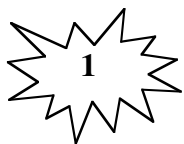


CREDIT AND YOU!

Loans, Cards, Debt, and Boosting Your Credit Score



What is credit and what is a credit report?

- Credit is when you buy something and pay interest or when you open a credit card account at a store or with a company.
- When you open a credit account, the crediting agency will report your new account to a Credit Reporting Agency (CRA). The CRA compiles all of your credit information from many sources into a credit report.
- Whenever you make a payment on your credit account, or if you are late or stop paying on the account, that activity is reported to the CRA and shows up on your credit report.



Should I get my credit report?

- Yes! You should get your credit report so that you can see who looked at your credit. You should get your credit report so that you can see who looked at your credit, whether you have good or bad credit, or if there are mistakes you need to fix. You should look at your credit once a year to see if there are any changes.
- It is a way for you to see if you have been the victim of identity theft.



How do I get a copy of my credit report?

- You should get your credit report from all of the three major credit reporting agencies:
 1. Equifax
(800) 685-1111 or www.equifax.com
 2. Experian
(888) 397-3742 or www.experian.com
 3. Trans Union
(800) 916-8800 or www.transunion.com
- You can get your credit report for FREE if you have been turned down for credit in the last 60 days, are on public assistance, are looking for work, or have been a victim of credit fraud.



Can I cancel a credit account?

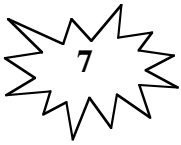
- Yes. However, you must write or call the creditor to cancel the account. Cutting up your credit card does not cancel the account. Even after you cancel an account, it will remain on your credit report for seven years. If closed accounts that are older than seven years appear on your record, you should call the CRA and have them removed.



- Not paying your credit cards or other loans on time, or defaulting on payments will lead to bad credit.
- Taking out large loans and not having enough money to pay them back can damage your credit report.
- Many inquiries about your credit can also mean that you have “bad credit,” because it may suggest that you were denied credit somewhere else.

Why is my credit report important?

- Anyone who is going to extend credit to you, a potential employer or landlord, or anyone with a “legitimate business interest” can look at your credit report.
- If you have “bad credit,” it may prevent you from getting a job, housing, or other things in life that you value.
- If you apply for credit, the credit report will be checked.



How can I establish credit and/or fix my credit?

- Build your credit references, by having at least one credit card on your report that you have paid on time each month.
- If you do not have a credit card, you can co-sign on someone else’s account and make payments on a regular basis.
- Get a pre-paid credit card (also known as a “secured credit card”).
- Open a bank account.
- Take care of collection accounts, by participating in a re-payment schedule.
- Remember, most negative information (except criminal record information), including collection accounts, may not appear on your report for more than seven years. If it does appear, then you can write to the credit agency and the CRA and ask to have it removed from your report. The credit agency and the CRA have thirty days to investigate and remove the negative information. Information about your criminal record can remain on your credit report indefinitely.
- Do not allow unnecessary inquiries into your credit. Every time someone (besides you) gets your credit report, it is listed on your account as an inquiry.
- Get advice from: “It’s legal! Your source for do-it-yourself legal solutions.” www.itslegal.com/infonet/credit/debt.html or contact D.C. Prisoners’ Legal Services Project at (202) 775-0323.
- If you do not pay your debts, the creditor may be able to garnish your wages or your tax return.
- A creditor CANNOT use harassment to collect a debt or force a debtor to accept a collect call.