

Privacy Basics

Credit Reporting Basics



Privacy Rights
Clearinghouse

Credit reports are compiled by a credit reporting agency and contain data from many different sources. They are commonly used to make decisions about a person's ability to obtain credit, employment, insurance and rent or purchase a home. Government agencies also use credit reports during the course of investigations.



Sections to Follow

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Credit Reporting Agencies

There are three major credit reporting agencies (credit bureaus): Equifax, Experian and TransUnion. Companies that grant credit make regular (usually monthly) reports about a person's accounts to them.

Equifax

(800) 685-1111
www.equifax.com

Experian

(888) EXPERIAN
www.experian.com

TransUnion

(800) 888-4213
www.transunion.com

Information They May Contain

Identifying Information

Credit reports contain a person's name, current and previous addresses, telephone numbers, Social Security number, date of birth and employment information.

Credit Accounts

Credit accounts (trade lines) include credit cards, auto loans and mortgages. Credit reports show the date an account was opened, the credit limit or loan amount, the account balance and payment history.

Credit Inquiries

A credit report lists everyone who has accessed an individual's credit report within the last two years. This includes both inquiries that are made when a person applies for credit and that are made when a lender makes a pre-approved credit offer.

Legal Information

Credit reports include information on certain

- civil judgments
- liens
- foreclosures
- wage garnishment
- debts
- bankruptcies

Information They May Not Contain

In general, information that may not be included in a credit report are

- medical information without the individual's consent
- notices of bankruptcy (Chapter 11) more than 10 years old
- debts (including delinquent child support payments) that are more than seven years old

In addition, Equifax, Experian and TransUnion have agreed to exclude certain additional items including

- civil judgments that do not include an individual's name, address and either their social security number or their date of birth
- unpaid parking/traffic tickets and library fines
- medical debts that are less than 180 days old (allows reasonable time for insurance claims to be processed)
- tax liens

After seven years, negative information (except bankruptcies) in a credit report should be automatically deleted. However, information may be reported even after seven years if an individual is applying for credit, insurance or employment that exceeds

- \$150,000 for a credit transaction
- \$150,000 for a credit or life insurance application
- \$75,000 for a job salary

* States may have additional restrictions regarding information that must be excluded from a credit report.

Uses

A credit reporting agency may send a credit report to those it has reason to believe

- in connection with a credit transaction
- for review or collection of an account
- for employment purposes
- in connection with insurance underwriting
- in connection with a determination of eligibility for a license or other benefit granted by a government entity that requires the government entity to consider the applicant's financial responsibility or status
- as a potential investor or servicer, or current insurer
- in connection with a valuation of (or an assessment of the credit or prepayment risks associated with) an existing credit obligation
- in connection with a business transaction that is initiated by the consumer (must have legitimate business need)
- to review and determine whether the consumer continues to meet an account's terms (must have legitimate business need)

Credit reporting agencies must also send a credit report when an individual requests theirs in writing.

* The full list of permissible purposes of consumer reports under the federal Fair Credit Reporting Act is available at 15 U.S.C. § 1681b.

* Generally, only an employer or prospective employer needs a person's written consent to obtain a report. An exception is Vermont, where any user needs oral or written consent.



Individuals' Rights

Individuals have the right to

- obtain a free copy of their credit report once a year
- know who has received a copy of their credit report
- dispute inaccurate information
- explain the circumstances if negative information is included
- prevent credit bureaus from sharing their information for marketing by opting-out
- file a lawsuit or complain to the appropriate government agency



**Millions
Impacted
by Data
Breaches**



**No
Comprehensive
Right to
Privacy**



**Little Trust
in those who
collect, use
and share
our data**




**Lack of
Power
to protect
our privacy**

**Our
Reality**

Protecting Privacy for All

Since 1992, Privacy Rights Clearinghouse has been **protecting privacy for all** by **empowering individuals** and **advocating for positive change.**



We hope that this resource has been useful. If you would like to support the development and creation of further educational materials, please consider donating to our organization.

[privacyrights.org/donate](https://www.privacyrights.org/donate)

**Our
Mission**

The image is a collage of business meeting photos. The background is a warm orange color. There are several photos of people in business attire sitting around a table, working on laptops and talking. A large, dark blue curved shape is overlaid on the top left and middle of the image. Another large, orange curved shape is overlaid on the bottom right. The text is located in the bottom right corner, overlaid on the orange background.

Privacy Rights Clearinghouse

3033 5th Avenue
Suite 223
San Diego, CA 92103

O: (619) 298-3396

F: (619) 255-4719

privacyrights.org