NO PREP

Credit Reports Uncovered

Monitor & Dispute Errors

Includes: Student reading, case study, differentiated questions, teacher key

Name: Period: Date:

Credit Reports Uncovered: Monitor & Dispute Errors

Credit Reports vs. Credit Scores

A credit report is a detailed record of your borrowing and repayment history, maintained by each of the three major credit bureaus: Equifax, Experian, and TransUnion. It lists open and closed accounts, payment history, credit inquiries, and public records such as bankruptcies. In contrast, a credit score (often a FICO® score) is a three-digit number derived from your report data. Scores range from 300–850 and signal lenders how risky you are: the higher the score, the lower the perceived risk. Teens typically have thin credit files, so early missteps (like a family member's joint account error) can weigh disproportionately. Understanding

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Accessing Your Free Annual Reports

Under federal law, you can get one free copy of each bureau's credit report every 12 months via AnnualCreditReport.com. When ordering, you'll provide personal details (name, address, Social Security number) and answer security questions (e.g., past loans). After viewing your report, download and save a PDF for your records. Some states also allow more frequent free reports. Since 2023 the three bureaus have also offered free weekly online reports through the same site, so the 12-month rule is the legal floor and not a limit on how often you can look. In addition, many banks and credit-card issuers now offer free quarterly or monthly credit-score snapshots; although these aren't the full report, they help you spot sudden dips. Use a simple table to track when you last pulled each report: By staggering your requests (one bureau every four months), you see a fresh report three times a year and cover your full credit profile once a year, without any cost.

Common Errors and Their Impact

Credit reports often contain mistakes: wrong address, duplicate accounts, outdated public records, or even accounts you never opened (a sign of identity theft). Such errors can drag your score down by 20–100 points, affecting your ability to rent apartments, qualify for low-interest loans, or even land certain jobs. For instance, a medical bill reported erroneously as a delinquent credit-card account could remain on your file for seven years unless corrected. Always scan each section (personal information, accounts, inquiries, and public records) and circle any discrepancy. Note the account name, original creditor, date opened, and balance. Keeping vigilant protects your future: as you build a history of responsible borrowing, you don't want an old mistake to follow you into adulthood.

Dispute Process & Sample Letters

When you spot an error, the Fair Credit Reporting Act (FCRA) entitles you to dispute it. You can file disputes online, by mail, or by phone, but a written dispute letter by certified mail creates a paper trail. In your letter, clearly identify yourself (full name, date of birth, Social Security number), specify the item in question, explain why it's wrong, and enclose copies of supporting documents (statements, ID). The bureau must investigate within 30 days and notify you of the outcome. If the error persists, you can escalate to the original creditor or file a complaint with the Consumer Financial Protection Bureau (CFPB). Here's a brief sample structure: [Your Name] [Address] [City, State, ZIP] [Date] Re: Dispute of [Account Name/Number] Dear [Bureau Name], I recently reviewed my credit report and found the following error: Item: [e.g., "Account with XYZ Bank, opened 05/2019"] Problem: [e.g., "This account never existed; I have no record of opening it."] I have enclosed [copies of statement, driver's license] to support my claim. Please correct or remove this item in accordance with the FCRA. Sincerely, [Signature] Maintaining copies of all correspondence speeds up resolution and provides proof if you need to take further action.

Monitoring & Identity-Theft Alerts

Beyond annual checks, regular monitoring—through paid services or free tools offered by banks—alerts you to new inquiries, accounts opened in your name, or dramatic score changes. Many bureaus offer fraud alerts or credit freezes: a fraud

alert requires creditors to verify your identity before opening new accounts, while a freeze locks your file entirely (no new credit can be issued until you lift the freeze). As a teen, you may set up a one-year initial fraud alert after suspected identity theft or an extended 7-year alert if you're a confirmed victim. These measures cost little to nothing but can save you thousands in unauthorized charges and help preserve your clean credit history.

Key Information

Bureau	Website	Last Pulled	Next Due
Equifax	www.equifax.com	July 2025	July 2026
Experian	www.experian.com	November 2025	November 2026
TransUnion	www.transunion.com	March 2025	March 2026

Case Study Excerpt: "Liam's Battle with a Phantom Loan"

When Liam, a 17-year-old honor student, requested his TransUnion credit report in March 2025, he discovered a $1,200 auto loan listed under his name—despite never applying for credit. Alarmed, he printed the report and logged into AnnualCreditReport.com to verify it wasn't a display glitch. Sure enough, the entry appeared on all three bureaus' reports. Liam then gathered supporting documents: a letter from his high school confirming his full-time enrollment and a copy of his government ID showing he didn't reach driving age until after the loan's origination date. He drafted dispute letters to each bureau using certified mail, detailing the phantom loan and enclosing his evidence. Within 28 days, two bureaus confirmed the item's removal; the third required a follow-up from the lender. Liam contacted the lender's fraud department, which traced the account to an identity thief who used Liam's stolen Social Security number. After another 30 days, all three bureaus marked his file "verified identity theft—account removed," and Liam added an extended fraud alert and freeze on his report. Through organized documentation and persistence, he protected his credit before it ever officially launched.

1. What documents did Liam use to prove the auto loan was fraudulent?

_____

_____

2. What additional measures did Liam take to prevent future fraud?

_____

_____

Multiple Choice

1. Which law gives you the right to dispute credit-report errors?

    a) Fair Credit Reporting Act

    b) Fair Debt Collection Practices Act

    c) Equal Credit Opportunity Act

    d) Truth in Lending Act

2. A credit freeze means:

    a) You receive one free annual report

    b) No one can open new credit in your name without your permission

    c) Your credit score stops changing

    d) You pay a monthly fee to each of the three bureaus to watch your file

3. The fastest way to spot unauthorized accounts is through:

    a) Annual credit report only

    b) Paper statements mailed by creditors

    c) Discussions with family members

    d) Monitoring services or alerts

Matching

Write the letter of the correct definition on the line next to each term.

Term	Definition
1. ___ AnnualCreditReport.com	A) Locks file against new credit applications
2. ___ Fraud Alert	B) Free government-mandated website for reports
3. ___ Dispute Letter	C) Numeric value predicting credit risk
4. ___ Credit Freeze	D) Requires creditor verification before new accounts
5. ___ FICO® Score	E) A formal request to correct an error on your report

Fill-in-the-Blank

1. Under the FCRA, bureaus must investigate disputes within _____ days.

2. A written _____ letter by certified mail creates a verifiable paper trail.

3. An extended fraud alert lasts for _____ years.

Short Answer

Answer each question in 2-4 complete sentences.

1. Explain why duplicative accounts harm your credit score.

2. Describe the role of certified mail in the dispute process.

3. Outline two benefits of setting a fraud alert on your credit file.