



What is Your Credit Report? DLC

As credit has become more and more prolific in our society, your credit report, and thus your credit rating, has become more and more important in your daily life. Your credit rating affects all aspects of your financial life when it comes to borrowing money. Your credit rating also has the ability to affect the job you get, the apartment you rent, and even if you are able to open an account at a certain bank or not.

Your credit report itself is simply a listing of all of your mortgage and consumer debt. Here in Canada, the two main credit reporting agencies are Trans Union and Equifax. Both agencies have a credit history file on anyone who has ever borrowed money. Every time you borrow money, or make a payment on a loan or credit card, the lender then reports the information about the transaction to these two credit reporting agencies. In addition to credit information, you will also find liens and judgments on your credit report as well as your address and possibly your work history. The accumulation of all of this information is called your credit report.

The information on your credit report varies based on your creditors and what they have reported about you. Most however, report the amount of money you could potentially borrow from them, also known as your credit limit, your payment history, and the status of your account. Your account status will be open, closed or charged-off.

Potential lenders and others, such as employers, view your credit history as a view of your character. Whether we like it or not, our financial habits have a lot to say about the way in which we choose to live our lives.

One thing that many people do not know is that you have the legal right to obtain a copy of your credit report from both Equifax and Trans Union. You can obtain a copy by contacting them through their information listed below.

Equifax
Consumer Relations Department
Box 190 Jean Talon Station
Montreal, Quebec
H1S 2Z2
(416) 227-8800, (800) 465-7166
Trans Union
325 Milner

Toronto, ON
M1B 5N1
(416) 609-2070; (800) 663-9980.

Once you have obtained a copy of your credit report, you will want to go through it with a fine-toothed comb. Look at all of the information on the report and verify that it is true and correct. For anything which is not correct, you have the legal right to request it be corrected.

Research has shown that most credit reports do have some information on them which is incorrect or even belongs to someone else with a similar name! You want to make sure and request that the credit reporting agencies change any data which is not accurate. If the agency will not correct something which you believe to be incorrect, for some unknown reason, then you have a legal right to submit a note to them to be placed on any item you wish. Once you have done this, then when someone pulls your credit report they can see your side of the issue.

You should obtain a copy of both credit reporting agency reports on you at least once every year or two. You will likely find that both reports are different and one may have errors while the other one does not; this is very common. If you are going to be making a large purchase such as a home or vehicle, you should obtain your copies of your credit report months in advance so you will have time to request any verification or changes.

You should also make sure any correspondence you have with the credit reporting agencies is in writing. You may need this documentation if you have something in dispute and need to prove to a lender that you have been trying to have the issue resolved.

The good news is that your credit report is a working document. This means that you have the ability, over time, to increase your credit score. Most things stay on your report for up to seven years. After seven years they drop-off of your report and no one can see that they ever even existed. By paying your bills on time, each month, you can have a good credit report as time passes. And, if your credit has some old negative marks on it, then over time they will drop-off and leave your last seven years of better credit!