

What is a Credit Bureau?

Law enforcement and financial advisors often recommend people contact a credit bureau to protect themselves from frauds and thefts.

But what is a credit bureau and what does it do?

A credit bureau is a company that collects and shares information about people who use credit. That includes everyone who applies for a credit card, any type of loan, a 90 days same-as-cash purchase, or other types of credit. Credit bureaus develop a number, called a credit rating, credit score, or beacon score, which lenders use to determine if they should lend money to a person.

To help determine your credit score, credit bureaus collect massive amounts of information on a person. They get their information from lenders such as banks or stores. They get their information from court records and landlords, utility companies and phone companies, and any other business that lets you buy their products or services on credit.

Credit bureaus will know if you have had credit in the past and whether or not you have paid your bills on time. Paying bills on time helps you build a higher credit rating. It shows you are a reliable person who lives up to your obligations. In a phrase, you are "credit worthy." Lenders are more likely to give you a loan when you have a higher credit score. Often a good credit score can help you get a lower interest rate, too.

If someone steals your personal information, such as your name, address, date of birth, and social security number, they may try to get credit in your name. If you have a good credit rating, the lender is likely to give you the card. The thief then uses that new card to run up bills you end up having to pay.

If you suspect someone is fraudulently using your information, contact a credit bureau right away. The credit bureau will place a 90 day fraud alert on your account. A fraud alert tells a business considering giving you credit to verify your information before saying "okay." Often that means the business will call you before approving the credit or loan.

There are three credit bureaus. If you call one to place a fraud alert, it will notify the other two.

Under the Free Credit Reporting Act, you can get a free copy of your credit report once a year by visiting the website: www.annualcreditreport.com. A number of other websites charge you for this service, so be sure to use *this* free service. If you find something suspicious on your credit report, immediately report it to one of the credit bureaus.

Here is the contact information for the three credit bureaus:

Equifax:	www.equifax.com	888-766-0008
Experian:	www.experian.com	888-397-3742
Transunion:	www.transunion.com	800-680-7289