

## Reports on credit

and other financial information

# The FCRA, privacy and your credit report

### What privacy protections exist in federal law?

The U.S. Congress enacted the Fair Credit Reporting Act (FCRA) in 1970 and amended it in 1996. Congress updated the law again in 2003 with passage of the Fair and Accurate Credit Transactions Act (FACT Act). The laws protect your rights as a credit-active consumer by limiting access to your credit report. Among the protections provided by these laws are restrictions on who may access your credit history. You may request a copy, but no one else may legally review your report without a permissible purpose:

- In accordance with your written instructions
- In response to a court order or federal grand jury subpoena
- To manage the risk of current or potential credit or insurance accounts that were initiated by you
- For employment purposes, with your written permission
- For the purposes of a potential investor assessing the risk of a current obligation
- In connection with your application for a license or other benefit granted by the government, when consideration of financial responsibility is required by law
- In connection with a business transaction initiated by you
- In connection with a child support determination, under certain circumstances
- In connection with a credit or insurance transaction not initiated by you, when a "firm offer" of credit or insurance is extended, and certain other restrictions are met

Anyone who knowingly and willfully obtains a credit report under false pretenses may be fined and imprisoned.

The FCRA also includes these consumer protections:

- To prevent past troubles from haunting you forever, most negative information must be erased after seven years. Bankruptcies remain no more than 10 years. (Experian® removes Chapter 13 bankruptcies after seven years.) Unpaid tax liens remain 15 years. Paid tax liens are removed seven years from the date they are paid. Credit reporting companies use the date of original delinquency or, in the case of public records, the date of filing to determine when negative information is deleted.
- You may obtain a free copy of your credit report once every 12 months, as required by the FACT Act; you may also obtain a free report if you have been denied credit, insurance, employment or rental housing within 60 days based on information in the report or if you suffer an "adverse action" such as a




*Each day, various pieces of data are created, stored, transferred and used to help complete transactions and make decisions about us. Almost always, Americans find that use of information acceptable and beneficial. Sometimes, though, information might be used in a way that makes us uncomfortable.*

*This issue of **Reports on Credit** answers these important questions:*

- *What privacy protections exist in federal law?*
- *What is Experian's policy about protecting consumer privacy?*
- *How are Experian's privacy policies put into practice?*

decrease in your credit limit or increased interest rate. You also may receive a free report if you have a reason to believe your file contains inaccurate information due to fraud or if you certify in writing that you are unemployed and seeking employment within 60 days or are a recipient of public welfare assistance.

- When credit is denied based on information in a credit report, the credit grantor must tell you the name and address of the credit reporting company that supplied the report and, upon written request, the reason for the denial.
- If you dispute the accuracy of information in your credit report, the credit reporting company must investigate the information with the source and verify, update or delete the information within 30 days.
- Your report must reveal who has received your credit history information within the past two years for employment purposes or within the past year for any other purpose. (These are minimum requirements. By policy, credit reporting companies may keep inquiries longer. Experian keeps inquiries for two years.)

### What is Experian's policy about protecting consumer privacy?

The nature of information — what is collected, how it is stored and processed, how it guides marketing — is forever changing. The tools business managers use to make choices and decisions about appropriate ways to use information must change as well.

That's why Experian established a values approach to information use. This approach helps ensure that we balance the interests and needs of consumers, businesses and credit reporting companies when developing new information-based services and products.

Experian's five information values are:

- **Balance:** Experian strives to balance the interests of consumers with the business needs of clients to ensure both receive benefit from information use
- **Accuracy:** Experian strives to ensure the information it collects and maintains is as accurate and up to date as possible and that the information is appropriate for its intended use

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- **Security:** Experian protects the information it maintains from unauthorized access or alteration
- **Integrity:** Experian complies with all laws and applicable industry codes and operates its businesses in accordance with these information values
- **Communication:** Experian communicates openly about the information it maintains and how it is used and seeks to inform consumers of their rights regarding the use of information

### How are Experian's privacy policies put into practice?

From values come practices for the use of information in Experian's consumer databases. Its information practices are based on two underlying truths:

- American consumers want choices. They want these choices to create value in a competitive marketplace, and they want to see and know how others use credit data about them.
- Consumers do not want information used to disadvantage or embarrass them. Nor do they want to feel anxious or uncomfortable about information use.

Experian's managers have learned that everyone wins — consumers, businesses and Experian — when information use creates choice for consumers and limits disadvantage.

Experian's policy is to:

- Comply with all laws that govern information use
- Remove consumers' names, upon request, from Experian's marketing lists
- Provide consumers with copies of their credit reports upon request
- Check consumer disputes with the information source within 30 days
- Acquire data only from reputable organizations
- Supply data only to organizations that meet the requirements of the FCRA and our conditions for use of data
- Treat all consumers with respect and courtesy



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