CREDIT REPORTS AND CREDIT SCORES

SPECIAL EDITION: EQUIFAX DATA BREACH

STATE OF MAINE ◆ BUREAU OF CONSUMER CREDIT PROTECTION

DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

Downeaster Common Sense Guide

Credit Reports and Credit Scores

Special Edition: Equifax Data Breach

By David Leach, MPA, and Abigail Pratico

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Maine Bureau of Consumer Credit Protection

Toll-free Maine Consumer Assistance
1-800-332-8529 (1-800-DEBT-LAW)
TTY users call Maine relay 711

Maine Foreclosure Prevention Hotline
1-888-NO-4-CLŌZ
(1-888-664-2569)

www.Credit.Maine.gov

The Maine Bureau of Consumer Credit Protection was established in 1975 to enforce a wide variety of consumer financial protection laws, including:

-Consumer Credit Code
-Truth-in-Lending Act
-Fair Credit Billing Act
-Truth-in-Leasing Act
-Fair Credit Reporting Act
-Fair Debt Collection Practices Act
-"Plain Language" Contract Law

The Bureau conducts periodic examinations of creditors to determine compliance with these laws; responds to consumer complaints and inquiries; and operates the state's foreclosure prevention hotline and housing counselor referral program. The Bureau also conducts educational seminars and provides speakers to advise consumers and creditors of their legal rights and responsibilities.

William N. Lund
Superintendent
September 2017

DOWNEASTER COMMON SENSE GUIDE:
CREDIT REPORTS AND CREDIT SCORES

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Maine residents can obtain additional free copies of this booklet by contacting the Bureau of Consumer Credit Protection at 207-624-8527 or toll-free at 1-800-332-8529. Non-Maine residents may purchase the publication for $6 per copy, or at a volume discount of $4 per copy on orders of 50 or more. Shipping fees are included in the prices listed.

Dear Maine Consumers,

This State of Maine publication presents "must know" information on consumer credit reports and credit scores. Creditors, insurance companies, banks, employers and landlords routinely use credit report information when they make decisions on loan approval or denial, insurance premium costs, hiring decisions and approval for housing. This guide describes the basic facts of credit bureau reports and credit scores: how they work, steps for obtaining copies of your reports, how you can challenge inaccurate items, and strategies to ensure that your credit report and score present the most accurate representation of your credit-worthiness.

As authors of this guide, we hope to expand your knowledge of how credit reports and credit scores work, and to empower you to quickly and efficiently correct errors and omissions in your reports!

David Leach, MPA
Principal Consumer Credit Examiner

Abigail Pratico
Margaret Chase Smith Summer Intern, 2014

Equifax Data Breach

In September 2017, Equifax Inc. — a major consumer reporting agency — announced a data breach impacting approximately 143 million Americans. This incident may affect more than 524,000 Maine residents. The Bureau encourages you to take basic steps to protect your identity, financial accounts and credit reports. Consumers affected by this breach will be provided with additional ways to view and monitor their credit files without charge. Equifax has provided the following dedicated breach resources:

Call Center (7:00AM-1:00AM EST): 1-866-447-7559
www.equifaxsecurity2017.com

Since October 15, 2015, Maine consumers have had the right to place free file freezes on their credit reports with each of the three major credit reporting agencies: Equifax, Experian and TransUnion. A file freeze may be placed by telephone, through the credit reporting agencies' secure websites, or in writing.

If placing a file freeze online or by phone, be prepared to provide personal information. The credit reporting agency will need it to confirm your identity. If writing, ask the agency to freeze your file under Maine's new file freeze law. Make sure to provide the credit reporting agency with your Social Security number, your date of birth, and your mailing and street addresses (and your previous street address, if you lived there in the past two years). Don't forget to sign the letter. If your driver's license shows your address, include a copy, as well as a utility or other bill addressed to you at home.

The file freeze is immediate. Within 10-14 days, the credit reporting agency will mail you a personal identification number ("PIN"). The credit reporting agency will provide instructions for lifting the security freeze with your PIN. Carefully save your PIN - you will need it to remove the file freeze. Your file freeze will remain active until you tell the credit reporting agency to lift it.

Under Maine law, there is no fee for freezing or unfreezing your credit file. However, the consumer reporting agency may charge "protected consumers" (people under the age of 16) a nominal fee of $10 or less to place or remove a security freeze.

