can sometimes confuse names, addresses or employers. Most often, people who have common names have credit reports that may contain information on other variations of their name.

Additionally, it is important to perform a periodic check on the credit report. It is advisable to order a copy of the report once a year and dispute any possible inaccuracies. Always take careful steps in handling your payments and make sure not to make any late payments. Time is of the essence and even minimum payments should not be neglected. Remember that carefully managing your credit can add as much as fifty points to your credit score per year.