

## 21. CREDIT REPORTING AGENCIES

- When you begin this process, it is best to cut up or shred and return your credit cards with a letter that states you are voluntarily closing the account. Mail it certified with a proof of service that specifies what is in the envelope. Keep a copy of your letter for your records.
- Before you send your CA/A, obtain a copy of your credit report. If you are married, you must obtain separate reports for each of you, and individually you must each send correspondence to the CRA's.
- Once you have received your credit report, go through every detail and look for any minor inaccuracy. Then begin your written dialogue with the CRA's concurrently with sending your CA/A. This procedure will make it much easier, at the conclusion of the notarial protest, to demand removal of adverse entries by CRA's of the accounts you have settled. Below are general guidelines for CRA interaction.

### Step One - Obtain Your Credit Report

Ordering from the Credit Bureaus Directly: You can order by mail, over the Internet, or possibly by phone.

The FCRA states that you are entitled to receive a credit report disclosure directly from the consumer credit reporting agency for FREE if:

- You certify in writing that you are unemployed and intend to apply for employment within 60 days.
- You are receiving public welfare assistance.
- You have reason to believe your consumer file contains inaccurate information due to fraud.
- You have been denied credit, insurance, or employment within the past 60 days

If any of the above applies to you then you may order directly from the credit reporting companies. You should receive your reports in 3 to 4 weeks. Oftentimes you will receive a letter asking for more information. To avoid this delay, include all of your relevant information.

1.	<b>Full Name.</b> Be sure to note if you are a JR or SR
2.	<b>Birth Date</b>
3.	<b>Social Security Number</b> and a Photocopy of your Social Security card.
4.	<b>Your current address</b>
5.	<b>Your Previous addresses</b> for the last five years.
6.	<b>Drivers License</b> Photo Copy with Current address on it (or other proof of address).

## Contact Information for National Credit Agencies

<a href="#">Experian</a>	<a href="#">Transunion</a>	<a href="#">Equifax</a>
<a href="http://www.experian.com/">http://www.experian.com/</a>	<a href="http://www.transunion.com/">http://www.transunion.com/</a>	<a href="http://www.equifax.com/">http://www.equifax.com/</a>
(888) 397-3742	(800) 888-4213	(800) 997-2493

## Step Two – Analyze Your Credit Report

If the credit report contains one or more of these indicators, then the report is negative. If the listing contains none of these indicators, then the listing is positive.

Experian	Trans Union	Equifax
<p>Any item marked with dashes on either side of the number (example "--2--).</p> <p>Any inquiry</p>	<p><b>ANY ITEM LISTED IN THE “ADVERSE” SECTION OF THE REPORT. WATCH FOR ANY INFORMATION WITH A “&gt;” SYMBOL NEXT TO IT.</b></p> <p>Any inquiry</p>	<p>Any item rated any higher than I1, M1, or R1 (such as an R2 or I9). Any item preceded by a "&gt;&gt;&gt;&gt;" icon.</p> <p>Any item listed as a repossession, foreclosure, profit and loss write off, charge off, paid profit and loss write-off, paid charge off, settled, settled for less than full balance, or included in bankruptcy.</p> <p>Any collection account whether paid or not.</p> <p>Any court account including a lien, judgment, bankruptcy chapters 11, 7, or 13, divorce, satisfied lien, or satisfied judgment.</p> <p>Any item showing one or more thirty, sixty, or ninety-day late payments under the body of the listing.</p> <p>Any inquiry</p>

Once you've highlighted all *negative* items on your credit report, begin looking for the *inaccuracies and inconsistencies and highlight them* with a pink or orange highlighter.

An inaccuracy is something that you know is not true, such as a listing that doesn't belong to you or an incorrect balance. An inconsistency is when the same information on the credit report contradicts itself, such as showing 12 late payment notations when the report shows only 4 months reviewed. You can use these inaccuracies and inconsistencies to lend credibility to your challenge.

If you find that a substantial amount of the negative credit on your credit report does not belong to you, you may wish to *prepare a lawsuit* against the credit bureaus. You will not have an adequate cause of action against the credit bureaus unless you attempt to correct the mistakes with them and they willfully or negligently mishandle your case. The odds of the credit bureaus negligently mishandling your case are *excellent*, so you would be wise to proceed with a lawsuit in mind.

### Inaccuracies to look for:

- Account not yours
- Account number wrong
- Date of account wrong
- Status wrong
- Balance wrong
- Late pay history wrong
- Account type wrong

### Inconsistencies to look for:

- More late pays than months reviewed
- Item in BK but no BK listed
- Duplicate accounts
- Never lived in area of court record
- Account shows older than possible
- Past addresses wrong
- Personal information wrong

Document every correspondence and response in a "diary" or spread-sheet or calendar type book. If your recordation is complete and accurate, it is usually considered an acceptable court document. Be sure to copy and file *everything* and send all of your correspondence certified mail, return receipt requested.