To place your free file freeze, contact:

Equifax	**Experian**	**TransUnion**
PO Box 105069	PO Box 4500	PO Box 2000
Atlanta, GA 30348	Allen, TX 75013	Chester, PA 19016
1-800-349-9960	1-888-397-3742	1-888-909-8872
www.freeze.equifax.com	www.experian.com/freeze	www.transunion.com/freeze

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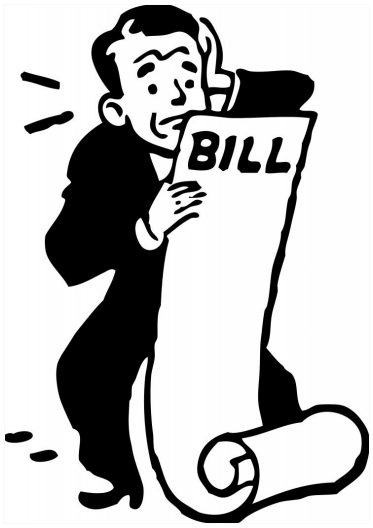


Credit Reports and Credit Scores

A **credit report** is like an academic transcript;, but rather than listing course grades it lists a person's debts. Lenders believe the best indicator of future loan performance is past loan performance. Credit reports show a person's financial reliability. They allow potential creditors to assess the fiscal risk presented by doing business with a person.

Credit reporting agencies (a.k.a. **credit bureaus**)—for-profit companies that specialize in compiling data for use by creditors and other authorized users—produce credit reports. There are three major credit bureaus in the United States: Experian, TransUnion and Equifax. The data collected on a credit report is voluntarily reported by a person's creditors.

Credit bureaus compete with each other to compile the most comprehensive and accurate information possible. Businesses that need to see consumers' credit reports (*e.g.*, mortgage companies, landlords or auto dealers) pay credit bureaus for access to that information. Credit bureaus that consistently offer the most complete and accurate files to creditors attract more business. Because of this, a credit bureau rarely shares information with another credit bureau. As such, credit reports produced by different companies often contain slightly different information.

Tradelines

A credit report contains seven to ten years' worth of information, presented in the form of **tradelines** — records of a person's current and past monetary obligations. Individual tradelines may include the names of companies a consumer has (or had) account with, the dates accounts were opened, credit limits, types of accounts, balances owed and payment histories. Auto loans, credit cards and mortgages are all common types of tradelines. Your credit report will show most if not all your accounts—open or closed. Most tradelines, positive or negative, remain on a person's credit report for up to seven years.

Lenders like to see **positive tradelines** on credit reports—tradelines showing consistent on-time repayment of debt. Many credit reports also include **negative** tradelines. Negative tradelines may make potential creditors hesitant to lend to you and may affect your ability to get a job or rent an apartment. Common negative tradelines include:

- **Repossessions**: Repossessions and **deficiency balances** are major negative tradeline items that can severely affect a person's credit history. If money is still owed to a creditor after a repossession has occurred, the remaining balance may be sent to collections. If so, a separate

collection account may appear on the borrower's credit report.

- **Foreclosures**: A foreclosure is one of the harshest trade lines that can appear in a credit report. Foreclosure-related tradelines may cause a consumer's credit score to drop by as much as 300 points.

- **Bankruptcies**: Filing for bankruptcy can help consumers to discharge overwhelming unsecured debt, but can also make it difficult to establish new credit. Bankruptcies can remain on a credit report for up to 10 years. Tradelines affected by a bankruptcy will remain on your credit report with a status of "included in bankruptcy."

- **Tax Liens**: A tax lien occurs when the local, county, state, or federal government claims ownership interest in a person's property (*e.g.*, land or other possessions), salary or tax refund to secure money for unpaid debts. If left unpaid, tax liens may threaten ownership of your property. The three big credit bureaus state they will remove unpaid tax liens 15 years after their filing date. Removal of unpaid tax liens is not required by law. As such, unpaid tax liens could (potentially) remain on a credit report forever.

Credit Scores

Credit reports and **credit scores** are closely related. Your credit score is an important tool for understanding your financial obligations. It also enhances your ability to borrow at the best rates and terms available. Unlike credit reports, which you can get for free once each year, credit bureaus will charge you a fee for access to your credit score. A credit score is a numerical representation of a person's financial responsibility, calculated using the information on their credit report.

