



FAIR CREDIT REPORTING ACT

NACA Defending Servicemembers by Building an Army of Informed Consumers

The National Association of Consumer Advocates (NACA) is a non-profit association of attorneys and consumer advocates committed to representing consumers' interests. This Handout addresses steps a consumer can take when faced with inaccurate credit reporting or improper use of consumer reports.

1. Your credit reputation is protected by the Fair Credit Reporting Act ("FCRA"), a federal law which regulates the collection and reporting of consumer credit information by consumer reporting agencies ("CRAs") and the use of consumer credit reports by lenders, landlords, employers and other users.
2. Under the FCRA, you are entitled to a free credit report from each of the nationwide CRAs (such as Experian, Trans Union and Equifax) once during any twelve month period. You can obtain the form for requesting your free credit reports at www.annualcreditreport.com.
3. You can prevent or remedy identity theft by placing a 90-day or 7-year (extended) fraud alert on your account. (State law may allow for a permanent fraud alert). Service members can also employ an active military duty alert.
4. Credit reports may only be obtained for certain purposes, including for use in connection with a credit transaction, employment, tenant screening, or other specific, enumerated permissible purposes. If your report is pulled for an impermissible purpose, you can sue.
5. You are entitled to an "adverse action" notice if you are denied credit, insurance or employment. The notice must identify the nature of the action taken, the identity of who has taken the adverse action, and the address of the CRA that reported data on which the adverse action was based.
6. You can dispute inaccurate information on your consumer report. Send a letter to the CRAs (certified, RRR) that identifies the nature of your dispute and attaches documentation supporting your dispute. Copy the credit furnisher (the business reporting the inaccurate info) and keep copies of all this for your records.
7. If you dispute inaccurate information with the CRA, the CRA must conduct a reasonable investigation into your dispute and respond within 30 days. If your dispute is not resolved, you may have legal recourse and should seek qualified counsel.
8. A credit furnisher (such as a mortgage lender, credit card company or other lender) is required under the FCRA to conduct a reasonable investigation of your credit dispute, review all relevant information in its file, report its results to the CRA, and delete or modify inaccurate information. If your problems persist due to the credit furnisher's unreasonable investigation, you can sue.
9. If the FCRA is violated, you may be entitled to recover your actual damages, statutory damages of up to \$1,000, punitive damages, and your attorney's fees and costs. Under the FCRA, you can also recover for damage to credit reputation, time spent correcting errors, invasion of privacy, frustration, humiliation, and other emotional distress-type harms.

This handout is for information purposes only and is not intended to be legal advice. If you need legal advice and assistance you may see legal advice from your Legal Assistance Office. Legal Assistance Offices can be located at <http://legalassistance.law.af.mil/content/locator.php>. You may also locate and contact a NACA attorney in your area logging on to <http://naca.net/find-attorney>.