

From The Desk Of...

Gary Jarvis - Vice President

Free credit report myths – don't do it!



I'm thinking of a number, I'm thinking of a number between 450 and 850, that number is 720! All of us have seen that TV commercial hundreds of times everyday on how important it is that we receive a free credit report so we know what our credit score is; that magical number. At some point it does become magical, although this TV commercial is profit driven and without a care about your financial future.

Probably because I work with credit daily and have for over 15-years, each time I hear that TV commercial it drives me crazy and makes the hair on the back of my neck standup because of its misleading, underlying and profit driven message. But recently I almost wrecked my car while driving home from work one night; I heard a free credit report radio commercial ad that was over the top. Being a single guy who lives by himself with three dogs it caught my attention even more, if you haven't heard it yet it goes something like this:

"When you belong to ABC free credit report service, your life will change and you will be more fulfilled. By receiving a free credit report and knowing your credit score you will be able to easily purchase that new sports car, a beautiful new yacht and your dream lake front property that you've always wanted. Along with all this comes your life changing experience, a new love in your life will see all your newly acclaimed wealth and you will live happily ever after!"

If indeed that radio ad were true, I'm not interested - no thanks! The way I see that scenario is a guy overwhelmed with debt, on the steps of bankruptcy and a divorce in his future where he will be paying unhappily ever after! Why in the world would free credit reporting companies push ads like these, profit driven? If you listen very closely at the end of every ad, or in other words, in small print, they mention that you have to join their little club to get these great offers. FREE means anywhere from \$9.95 to \$19.95 on up, also with additional marketing schemes to get your money. Please don't buy in!

The Fair and Accurate Credit Transactions Act (FACT Act) enables you to obtain a free copy of your credit report once a year from each of the three major credit bureaus,

Equifax, Experian and TransUnion. Under a regional roll-out plan, you have been eligible for a free copy of your credit report since December 2004, with all regions in the country now eligible since September 2005. Other than your credit union, this is the only free credit report agency that we support. See the end of this article for information.



That magical number is your credit score; a credit score is a number calculated by a credit bureau, a lender or another company will use this score in making a decision on a loan application or other products or services. Many lenders use a system developed by Fair Isaac and Company called the "FICO score." Think of credit scoring as a point system based on your credit history, designed to help predict how likely you are to repay a loan or make payments on time.

Typically, your credit score is most influenced by two factors; how timely you pay your debts and how much debt you owe. Late payments on loans, a past bankruptcy, debt collections or a court judgment ordering you to pay money as a result of a lawsuit will negatively affect your credit score. Other very important factors that can affect your credit score include how long you've used credit, how often you've applied for new credit (inquires) and whether you've taken on new debt.

The most favorite part of my job each day is sharing and helping members understand, improve or maintain their credit scores. Getting a free credit report from these profit driven companies will not help you what-so-ever if you do not understand credit. If you receive a free credit report, please stop by my office so we can go over it together. With your hard work we can improve or maintain any credit score.

Yours truly,

A handwritten signature in cursive script that reads "Gary Jarvis".

Free Credit Reports

www.annualcreditreport.com

1-877-322-8228