The most widespread credit scoring model was developed by Fair Isaac Corporation ("FICO"). FICO scores range from 300 to 850. The higher the score, the greater a borrower's presumed creditworthiness. The FICO model takes several different factors into consideration when calculating a person's credit score, each of which is weighted differently for different groups of people (*i.e.*, an established homeowner's information is weighted differently than that of a recent high school graduate). For *most* people:

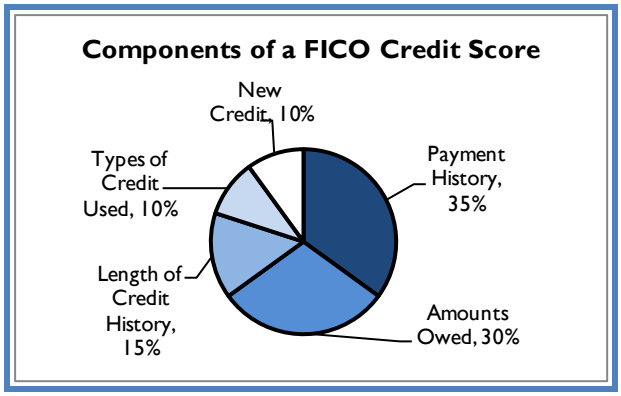
- **35% of their FICO score represents payment history**.

- **30% represents amounts owed**.

- **15% represents length of credit history**.

- **10% represents new credit**.

- **10% represents the types of credit used.**



Credit scores are a reliable way for lenders to determine the risk of a borrower defaulting or becoming delinquent. The lower the credit score, the higher the risk to the lender (and the higher the interest rate charged). Students entering the workforce often begin adulthood relatively low credit scores. Over time the addition of positive trade lines raises their scores, allowing easier access to financing.

Credit accounts usually feature a grace period during which most creditors will not report a borrower to the major credit reporting agencies as being late on their payments. To improve your credit score:

- Pay your loans on or before their due date – set up payment reminders or automatic payments to stay current;
- Keep your credit card balances at no more than 1/3rd of the credit limit amount, 10% or less if you can manage;
- Limit yourself to three or fewer credit cards;
- Try to maintain your oldest credit card accounts if the terms (*e.g.*, APRs, annual fees) of those accounts are favorable;
- Reduce debt as much as possible; and
- Check your credit report (see pg. 5) at least annually for any signs of identity theft, errors or omissions

Co-signing

Consumers unable to qualify for loans on their own are often told that they must find a co-signer to act as a guarantor. Co-signers undergo the same underwriting review process as applicants, including a **hard pull** on their credit report. If you are considering co-signing on a loan, be cautious. If the primary borrower fails to make payments, the creditor will hold you responsible for the loan. The delinquency will appear on your credit report, negatively affecting your ability to get new credit.

Authorized Users

An authorized user is a someone who has been given permission to use a credit card. An authorized user holds a credit card with theirs name on it, but is not legally responsible for repaying the card's balance.

Not all creditors report authorized user accounts to credit bureaus. If a creditor does report these accounts, it can affect the user's credit score. Since authorized users are not legally responsible for an account, credit bureaus generally remove these tradelines if the account becomes delinquent. If an authorized user account is not automatically removed from your credit report following a delinquency, contact the lender or file a dispute with the credit bureau (see **Correcting Your Credit Reports**, pg. 7).

Too Many Tradelines?

Some time ago, a recent college grad reported she was denied a loan for a car. She had "good credit" and had earned an advanced degree from a prestigious university. The woman opened eight credit card accounts, assuming the more accounts she had the better her chances for loan approval. The cards were active, but had not been used.

The lender that reviewed her application noticed the woman's lines of credit amounted to more than $70,000 in potential debt. If she "maxed out" her cards, the debt could equal a medium-sized mortgage!

The Bureau advised the woman to close out all but two or three of the oldest credit card accounts, and to reduce the limits on the remaining cards to around $2,000. She was also advised to contact the lender before doing so to see if closing the accounts would make a difference in approving her application. A week later, the auto loan was approved!

"Too many people spend money they haven't earned, to buy things they don't want, to impress people they don't like"

Will Rogers

Opting Out: Stop or Reduce Pre-Approved Credit Offers

Under the Fair Credit Reporting Act ("FCRA"), you have the right to opt out of receiving prescreened and preapproved credit and insurance offers permanently, or for five years. Opting out will remove your name from lists supplied by the major consumer reporting agencies to businesses that may perform soft pulls on your credit (see pg. 8).

To opt out of preapproved credit offer, visit www.OptOutPrescreen.com, or call **1-888-5-OPT-OUT (1-888-567-8688)**. Be prepared to provide personal information, including your full name, Social Security number, date of birth, and address. If you choose to opt out permanently, you will need to confirm your request in writing by submitting a signed permanent opt out form, which will be provided after submitting your online request.

