

CREDIT REPORTING



Why You Should Care About Your Credit

Your credit report significantly impacts your financial life — determining your access to loans, the interest rates you pay, and your overall payment obligations. To maintain good credit health, regularly review your credit report and dispute any inaccuracies.

Key Components of a Credit Report

- **Personal Information:** Your name, address, Social Security number, and employment history.
- **Credit Accounts:** Details of your current and past credit accounts, such as credit cards, mortgages, and loans.
- **Credit Inquiries:** Records of who has accessed your credit report.
- **Public Records:** Information on bankruptcies, foreclosures, and liens.
- **Credit History:** Record of payments made on your credit accounts, highlighting on-time payments, late payments, defaults, and charge-offs.

The Three Major Credit Reporting Agencies

- [Equifax - www.equifax.com](http://www.equifax.com)
- [Experian - www.experian.com](http://www.experian.com)
- [TransUnion - www.transunion.com](http://www.transunion.com)

Access your free credit reports from these agencies at AnnualCreditReport.com or call 1-877-322-8228.

Importance of Credit Reports

- **Credit Decisions:** Lenders use credit reports to assess the risk of lending money.
- **Insurance:** Insurers may use credit information to set premiums.
- **Employment:** Some employers check credit reports during the hiring process.
- **Rental Applications:** Landlords often review credit reports to assess tenant reliability.

Credit Scores

A credit score is a numerical representation of your creditworthiness derived from your credit history and the items on your credit report. A credit score typically ranges from 300 to 850, with higher scores indicating better creditworthiness.

Factors Influencing Credit Scores

- **Payment History:** Timeliness of payments.
- **Credit Utilization:** Ratio of credit used to total available credit.
- **Length of Credit History:** Time since the oldest account was opened.
- **Types of Credit:** Variety of credit accounts.
- **Recent Inquiries:** Number of recent credit checks.

Tips for Improving Your Credit

- **Pay Bills on Time:** Consistent on-time payments are crucial.
- **Keep Balances Low:** Keep credit card balances low (under 30% of the card limit is a general recommendation), and pay your statement in full each month.

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- **Limit New Credit:** Avoid opening multiple new credit accounts in a short period of time.
- **Monitor Credit Reports:** Regularly review your credit reports to check for inaccuracies.
- **Manage Debt:** Keep debt levels manageable and pay down existing debts.

HOW LONG DOES NEGATIVE INFORMATION STAY ON A CREDIT REPORT?	
7 YEARS	Collections, Late Payments, and Delinquencies
UP TO 10 YEARS	Bankruptcies
10 YEARS	Accounts Closed in Good Standing
2 YEARS	Credit Inquiries
Indefinitely	Open, Positive Accounts

COMMON CREDIT REPORTING ERRORS
Incorrect personal information
Accounts that do not belong to you.
Inaccurate account status.
Duplicate accounts.
Incorrect public records.

Disputing Errors on Your Credit Report

If you find an error on your credit report:

1. **Contact the Credit Reporting Agency:** Report the error and provide supporting documentation.
2. **Investigation:** The credit reporting agency typically investigates within 30 days.
3. **Outcome:** If the error is confirmed, your credit report should be corrected.

If the credit reporting agency fails to respond, [you can file a complaint](#) with the Maryland Office of Financial Regulation.

Consumer Rights

- **Free Credit Reports:** You are entitled to a free credit report from each of the three major agencies weekly.
- **Right to Dispute:** You can dispute inaccurate or incomplete information on your credit report.
- **Right to File a Complaint:** Visit [Maryland Office of Financial Regulation](#) to file a complaint online.

Resources

- [AnnualCreditReport.com](#): Access your free credit report.
- [Consumer Financial Protection Bureau \(CFPB\) www.consumerfinance.gov](#): Information on Credit Reports and Scores.

Questions & Concerns

For more information or to file a complaint with our Office visit www.labor.maryland.gov/finance/consumers.

Call 410-230-6077 or email CSU.Complaints@maryland.gov for assistance.

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