



Everyday, companies target people who have poor credit histories with promises to clean up their credit reports so they can get a car loan, a home mortgage, insurance, or even a job – after paying a fee for the service. **The truth** is that no one can remove accurate negative information from your credit report. It's illegal.

When negative information in your report is accurate, only the passage of time can assure that it will be removed. A consumer reporting company can report most accurate negative information for seven years and can report bankruptcy information for 10 years.

If you get an offer to repair or fix your credit, how can you know if it's legit? Here are some signs that should set off alarms in your head – and make you put the offer in the trash:

- ✔ The company wants you to pay for credit repair services before they provide any services.

Fact: Under the Credit Repair Organizations Act, credit repair companies cannot require you to pay until they have completed the credit repair services they promised.

- ✔ The company doesn't tell you your rights and what you can do for yourself for free.

Fact: The law allows you to ask for an investigation of information in your file that you dispute as inaccurate or incomplete. This investigation doesn't cost any money.

- ✔ The company recommends that you don't contact any of the three major national consumer reporting companies (Equifax, Experian, and TransUnion) directly.

Fact: Under the Fair Credit Reporting Act (FCRA), the consumer reporting company and the information provider (the person, company, or organization that provides information about you to the consumer reporting company) must correct inaccurate or incomplete information in your report. To take advantage of all your rights under the FCRA, contact the consumer reporting company and the information provider in writing.

- ✔ The company tells you they can get rid of most or all the negative credit information in your credit report, even if the information is accurate and current.

Fact: Any credit repair company that claims to be able to legally remove accurate and timely information from your credit report is lying. There's no easy fix for bad credit. Improving your credit takes time and a conscious effort to pay your debts.

- ✔ The company suggests that you apply for an Employer Identification Number to use instead of your Social Security number so you can invent a "new" credit identity – and then, a new credit report.

Fact: If you follow illegal advice like this, you may find yourself in hot water. It's a federal crime to lie on a loan or credit application, to misrepresent your Social Security number, or to get an Employer Identification Number from the Internal Revenue Service under false pretenses. You could be charged and prosecuted for mail or wire fraud if you use the mail, telephone, or Internet to apply for credit and provide false information.

The FTC acts aggressively against "credit repair" scams, which are marketed as quick and easy ways to rid individual credit reports of negative information. In the last 10 years, the Commission has brought more than 40 cases against con artists that allegedly lied about their credit-related services. In one recent case, the FTC charged Bad Credit B Gone, LLC, with violating federal laws by claiming it could improve most consumers' credit reports by removing negative information that was accurate and not obsolete. The court ordered the company to pay more than \$322,000 in equitable monetary relief.

- » [Court Halts Credit Repair Scammers in Response to FTC Contempt Charges](#)
- » [Promoter of Credit Repair, Debt Relief Services to Settle FTC Charges](#)
- » [Credit Repair Scammers Settle FTC Charges](#)
- » ['Credit Repair' Operation Settles with FTC; Company Made False Claims and Charged Illegal Up-Front Fees](#)
- » [Court Closes Book on Credit Repair Ripoff](#)
- » [FTC Charges Seven Credit Repair Companies with Deceiving Consumers Throughout the U.S.](#)
- » [Credit "Repair" Company Agrees to Settle FTC Charges; Company Made False Claims About Its Credit Repair Services](#)
- » ['Operation Clean Sweep': FTC and State Agencies Target 36 'Credit Repair' Operations](#)
- » [FTC Obtains Court Order Against Husband-Wife Credit Repair Team](#)
- » [FTC Obtains Court Order Halting Credit Repair Scheme](#)
- » [FTC Charges Home Buying Consulting Business with Credit Repair Violations](#)

- » [Debt Collection](#)
- » [Debt Relief Services](#)
- » [Credit Repair](#)
- » [Advance Fee Loans](#)
- » [Vehicle Repossession](#)

Consumer Complaint?
Report it to the FTC

Credit Repair (:30)

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Bad Credit (:15)

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[Download the "Bad Credit" mp3](#)

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- » [Credit Repair: How to Help Yourself](#)

To learn how to improve your credit worthiness and find legitimate resources for low or no-cost help, see:

- » [What's Behind Ads for a New Credit Identity? It Could Be ID Theft Involving Children's Social Security Numbers](#)
- » [Your Access to Free Credit Reports](#)
- » [How to Dispute Credit Report Errors](#)
- » [Building a Better Credit Report](#)
- » [Knee Deep in Debt](#)
- » [Fiscal Fitness: Choosing a Credit Counselor](#)