

## **Consumer Beware: Using Easy “Credit Repair” Companies Could Be Fraud**

***Can I repair my credit?*** Yes. While no one can legally remove accurate and timely negative information from your credit report, the law allows you to investigate and dispute information you see as inaccurate or incomplete. There is no charge for this.

You are legally entitled to a free credit report once a year. You are also entitled to a copy of a credit report if a company takes adverse action against you, like denying your application, because of your credit.

For more information on how to improve your credit or dispute something on your credit report, see the Federal Trade Commission’s site at <http://www.ftc.gov/credit/>

***What are some of these “credit repair” companies doing?*** They say that they can raise your credit score by 50, 100, 200 points in a very short amount of time. This will cost you thousands of dollars. They do this by adding you as an authorized user on someone else’s credit. This person has better credit than you do, so it artificially inflates your score.

***Don’t these companies say that adding an authorized user is legal?*** Adding someone as an authorized user is legal, however, when it is done for the purpose of defrauding a lender, then that misrepresentation is fraud. When you do this raise your score artificially in order to have better credit, you are purposely misrepresenting your credit to a lender, and that is not legal.

***How do I make sure I don’t commit fraud?*** There are ways that you can legally repair your credit, which you can do without a credit repair company. There are also some warning signs if which you can look for if you are considering using a credit repair company. For more information, see the Federal Trade Commission’s site at <http://www.ftc.gov/bcp/online/pubs/credit/repair.htm>