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Credit Report/s & Reporting Agencies

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Note: This material is being provided for general information purposes. This overview is intended to alert the reader to the importance of managing his/her credit. General guidelines, material and other information is being provided as a courtesy. No representations or warranties are made as to the accuracy or processes covered herein. The Credit Tier Examples listed below are for information purposes only, as lender guidelines vary.

Credit Scores are extremely important to a lender in evaluating the merits of a loan. Your credit or FICO scores have a direct impact on the rate, term and loan program for which you qualify.

- **Credit Score Guide:**
 - A+ Borrower 700+
 - A Borrower 680+
 - A- Borrower 640+
 - B Borrower 600+

Time should be devoted to researching your own credit file/s before you apply for a loan. Consumers are entitled to one free credit report each year by going to www.annualcreditreport.com. Once a reference number is obtained from the repository, a dispute can be opened online. *Be sure to print out your report/s while you are online!*

Note: FICO scores provided to consumer credit requests are very often higher than the scores given a lender so any scoring should only be viewed for general information purposes only.

Disputing Your Credit Report

If inaccurate information still appears on your credit report, you have the right under the Fair Credit Reporting Act (FCRA) to dispute the information by:

1. Correctly identify the inaccurate information on your credit report. Look closely at your personal data, account information and payment history. Review the report/s to see when your negative records are scheduled to be removed. Be sure to note any item/s you feel are inaccurate.
2. When you find an inaccuracy on your credit report, you should first investigate the details and find out what exactly is wrong. To begin the dispute process you should contact the creditor or lender responsible for reporting the mistake directly. Your financial institutions will be able to correct most minor inaccuracies over the phone. Not sure of the contact information? You can find it at the bottom of your credit report/s under "Contact Information."

Experian reports may only be disputed online however, Customer Service Representatives from Equifax and TransUnion should be notified of credit issues by phone, they will note your comments and open inquiries with creditors directly. Be sure to note your printed copy of discrepancies and check them against the revised statement you receive in the mail.

You should also send letters of dispute to the credit reporting agencies and creditors by certified mail. (See Attached Sample Credit Dispute Letter) It is always best to dispute inaccurate information with the credit reporting agencies by explaining the inaccuracies in writing. *(A sample letter is attached below)* Be sure to include copies of documents that support your position. You should also include a copy of your credit report, and mark the items in question.

In your letter, be sure to include:

1. Your full name
2. Your complete mailing address
3. Your date of birth
4. Your Social Security number
5. The name and account number of the creditor and item in question (Partial account numbers as listed on your credit report are accepted)
6. The reason for your disagreement with the disputed item—be specific
7. Your signature

Send your information online or by certified mail and save the receipts. Keep copies of your dispute letter and all enclosures. This information should be filed away to document your communication with your creditors and the credit reporting agencies

Credit Reporting Agency Contact information

TransUnion

2 Baldwin Place
P.O. Box 2000
Chester, PA 19022

Equifax

P.O. Box 740241
Atlanta, GA 30374-0241

Experian

(ON-LINE ONLY)

Sample Credit Dispute Letter

[Date]

[Your Name]

[Your Address]

[Your City, State, Zip Code]

Dispute Department

[Name of Credit Reporting Agency]

[Address]

[City, State, Zip Code]

Dear Sir or Madam:

I am writing to dispute information on my credit report. The items I wish to dispute are listed below and so highlighted on the attached copy of my credit report

[List the items that you feel are inaccurate including the type of accounts, names of the financial institutions, and full or partial account numbers. Include what changes you feel should be made.]

Enclosed are copies of *[payment records, credit report, letters from the creditor, court documents, etc.]* supporting my dispute. Thank you for investigating this matter.

Sincerely,

[Signature]

[Your full name]

[Date of birth]

[Social Security number]

Enclosures: *(List what documents are enclosed with your letter)*

Please note: This letter doesn't guarantee that the changes will be made on your credit report—it just ensures that they will investigate your credit report. If changes are made, you will be contacted by the credit consumer reporting agencies, usually within 30 days.

Credit Tips:

Derogatory information reported to the credit bureaus significantly impacts on your overall FICO Scores. However, the rating agencies also factor high credit limit to loan balance in their formulas. It is therefore important to maintain a ratio of 50% or less if at all possible. A low loan to credit limit to balance is believed to improve scores more than actually paying off credit accounts.

It is also worth noting that excessive lender inquiries may have a negative impact on the FICO scoring process so it is important to keep annual inquiries to a bare minimum.

For further information, call Rick Newman's Direct Line – 609-577-2209