Ordering and Reviewing Your Credit Report

Under the **Fair Credit Reporting Act (FCRA)**, you can request one free credit report from each of the three major credit bureaus every 12 months. Consumers denied credit also have the opportunity to order a copy of the credit report utilized by the lender, for free, if the lender based part of their decision on the information contained in that report.

To access your free credit reports, you will need to provide personal identification, including your name, Social Security number, date of birth and address. Our agency recommends that you order a single credit report from Experian, Equifax or TransUnion once every four months, switching credit bureaus each time. This interval will allow you to keep a close eye on your credit reports and tradelines, letting you catch errors, omissions or other issues quickly, since major tradeline errors or omissions will likely appear on credit reports from all three companies.

Reviewing Your Credit Report

A credit report does not make for easy reading; they are technical by nature and include codes that require interpretation to be understood. A key code is typically located on the first page of your report, as well as a brief description of the type of information contained in each field. Refer to this key if you become confused while examining your credit report. Credit bureaus use similar codes, however the credit reports supplied by each credit bureau are formatted differently.

Some of the first information you will encounter while looking over your credit report is your **personal information**. Personal information is used to identify and differentiate you from other people who may share your name. This information includes your name, address, Social Security number, date of birth and other information reported by creditors and employers. You may also find a

To order your free annual credit report:

Order by Phone:
1-877-322-8228

Order Online:
www.AnnualCreditReport.com

Order by Mail:
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281
(see pg. 17 for a request form)

confirmation number or **report number** on the first page of your credit report. Take special note of it; you may need that number to correct any errors you find on your report.

As you delve further into your credit report you will begin to encounter tradelines - entries supplied by a creditor to your report describing your account status, payment history and other details specific to the account. Tradelines are usually arranged by lender, in alphabetical order. Beneath the current information about your account will be a summary of that tradeline's historical information - a record of your payments (or lack thereof) dating back up to seven years. Pay close attention to the information recorded for each tradeline. According to the Federal Trade Commission (FTC), one in four consumers has an error on their credit report that may affect their credit score.

After the final tradeline, there will be a list of "inquiries" - requests by persons or companies who have recently checked your credit. Some, but not all, inquiries have an effect on your credit score.

Hard inquiries ("hard pulls") can only occur after you authorize them in writing such as when you apply for credit by filling out an application or authorization form. Hard inquiries also occur if a business reviews your credit, with your authorization, as part of a transaction that may affect your finances, such as renting an apartment or leasing a vehicle. Each individual hard inquiry that occurs without the extension of credit may lower your credit score between one and five points. Multiple hard pulls can occur if you shop around for rates and terms on consumer loans (*e.g.*, auto loan) or mortgages. If credit is extended within 30 days for a consumer loan or 45 days for a mortgage loan, these hard pulls

Your Fair Credit Reporting Act Rights

- You have the right to be notified if information in your file has been used to increase cost to you, or deny you a benefit.
- You have the right to know what's in your file
- You have the right to dispute incorrect or incomplete file information
- You can opt out of "pre-screened" offers (see pg. 5)
- You may seek damages from violators of your FCRA rights
- Consumer reporting agencies must correct or delete inaccurate information upon request
- Consumer agencies must not report outdated, negative information
- Access to your file is limited to authorized users to whom you have given permission
- You must give consent for reports to be provided to employers

will count as a single inquiry on your credit report. If credit is not extended, your credit score could be damaged. The algorithms used to create credit scores treat each individual credit inquiry without the extension of credit as a declination by the lender. Some consumers report having credit scores drop by 30 or more points if credit is not extended after their loan applications have been "shotgunned" (sent out to several potential lenders at once).

Soft inquiries ("soft pulls") are not considered to be complete reviews of your credit, but rather a peek at your credit score and your personal profile. They may be initiated by marketing companies that have an existing relationship with a creditor with which you have accounts, or businesses trying to find potential customers for goods and services (*e.g.*, preapproved credit cards or insurance). Soft pulls do not have a negative impact on your credit score.

Correcting Your Credit Reports

About one-quarter of all credit reports contain at least one error. If you find errors on your credit report, there are steps you can take to resolve the issues. The Bureau of Consumer Credit Protection enforces the federal and Maine **Fair Credit Reporting Act (FCRA)** in the state of Maine. The FCRA allows consumers to challenge errors or omissions on their credit reports, empowering consumers to petition the major credit reporting agencies to investigate claims of misreported tradelines, failure to report credit accounts and other issues.

To have a credit bureau begin an investigation into errors on your credit report, you must file a written request with the company. In addition to noting the disputed or missing tradelines you wish to have investigated, you must include information needed to identify yourself (full name, date of birth, Social Security number, copy of your driver's license, and a copy of a utility bill containing your street address). Be sure to sign your name before submitting your request to the credit bureau.

