



## What is a Credit Report?

A credit report is a record of data or information regarding the credit history of an individual. Credit reporting agencies keep and organize this information as a service to their clients. Generally, subscribers to credit reporting agencies consist of creditors, banks, department stores, leasing and finance companies, insurance companies, landlords, and employers.

### What is in Your Credit Record?

- Identifying information – name, date of birth, social security number, current address and your spouse's name.
- Financial data – credit accounts, credit available, and bill paying history.
- Public record information – such as bankruptcies, lawsuits, or nonpayment of child support.
- Any inquiries received – usually within the past two years, for credit information about you.

Credit reports do not contain information on a consumer's life style, personal habits, social life, friends or relatives. In addition, they do not contain medical histories, civic or political activities, religious beliefs, or news items.

Credit reporting agencies have no vested interest in any information contained in an individual's credit report. Their main interest lays in providing the most accurate information possible to their clients who generally use information to approve or decline requests for loans, insurance, and positions of employment or tenancy.

Creditors are unlikely to grant credit to someone who has erratic employment, changes residence frequently, or who represents significant risk. A consumer with a poor payment history or with an unfavorable debt-to-income ratio represents a risky investment.

Landlords are interested in credit report information because they can see your payment history and how often you move. If a prospective tenant moves around a lot and has difficulty paying bills, perhaps the tenant will move quickly and not pay his or her rent. Landlords can also see if the prospective tenant has been evicted from other locations.

Employers may reject applicants for certain positions based on credit reports because employees with unstable financial situations may constitute a risk. Companies that hire people for positions that require handling money like bank tellers, or positions of authority like police, may reject someone with a poor credit history because that person may be tempted to abuse his or her position. Some employees see a poor credit report as a reflection of poor character.