

Consumer Protection: Free Credit Reports

A credit report contains information on where you live, how you pay your bills, and whether you've been sued, arrested, or filed for bankruptcy. Nationwide, three consumer reporting companies (Equifax, Experian, and Trans Union) sell the information in your report to creditors, insurers, employers, and other businesses that use it to evaluate your applications for credit, insurance, employment, or renting a home. Because your credit report can have a major impact on your well-being, it is wise to review it annually to make sure it contains only accurate information.

Checking your credit report regularly is also essential in detecting **identity theft**, which occurs when a thief uses another consumer's personal information (name, social security number, and more) to open and use accounts in the victim's name. For this reason, the Fair and Accurate Credit Transactions (FACT) Act was passed in 2004, entitling a consumer to receive one free copy per year of his/her credit report from each of the three national credit reporting agencies.

Request Your Report

The three nationwide credit reporting companies have established a central website, toll-free telephone number, and mailing address through which you can order your free annual report. Annual free reports are not available by contacting the three companies individually, but only through the central process:

On-line: www.annualcreditreport.com

By phone: 877-322-8228

By mail: Complete the Annual Credit Report Request Form and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. Obtain the form from www.ftc.gov/freereports.

You may order your reports from each of the three nationwide consumer reporting companies at the same time, or you can order from only one or two at a time. The law allows you to order one free copy from each of the nationwide consumer reporting companies every 12 months.

To request a credit report, you need to provide the following information:

- Name
- Address (current and past 2 years)
- Social Security number
- Date of birth

The credit reporting agency may also ask you for some information that only you would know, like the amount of your monthly mortgage payment.

Avoid Fraudulent Inquiries

www.annualcreditreport.com is the only authorized source for your free annual credit report from the three nationwide consumer reporting companies. www.annualcreditreport.com and the nationwide consumer reporting companies will not call you or send an email asking for your personal information. If you get a phone call or an email, or see a pop-up ad claiming it's from www.annualcreditreport.com or any of the three nationwide consumer reporting companies, do not reply or click on any link in the message — it's probably a scam. Report such incidents to the Federal Trade Commission's database of deceptive spam at www.ftc.gov or 1-877-FTC-HELP (1-877-382-4357).

IOWA STATE UNIVERSITY Extension and Outreach

Iowa State University Extension and Outreach programs are available to all without regard to race, color, age, religion, national origin, sexual orientation, gender identity, genetic information, sex, marital status, disability, or status as a U.S. veteran. Inquiries can be directed to the Director of Equal Opportunity and Compliance, 3280 Beardshear Hall, (515) 294-7612.

Adapted from www.ftc.gov,
Federal Trade Commission

Cooperative Extension Service, Iowa State University of Science and Technology, and the United States Department of Agriculture cooperating.

Reduce Your Debts with **PowerPay**©

<https://powerpay.org>

PowerPay© is a free, non-commercial debt payment analysis program. Whether you have lots of debts or just one or two, a PowerPay© analysis shows you a smart way to pay off your debts. It also illustrates how adding even a small amount to your monthly payments can reduce your total interest cost and get those debts paid off more quickly.

Example. Suppose you currently pay \$281/month on 3 debts:

1. 4-year car loan of \$7,000 at 8% interest: \$171/month;
2. ABC Credit Card: 16% interest, balance of \$2,900, usual payment is \$50/month;
3. XYZ Credit Card: 12% interest, balance of \$1,100, usual payment is \$50/month

As it stands now, it will be 9 years and 5 months till the last of these debts (the ABC Card) is paid off, and you will pay a total of \$4,053 in interest.

A **PowerPay**© analysis will show how *you can have all three debts paid off in 4 years and 4 months, saving \$1,222 in interest*, by continuing to pay \$281/month even after the first debt is paid off.

The analysis will also show that if you devote an extra \$100/month to debt payment you can have all three paid off in 2 years and 11 months, saving 2,416.

PowerPay© Works for Problem Debt

...and any debt you want to pay off early!

Mortgage Example: \$80,000 at 6.5% for 25 years
Monthly payment will be \$540/month PLUS taxes & insurance

If you pay it as scheduled, you'll pay \$82,125 in interest

PowerPay© option 1: pay an extra \$25/month

- **Result:** Total Interest = \$72,341, paid off in 22.5 yrs

PowerPay© option 2: pay an extra \$50/month

- **Result:** Total Interest = \$64,823, paid off in 20.5 yrs



Visit <https://powerpay.org/> and follow the instructions there.
Enter information about your debts and see the results immediately.

PowerPay© was developed by Utah State University Extension, and is located on a secure website.

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... and Justice for All

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