Within five days of receiving your request, the credit bureau must send a notice to the company whose tradelines you are disputing. The credit bureau must investigate your claim within 30 days, although it can extend the investigation for up to 15 days beyond the initial 30 if the investigation is ongoing.

Upon completion of its investigation, the credit bureau will provide the results of the investigation to you, as well as free copy of your amended credit report (if the investigation led to an update). At your request, the credit

Frivolous FCRA Requests

Some consumers have items on their credit reports which require investigation. The FCRA does not allow you the right to challenge every trade line on your credit report as being inaccurate for the purpose of overwhelming the credit bureau, causing the credit bureaus to miss their mandated correction deadline. The exception to this "frivolous" rule is when identity theft occurs and there may be dozens of incorrect fraud-related items, all of which must be investigated.

bureau must send notices of credit report corrections to anyone who received your report in the last 6 months.

If your request for correction is a result of a recent credit application where the error was discovered, provide the creditor with a copy of your amended credit report. That creditor may then re-access your credit to validate the change.

Telling Your Side of the Story

The results of an investigation into tradelines on a credit report do not always change the reporting of the items in question. The FCRA allows a consumer to write up to a one hundred-word explanation for a trade line that remains in dispute, which will be attached to the credit report. This provision provides consumers the ability to explain the dispute, in writing, in their own words.

While you can challenge items on your credit report yourself for free, there are businesses that will perform this service for a fee. The Bureau recommends that consumers exercise their FCRA rights themselves, at least initially, by attempting to correct errors in their credit reports. Our agency can also help Maine consumers challenge any remaining items that are in dispute, without cost.

"I've always advocated doing everything possible to pay off credit card balances. It's good financial management, and the ticket to a strong credit score"

Suze Orman

Non-Public Information

Every year, financial institutions send their clients written notices allowing consumers to opt out of sharing consumers' non-public information (NPI) with "non-affiliated third parties" who may seek to purchase this information. NPI consists of data about that is not freely available to the public. This information can be quite specific, including your full name, date of birth, Social Security number, income level, account numbers, credit and debit card purchases or payment history on loans. The Gramm-Leach-Bliley Act, enacted November 1999, mandates that all financial institutions send this notice each year. Alternatively, some financial institutions may post privacy notices online, so long as they include information on where to find the notice in regular communications (e.g., billing statements), along with information on how to request a paper copy of the notice.

Part 3:
Scams and Identity Theft

Unfortunately, the Internet is full of scammers posing as legitimate credit repair organizations, with two intentions: to steal the victim's identity through disclosure of personal financial information and to take consumers' money without providing any services. Victims of debt relief and credit repair scams often lose hundreds or thousands of dollars before seeking help from authorities.

There are a number of credit repair agencies licensed by the Bureau of Consumer Credit Protection to work with Maine consumers to amend their credit reports. If you need assistance finding a legitimate credit repair agency, contact the Bureau at 1-800-332-8529.

Identity Theft

The FBI estimates that **13.1 million** U.S. residents have their identities stolen every year, for a combined annual loss of over **$24 billion**. That means every year each of us has roughly a 1 in 24 chance of having our identity stolen. Don't take chances!

If you believe your identity has been stolen:

- Contact your financial institution(s) and freeze, place a fraud alert or request closure on any accounts that may be affected. If you disclosed banking information to an unknown caller, **act immediately** — every second counts!

- File a report with law enforcement (local police department, county sheriff, or the Maine State Police). Be sure to keep a copy of the police report — it's important for correcting your credit report and for stopping debt collectors calling about debts you don't owe.

- Place a **fraud alert** on your credit reports to tip off anyone who requests your credit history that you may be a victim of fraud.

How to Spot a Credit Repair Scam

The **Credit Repair Organization Act (CROA)** prohibits upfront or advance fees for credit repair services. Legitimate licensed credit repair agencies will never ask for upfront or advance fees before starting their services. Scammers, however, often demand immediate wire transfers, electronic access to consumers' bank accounts or bank or postal money orders to "get things started." They will also try to get consumers to disclose Social Security number, date of birth, full name, street address, and bank account number and transit and routing number. Trust your instincts. If something feels wrong, it probably is. If you think you've encountered an unlicensed or scam credit repair company, contact the Bureau of Consumer Credit Protection at 1-800-332-8529.

The three major credit reporting agencies (Equifax, Trans Union, Experian) have divisions that investigate allegations of identity theft and fraud.

