

How I Make the Most of My Free Annual Credit Report



[Tal Boldo](#), [Yahoo! Contributor Network](#)

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Years of financial experience have taught me the value of keeping an eye on my credit report. Every year I find new inaccuracies, from duplications to closed cards that suddenly appear as open again, or cards that belong to my husband or even my ex-husband.

Most Americans have heard that they can pull out a free credit report once a year, but many don't know how to go about it. Actually, if you know where to go and how to cut to the chase, reviewing all three of your free annual credit reports shouldn't take more than an hour or two. Here are the time-saving (and money-saving) tips and warnings I've picked up over the years.

Contact All Three Credit Bureaus

There are three credit bureaus that collate your financial information: [Equifax](#), [Trans Union](#) and [Experian](#). No one credit bureau is better than the other and each will arrive at a credit score for you based on your financial information. Often the report and score are different between the bureaus because of errors or duplications. Since lenders may order a report from any of the bureaus (or an aggregate report that consolidates all three) be sure to order your free annual credit report from all three bureaus.

Get Your Free Annual Credit Reports Without Paying Fees

By law you are allowed one free credit report a year from each of the bureaus. However, if you search the internet for "free credit report" you'll end up with a long list of sites that charge you a fee for obtaining your free reports. That's nothing but a scam. You can get your free annual credit reports yourself [through this government website](#). Make sure to note your registration information with each bureau as you will need it to dispute items later.

Don't Buy Your Credit Score

Each bureau will offer to sell you a copy of your score together with your free credit report. This makes no sense at this point, since you're bound to find errors and duplications on your report. Once you dispute them and the corrections are made, your credit score will change.

Tips for Reviewing Your Credit Report

I recommend reviewing your credit report online on the dispute page (rather than on the credit report page). This will save you time. When you see an error, you can dispute it there and then. In addition, be aware that your creditors will probably appear under different names (for example my Optima credit card is listed as AMEX, for American Express). Finally, your credit card numbers will look different for security reasons. I recommend recognizing the account by the balance, which you should be familiar with.

Tips for Disputing Your Credit Report

Each item on your report will have a dispute button next to it (if you review the report on the dispute page). Click the button and fill the form. Be sure to dispute every item that you do not recognize, or which may be an error or a duplicate, and don't rush-you don't have to dispute everything on your report at the same time. Once a dispute is filed, the bureau will contact the lender to verify your dispute and get back to you with an answer, which you will receive by email.

Advantages of Cleaning Your Credit Report

Once your disputes are resolved your debt-to-income ratio should improve and, with it, your credit score. At this point, if you wish to apply for a loan, you may decide to order another credit report with your score. Often the bureaus offer a free 30-day trial if you'll sign up for their membership. You can do this and cancel the account after receiving your report and credit score for free, or you may decide that you wish to remain a member and monitor your report on a monthly basis.

Finally, any time you apply for a loan and get rejected, the lender is required by law to provide you with a copy of your credit report. A case number should appear on the rejection letter with instructions for ordering your free credit report.