

Cleaning Up Your Credit Report

Once you have successfully completed your Chapter 13 plan, you must complete the following four steps before applying for credit:

First After the last Chapter 13 payment has been made, you will still need to wait until you receive your Final Report of Filed Claims from the Chapter 13 Trustee's Office and the Order Discharging Case from the Bankruptcy Court before applying for credit. Because the Trustee must wait for all final disbursement checks to clear, this may take 45 to 60 days.

Second When you finally receive these very important papers, make many copies. Store the originals, forever, in a safe place.

Third Send copies of your final bankruptcy papers to each of the three credit reporting agencies; ask them to update your credit report to show which debts were discharged, and request copies of your updated credit report. Also, request the addition of a Consumer Statement Section which will explain why you filed Chapter 13. List any one or more of the following mitigating reasons that are applicable to your situation:

- a. An interruption of income,
- b. A change in marital status (such as separation, divorce or death of a spouse),
- c. High medical expenses,
- d. A business failure.

Fourth When you get your credit report, read carefully to check for errors. Although accurate negative information will remain in your report for 7 to 10 years, check carefully to see that there is not any inaccurate information in your report. If you see inaccurate information listed in your report, you should tell credit reporting agency in writing. You should also tell the creditor, in writing, that you dispute an item. In addition to providing your complete name and address, your letters to the credit reporting agencies and the creditor should clearly identify each item in your report you dispute, state the facts, and explain why you dispute the information, and request that it be removed or corrected.

Keeping an Eye on Your Credit Report

Periodic reviews are smart! Even if you don't have a poor credit history, some financial advisors and consumer advocates suggest you review your credit report periodically

- because the information it contains affects whether you can get a loan or insurance — and how much you will have to pay for it.
- to make sure the information is accurate, complete, and up-to-date before you apply for a loan for a major purchase like a house or car, buy insurance, or apply for a job.
- to help guard against identity theft. That's when someone uses your personal information — like your name, your Social Security number, or your credit card number — to commit fraud. Identity thieves may use your information to open a new credit card account in your name. Then, when they don't pay the bills, the delinquent account is reported on your credit report. Inaccurate information like that could affect your ability to get credit, insurance, or even a job.

Free credit reports are available! A new Federal Law provides you with the opportunity to request a free credit report once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian, and TransUnion. You may request your free credit report online, by phone or using a specific request form through the mail.

Internet address <http://www.annualcreditreport.com>

Phone **1-877-322-8228**

Mailing address **Annual Credit Report Request Service
P.O. Box 105281, Atlanta, GA 30348-5281**

The Federal Trade Commission reminds consumers that there is only *one* authorized central website that offers the three free credit reports through this Federal program; beware of imitations that lead you into buying products or paying for your credit reports.

Information contained in this handout was found at the Federal Trade Commission's Bureau of Consumer Protection website at: <http://www.ftc.gov/bcp/online/pubs/credit/repair.shtm>