Equifax Information Services	**Experian**	**TransUnion LLC**
P.O. Box 105069	P.O. Box 4500	P.O. Box 2000
Atlanta, GA 30348	Allen, TX 75013	Chester, PA 19016
1-800-525-6285	1-888-397-3742	1-800-680-7289
https://www.ai.equifax.com/CreditInvestigation	www.experian.com/fraud	fraud.transunion.com

- Place **file freezes** on your credit reports. A file freeze locks down your credit report, preventing consumer reporting agencies from releasing your information to a third party without your authorization. Since October 15, 2015, Maine consumers have had the right to place a free file freeze on their credit reports at each of the three major credit reporting agencies.

- Contact the Federal Trade Commission's Identity Theft Hotline at 1-877-438-4338 (dial "0" to reach a live customer service representative).

For more information on identity theft and financial scams, order a free copy of the Downeaster Common Sense Guide: Gone Phishing — Identifying and Avoiding Consumer Scams by contacting the Bureau at 1-800-332-8529, or ordering though our website at www.maine.gov/pfr/consumercredit/publications.htm.

Identity Theft Protection and Credit Monitoring Services

Many businesses offer identity theft protection and credit monitoring services. If you chose to have a business monitor your credit, you will be notified of irregularities in your accounts and, in some cases, be provided with continual credit report access, identity theft insurance coverage and/or other services – for a fee.

When making your decision, remember that FCRA allows you free access to your reports from each of the major credit reporting agencies (Experian, Equifax, Trans Union) once every 12 months (see pg. 5), allowing you to monitor your credit at no cost. Additionally, the **Truth in Lending Act** limits your liability on credit card loss or theft to $50 per card, and most card issuers will charge you nothing for unauthorized charges if you are the victim of loss or theft due to fraud, identity theft, or most other criminal acts. If you suspect that there are unauthorized charges on your credit card, notify your credit card issuer immediately.

Glossary of Common Terms Found on Credit Reports

Account Closed by Consumer: Frequently associated with credit card accounts, reflects an action taken by the consumer cardholder to pay off then close their credit card account.

Account in Good Standing: The trade line/ credit account is active and is being paid "as agreed" or current / on-time.

Account Number: The account number as reported by the creditor.

Actual Payment Amount: The amount the consumer last paid on this trade line account.

Amount Past Due: The delinquent amount, expressed in dollars, as of the last date of reporting.

Balance Amount: The total amount owed on that trade line account at the date of the last reporting period.

Bankruptcy: A legal status of a person who has applied to federal court to discharge debts they cannot pay.

Charge-off: Frequently associated with credit card accounts, the original lender/creditor has given up trying to collect this debt, and has taken a loss by charging this account off their "books". Charge-off amounts are still owed, and are frequently sold to debt buyers or debt collectors.

Civil Action: A court action against a consumer.

Collection Account: Loans, utility bills, or medical bills that have been written/charged off by the original creditor or company, and referred to a third-party debt collector.

Credit Limit: Typically associated with a credit card or home equity line of credit, the highest balance allowed by the creditor.

Creditor Class: The type of company (bank, credit union, IRS, etc.) reporting the trade line account.

Current (Account) Status: Whether the trade line/credit account is open, closed, in collection, or in charge-off status.

Date of First Delinquency: The date this account was first reporting as being delinquent.

Date of Major Delinquency: The first date this account reported a major delinquency (60 or more days late)

Date Opened/Closed: The date the credit account was established or terminated.

Default: A loan or mortgage is in default when a consumer has failed to make payments when due, but the account has not yet been sent to collections.

Deferred Payment Date: When a lender agrees to let the consumer make a payment (mortgage, auto, credit card) after the standard payment deadline date.

Deficiency Balance: After a vehicle or other collateral is repossessed and sold, the negative balance which exists if the sale price of the collateral (at auction) is not sufficiently large enough to pay off the loan's balance, plus all the repossession fees (towing, storage, and auctioneer's fees).

Discharge: Often associated with bankruptcy, a court action excusing a consumer from additional payments on a debt.

Dismissed: When the federal courts do not allow the consumer to continue with his or her bankruptcy petition.

Foreclosure: The legal process required for the lender to take ownership of a home pledged as collateral on a residential mortgage loan.

Generation Identifier: Jr., Sr., II, III, etc.

High Credit: The highest amount charged or borrowed.

Inquiry (Hard Pull): When an authorized creditor (e.g., after you sign on a loan application) accesses your credit history. Each "hard pull" results in an approximate 2-point deduction of your credit score – for a limited period of time.

