

Credit Report

Your credit report is useful not only for obtaining your credit score but for helping you detect Identity Theft.

Two important questions every consumer should be able to answer: what's in your credit report and has an identity thief harmed it?

Chances are, if you're like most people, you don't know because you've never even seen your credit report. But you should be checking it regularly.

Here's why: your credit report determines your credit score, which is the number companies use to figure out how risky it might be to give you a credit card or a loan. The higher your credit score, the more money you can borrow at a lower interest rate. So you need to check your credit report to be sure nothing is hurting your score.

Let me take you inside ID theft for the info you need to find out how an identity thief can damage your credit score.

For starters, you need to check your credit report before buying a car or a home. It's also a good idea to check your credit report at least once a year to uncover costly mistakes, but more importantly to make sure no one has stolen your identity and is getting credit in your name. Checking your credit report may seem like a hassle, but if you don't do it, then you won't know that an unpaid bill from an identity thief lowered your score by 100 points, which could easily cost you \$100,000 in extra interest on a home loan.

The good news is, getting your report is easy and it's free. But, you have to be careful. Some websites that offer "free" credit reports, may charge you for other services just to get that free report.

Only one site truly provides your credit report to you for free, that's AnnualCreditReport.com

There are three credit-reporting bureaus. While the reports are similar, they aren't identical. So you should look at all three. You can stagger them and get one every four months, Experian today, Equifax four months from now, TransUnion in eight months.

The credit bureaus want to be sure it's really you, so there may be some unexpected questions, such as "What bank holds your mortgage?" They're called "out of wallet" questions, because even if someone stole your wallet, they wouldn't have enough information to pass this test and pretend to be you. Some consumers complain they have trouble accessing their credit report, but it usually happens because they don't pass the identity test. In that case, you'll have to call the credit bureau directly and complete the process by phone. Your report will be mailed to you.

Now, what do you look for on a credit report? Pay close attention to the lender names next to each account. Also notice how much you owe and if you are credited with paying on time. And above all, look for any account that doesn't belong to you or anything else that looks unfamiliar. You'll only get one free shot a year to see this information. So you should print the report and keep it in a secure location like a locked cabinet. Now you get to see what lenders know about you and your credit history.