## Step Three – Organize your Notice

Review your credit report. Verify all aspects of its accuracy, including your:

1. Name
2. Delivery address
3. Contact phone number
4. Social security number
5. Date of birth
6. Former addresses
7. AKAs (also known as)
8. Employer
9. All accounts:
  - A. account number
  - B. type of account (i.e., revolving, line of credit, mortgage)
  - C. balance and most owed
  - D. open and closed dates and by whom
  - E. payment status (i.e., as agreed, never late, etc.)
  - F. credit limit
  - G. individual or joint account status
  - H. disputed status
  - I. Closed accounts

## Step Four – Send your first Notice

As soon as you have verified all information on the report, for each individual person (*you cannot notify CRAs in a single letter for joint accounts; it must be done individually*), in separate letters mailed in separate envelopes, send the appropriate CRA-1 letter.

The first letter, which is friendly and just to tell them you've reviewed your report may, address various errors in the report such as misspellings and closed accounts and wrong addresses. All Notices to inform them to delete an account or it is in dispute **MUST BE SENT SEPARATELY FOR EACH CREDITOR ACCOUNT**

**CERTIFIED MAIL TO EACH AGENCY WHERE CORRECTIONS ARE TO BE MADE.**

Request proof that the corrections have been made. The agencies have 30 days under federal law to make any required changes.

You also have the choice to notify the CRAs that your information is private and they are to place a Security Freeze on your credit information. This will prohibit them from disclosing your information when they receive a simple inquiry. Be advised that you must notify them if you want information released when you want to apply for credit or employment.

California Civil Code, also found in  
[www.witkin.com/pages/recent\\_dev\\_pages/DEVELOPMENTS2002.htm](http://www.witkin.com/pages/recent_dev_pages/DEVELOPMENTS2002.htm):

**Security Alerts:** Civil Code Section 1785.11.1. Start date: July 1, 2002

A consumer may request the placement of a security alert on his or her credit report. Credit Reporting Agencies (CRA) must notify those requesting information of the existence of the alert. A "Security alert" typically states the consumer wants to be notified prior to the extension of credit. The consumer may customize the language of the alert including the addition of a phone number(s) where he or she may be contacted regarding the alert.

**Security Freezes:** Civil Code Section 1785.11.2 Start date: January 1, 2003

A consumer may elect to place a security freeze on his or her credit report by making a request in writing to a consumer credit reporting agency (CRA). "Security freeze" means a notice placed in a consumer's credit report, at the request of the consumer and subject to certain exceptions, that prohibits the CRA from releasing the consumer's credit report or any information from it without the express authorization of the consumer.

Items included in this freeze include: name, address, birthdate, SSN and credit info. A freeze may always be lifted temporarily for the extension of credit and a unique personal identification number or password will be provided to the consumer for that purpose. The CRAs may charge a slight, reasonable fee for this service for non-victims. Certain groups will be allowed access without removing the freeze (employment, current credit issuers with established accounts, etc.) Consumers should be aware that a security freeze or security alert will affect their ability to be granted instant credit and will delay the extension of credit until the request is confirmed. It should not affect credit scores or prohibit the extension of credit to the true consumer.

## Step Five – Follow-Up

AFTER SENDING THE CRA-1 LETTERS, if appropriate, send a CA/NA and then follow up to dispute the accounts and inform the credit reporting agencies that they are not to provide any inaccurate information which may impair your commercial ability.

After you receive your Certificate of Dishonor from the Notary, SEND VIA CERTIFIED MAIL CRA-3.

CR-4 and -5 are provided as sample responses should the CRA's not comply with the contract.

## Step Six – Enforcement

After you receive your Certificates of Dishonor and Non-Performance or Breach of Contract and have billed the "Respondent" the amounts agreed to in the Conditional Acceptance self-executing contract by sending a minimum of three statements/bills at least ten days apart, if the CRAs still have not complied, then you have to make a decision as to whether or not you want to prosecute both the credit reporting agencies and the creditor. If the CRA's are continuing to ignore your evidence and take the verbal reporting of the creditor, follow up with letters to the Federal Enforcement Agencies, your state Attorney General, and local consumer advocates. You may wish to complete the process with notarial protest on the CRA's so that you can move it to

the Federal Court of Claims for enforcement of the judgment made of the evidence by the Notary, or for judicial review of your process to obtain a local Superior Court Order.

## **Step Seven – Credit Repair**

If they do not delete the settled accounts from your credit report after you have sent all your notices and threats to proceed with legal remedy, and you want your credit report cleaned up, then you either have to proceed by filing a lawsuit or you can “bite the bullet” and simply contract with a credit repair company who has an attorney on staff. Check with us for a referral.