Inquiry (Soft Pull): When a creditor reviews your credit history in order to offer you a pre-screened offer (credit card / instant loan check) that you have not ordered. Soft pull inquiries have no positive or negative effect on your credit scores.

Installment Loan: Unlike revolving loans, an installment loan (mortgage or auto loan, for example) has a fixed term (12, 24, 36, 48 months or more) and (if the interest rate is fixed, not variable) a fixed monthly payment.

Judgment: A court decision against a debtor.

Last Reported: The last month or year the creditor on a trade line/account sent data to the credit reporting agency.

Lien: A legal claim filed against a property owned by a consumer for failure to repay a loan or tax obligation. After judgment in court, some credit card lenders place liens on consumers' homes or vehicles – requiring moneys from the sale of a home or car be applied to the outstanding debt before the new owner of the home or vehicle can assume legal title or ownership of that item. Liens also commonly result from an unpaid federal, state, or municipal tax obligations.

Months Reviewed: The time period an account/trade line has been reported to a credit bureau agency.

Original amount: The original balance of the credit extension. Generally associated with installment loans (auto, home, or personal).

"Paid as Agreed": The borrower made (or is

making) all their loan payments on or before the due dates.

"Paid Less Than Full Amount": A formerly over-due loan account (credit card, car loan) whose final balance was "settled" for less than the full amount owed. Potential lenders who find these items on a credit report consider this to be a negative factor.

"Paid in Full": The trade line/loan account has a $0 balance.

Payment Status: How the trade line or loan account is being paid back – on time, or late.

REPO: Repossession (voluntary – you turn in the vehicle, or involuntary – the lender or repossession agent acquires it). A "repo" trade line remains on a consumer's credit history for up to 7 years.

Reported Since: The original date the account started reporting to the credit bureau/credit reporting agency.

Revolving: An open-end loan (revolving) plan such as a credit card or a home equity line of credit. The consumer draws down on a line amount, and makes open-end (non-installment) payments on the amount outstanding, plus finance charges. Revolving loans have no end date.

Satisfied: A court ordered payment on a debt which has been paid off by the consumer in an amount that is deemed to be acceptable.

Scheduled Payment Amount: The minimum amount last requested for payment.

Security Alert: Consumers, who believe their identities may have been stolen due to a recent scam or file-breach, may initiate a "security" or "fraud" alert with the major credit reporting agencies. This notation will appear on their file.

Status: The repayment condition of the account.

Term Duration: The total number of payments on an installment loan.

Utilization Rate: The percentage of a credit available to a consumer that he or she has used. Utilization rate is an important factor in a person's credit score. An ideal utilization rate for most consumers is generally 10% or lower.

Vacated: A civil court judgment that is voided.

Wage Garnishment: A court action directing the consumer debtor's employer to set aside a percentage of his or her wages to satisfy a judgment on a delinquent debt.

Writ of Replevin: Court ordered repossession of an item offered by the borrower as security on a loan.

"It is thrifty to prepare today for the wants of tomorrow"

-Aesop

EQUIFAX Experian TransUnion

Annual Credit Report Request Form

You have the right to get a free copy of your credit file disclosure, commonly called a credit report, once every 12 months, from each of the nationwide consumer credit reporting companies, Equifax, Experian and TransUnion.

For instant access to your free credit report, visit www.annualcreditreport.com.

For more information on obtaining your free credit report, visit www.annualcreditreport.com or call 877-322-8228.

Use this form if you prefer to write to request your credit report from any, or all, of the nationwide consumer credit reporting companies. The following information is required to process your request. **Omission of any information may delay your request.**

Once complete, fold (do not staple or tape), place into a #10 envelope, affix required postage and mail to:
Annual Credit Report Request Service P.O. Box 105281 Atlanta, GA 30348-5281.

Please use a Black or Blue Pen and write your responses in PRINTED CAPITAL LETTERS without touching the sides of the boxes like the examples listed below:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5 6 7 8 9

Social Security Number: ___ - __ - ____

Date of Birth: __ / __ / ____
Month Day Year

Fold Here Fold Here

First Name M.I.

Last Name JR, SR, III, etc.

Current Mailing Address:

House Number Street Name

Apartment Number / Private Mailbox For Puerto Rico Only: Print Urbanization Name

City State ZipCode

Previous Mailing Address (complete only if at current mailing address for less than two years):

House Number Street Name

Fold Here Fold Here

Apartment Number / Private Mailbox For Puerto Rico Only: Print Urbanization Name

City State ZipCode

Shade Circle Like This → ●

Not Like This → ⊗ ✓

I want a credit report from (shade each that you would like to receive):

- ○ Equifax
- ○ Experian
- ○ TransUnion

○ Shade here if, for security reasons, you want your credit report to include no more than the last four digits of your Social Security Number.

