

The easiest way to obtain your free credit report is to go to the home page of the Illinois Attorney General's Office at <http://www.ag.state.il.us>. Click on the link that says "How to Obtain a Free Credit Report". The instructions for obtaining your free report are printed there. Basically, you can use one of three methods. You can:

- call 1-877-322-8228
- order your free credit report only at <http://www.annualcreditreport.com>;



OR

- obtain an "Annual Credit Report Request Form" from <http://www.ftc.gov/credit>. Print out the form and mail it to:
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

You are also entitled to a free credit report for a span of 6 months if you have been denied credit based on information contained in your credit report. The 6 month period begins on the date you are denied credit.

If you are not entitled to a free credit report under either one of these options, you will need to purchase a credit report in order to obtain it. Each report will cost you approximately \$10 to \$12.

INFORMATION ON CREDIT REPORTING AGENCIES

If you need to contact any of the major credit reporting agencies for any reason, you can contact them at the numbers/web addresses below. Although you can write to these agencies, it is recommended that you contact them by phone or online for the most up-to-date information:

Equifax (www.equifax.com):

To Report Fraud **888-766-0008**
To Order Credit Report **800-685-1111**

Experian (www.experian.com):

To Report Fraud **888-397-3742**
To Order Credit Report **(same)**

TransUnion (www.tuc.com):

To Report Fraud **800-680-7289**
To Order Credit Report **800-888-4213**
To Dispute Credit Report **800-916-8800**

**THIS PAMPHLET DOES NOT
CONSTITUTE LEGAL ADVICE.
STUDENTS WHO ARE
CONFRONTED WITH LEGAL
PROBLEMS OR WHO NEED
SPECIFIC ADVICE ARE
ENCOURAGED TO SEEK
ASSISTANCE FROM A
LICENSED ATTORNEY AT
STUDENT LEGAL SERVICE.**

STUDENT LEGAL SERVICE

324 Illini Union
1401 West Green St.
Urbana, IL 61801
333-9053

Office Hours: 8:30-Noon & 1-4:30pm, M-F
<http://www.uiuc.edu/unit/SLS>

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STUDENT LEGAL SERVICE

*AT THE UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN*

COLLECTION AGENCIES AND YOUR CREDIT HISTORY



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COLLECTION AGENCIES

Collection agencies are companies that are in the business of trying to collect debts for other companies or individuals. They generally buy the right to collect debts and earn money by receiving a percentage of what they collect. Collection agencies have one purpose: to do whatever they can to get paid. This generally means that they will write demand letters, call many times, and make negative reports which go on a credit record.



Collection companies will call all the time or write very demanding letters. They write things like, "We can understand circumstances that may delay full payment of an account, but we cannot understand your lack of cooperation and failure to respond.

Let's work on getting it paid...call us, I'm sure we can work it out. Remember... It pays to pay your bills."



Keep in mind that if they do not collect any money, they will not make any money. This will lead them to shame, chastise, and plead with debtors. In

short, they will say whatever they can to get paid. This is why the Federal government enacted laws to protect debtors.

While there are restrictions on what a collection agency can and cannot do, there are very few rules governing debtors' actions. There is no legal duty to pay a collection agency other than an underlying duty to pay the original creditor.

To say that another way, the collection agency only has as good of a right to collect a debt as the original creditor. So, if someone fraudulently opens a credit card account in your name, and the credit card company turns the account over to a collection agency, the account is just as fraudulent. As for debts which are legally owed, if they are not paid, the collection agency can go to court and get a judgment for the amount owed.

FEDERAL LAWS



FAIR DEBT COLLECTION PRACTICES ACT

This Act governs the practices of collection agencies in their attempts to collect debts. Here is a summary list



of some of the practices which are regulated:



- (1) Debt collectors must provide written notices of the amount of the debt and name of the creditor within 5 days of the original communication.
- (2) They must notify the debtor that he has the right to dispute the debt within 30 days or it is assumed to be valid.
- (3) They must provide a copy of a judgment if there is one and the name and address of the original creditor.
- (4) Each communication must contain the notice that any information obtained will be used for collection purposes.
- (5) They must cease communication if asked to do so in writing.

The debt collector **cannot**:



- communicate at any unusual time or place without permission from the creditor;
- contact the debtor if he is represented by an attorney and can contact the attorney;
- contact the debtor at his/her place of employment if the employer prohibits it;
- state to any third person that the debtor owes a debt;
- communicate by postcard;
- use any language or symbol on the outside of an envelope which indicates that the debt is owed, or harass the debtor.



FAIR CREDIT REPORTING ACT

The FCRA is intended to promote accuracy, fairness, and privacy of information in every credit report. You must be told if information in your file has been used against you. Any company or individual who denies you credit because of your file must inform you of the source of their information.

At your request, a Credit Reporting Agency (CRA) must give you the information in your file.

You have the right to dispute inaccurate information in your report. You also have the right to include a one-page explanation of any item in your report. You can have inaccurate or unverified information corrected or deleted from your file, and a

new report issued to you free.

YOUR CREDIT RECORD

Your credit record is generally kept by three large national credit reporting agencies or Consumer Reporting Agencies (CRA). Your credit record contains information regarding most of your current debts or periodic obligations. It also contains information of some of your past debts. This information is kept for up to 10 years.

The purpose of having a credit report is to provide information to lenders which will facilitate their business with you. It can also reduce the cost of lending money by reducing the risks that the lending institutions must take. Banks, landlords, employers, and credit card companies are only a few of the various groups that check your credit history. Some must have permission first.

Some examples of information which can appear on your credit record are:

- Credit card account
- Court judgments
- Bankruptcy
- Reports from collection agencies
- Mortgages
- Car loans
- Student loans
- Utility company accounts



All of those items will show how long you have paid on time. They will show your current balance, and when the account was opened and closed. Even after you close an account, it will remain on your record for several years. That includes accounts you open to receive a free gift, so you should be very particular when you open any kind of credit account.



YOU ARE ENTITLED TO A FREE CREDIT REPORT ANNUALLY

As of March 1, 2005, all Illinois citizens are entitled to a free credit report once each year. The three main national credit reporting companies (Equifax, Experian, and Trans Union) are all required to participate in this program. However, you need to order your free credit report from a specific source. If you attempt to order it from one of the companies directly, they will charge you.

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