



The Truth About Free Credit Reports

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Reader Question: "I have read that I am entitled to a free yearly credit report from the companies who produce them. But I've also seen a lot of people charging for this stuff. Who produces these reports, and who do I contact to get a yearly credit report that is truly free?"

Yes, there is such a thing as a totally free credit report with no strings attached. And by law, you are entitled to one per year. There are actually three credit-reporting companies in the United States. They are TransUnion, Equifax and Experian (formerly known as TRW). The Fair Credit Reporting Act (FCRA) is a federal law that governs the way consumer data can be gathered and distributed. In 2003, the law was updated with some new provisions. One of the items added under section 612 was the following clause about free yearly credit reports for consumers:

"All consumer reporting agencies ... shall make all disclosures pursuant to section 609 once during any 12-month period upon request of the consumer and without charge to the consumer."

Or, to state it in plain English, consumers have the right to request their credit information once a year without being charged for it. The revised law also called for a "centralized source" where consumers can go to request their free yearly credit reports -- and that source is the website located at www.AnnualCreditReport.com. From the home page, just look for the button right in the middle that says "Request Report" or "Start Here."

Your credit score is a different story. If you get your free credit reports through the website mentioned above, you will have to request your score separately (and you'll probably have to pay a nominal fee for the score).

A lot of companies package all of this together and add on other services like credit monitoring. They will refer to it as "3-in-1 credit reports and scores" because it gives you everything at once, often with the monitoring service that is paid on a month-by-month basis.

About the Consumer Credit Blog

The Consumer Credit Help blog gives consumers a place to go for straight answers to tough credit questions. It is a free service offered by the publishers of the Home Buying Institute. To learn more about the Consumer Credit Help blog, please visit www.HomeBuyingInstitute.com/help.

About the Home Buying Institute

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Learn more about your credit by visiting www.homebuyinginstitute.com/help