If additional information is needed to process your request, the consumer credit reporting company will contact you by mail.

Your request will be processed within 15 days of receipt and then mailed to you.

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Maine's Financial Literacy Publications

Be sure to check out our other free booklets!

Downeaster Common Sense Guide: Paper or Plastic? – This comprehensive booklet addresses credit cards: how they work, their responsible use, how to comparison shop for a credit card, when to pay cash, use a debit card charge on a credit card and what to do if you fall behind on your credit card payments.

Downeaster Common Sense Guide: Debt Collection – If you are past due on your credit card, mortgage loan, auto loan or student loan, this is the FREE booklet for you! Learn about your rights in a consumer debt collection action, and how to deal with collectors. This booklet also provides guidance in spotting prevalent debt collection scams and contains ample "cease contact" and "debt validation" letters.

Downeaster Common Sense Guide: Automobile Buying and Financing – From calculating "how much vehicle" you can afford, to vehicle research, shopping for the best APR and deciding on the best loan term for your needs, this booklet is a comprehensive guide to purchasing and financing a vehicle.

Downeaster Common Sense Guide: Gone Phishing – Identifying and Avoiding Consumer Scams – This guide is all about helping consumers defend themselves against being scammed. It details tactics and hooks used by scammers, offers advice to consumers so they can protect themselves, and explains how to report the scams to authorities.

Downeaster Common Sense Guide Finding, Buying and Keeping Your Maine Home – This guide is a resource for first time homebuyers, and provides an overview of the mortgage lending process, types of mortgage lenders and loans, and other related topics.

Downeaster Common Sense Guide to Student Loans — A comprehensive guide for the prospective college student on the world of educational loans. This book covers loan types, the FAFSA process, how to apply for scholarships and grants, and the rights of a student debtor in the repayment/collection process.

Downeaster Guide to Elder Financial Protection – This booklet arms seniors with information to protect their finances in the 21st Century. It includes tips on spotting and stopping elder financial abuse and exploitation, in addition to information on registering for the Do-No-Call List, the Do-Not-Mail List and the credit card (mailing) Opt-Out List. The Downeaster Guide to Elder Financial Protection also features a resource page containing contact information for "must know" consumer protection agencies in both Maine State and federal government.

These guides are free to Maine residents. Out-of-state orders are $6.00 each, or at a volume discount of $4.00/copy on orders of 50 or more (shipping included).

To order, call 1-800-332-8529 (in-state) or 1-207-624-8527 (outside of Maine).

"An investment in knowledge pays the best interest."

-Benjamin Franklin

Consumer Protection Resources

Maine Bureau of Consumer Credit Protection	1-800-332-8529 TTY Maine Relay 711
Maine Bureau of Insurance	1-800-300-5000 TTY Maine Relay 711
Maine Bureau of Financial Institutions	1-800-965-5235 TTY Maine Relay 711
Maine Office of Aging and Disability Services	1-800-262-2232 TTY Maine Relay 711
Maine Office of the Attorney General (Consumer Hotline)	1-800-436-2131 TTY 1-207-626-8865
Maine Office of Professional and Occupational Regulation	1-207-624-8603 TTY Maine Relay 711
Maine Office of Securities	1-877-624-8551 TTY Maine Relay 711
Maine Public Utilities Commission (Consumer Assistance Division)	1-800-452-4699 TTY 1-800-437-1220
Maine Real Estate Commission	1-207-624-8524 TTY Maine Relay 711
Consumer Financial Protection Bureau (CFPB) (Federal)	1-855-411-2372 TTY 1-202-435-9742
Federal Reserve Consumer Hotline	1-888-851-1920
Federal Trade Commission Consumer Response Center	1-877-382-4357
Federal Trade Commission ID Theft Hotline *(after dialing, press "0" to reach a live operator)*	1-877-438-4338
Internet Crime Complaint Center (IC^3)	www.ic3.gov
National Credit Union Administration (NCUA)	1-800-755-1030
U.S. Postal Inspection Office (Ask for the Portland, Maine Field Office)	1-877-876-2455

NOTES

NOTES

This book is not intended to be a complete discussion of all statutes applicable to consumer credit. If you require further information, consider contacting our agency or an attorney for additional help.

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Bureau of Consumer Credit Protection

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