

Credit Report Agencies Publishes Article On Understanding Free Credit Reports

Written by Australian Business

(PRLEAP.COM) CreditReportAgencies.org, a website that offers a free credit report and score to consumers, recently produced an article that discusses free credit reports. The article is titled, "Understanding Your Free Credit Report," and it begins by defining what a [credit report](#) is.

According to the article, "a credit report is a compilation of information about a person's credit history." That signifies that any information about a consumer's payment history or their debt amount will be reflected here. It also shows to whom the consumer owe those debts to.

The article further explains that this is also the same report that is used for the calculation of the consumer's credit score. This score is important because it helps lenders determine if a person is credit worthy or not.

Credit Report Agencies also discuss 4 different topics about credit reports through the article.

The first is about the information placed in the report. The article mentions that it holds the credit history of a person for the past 7 years. These include debts, payment behavior, opened or closed accounts, credits used and still available, and any court ordered financial situations like bankruptcy.

Next, the article explains why credit reports should be valued by consumers. The main reason why it is important is because it provides consumers with a credit score. It is collected by the 3 major credit bureaus - Experian, TransUnion and Equifax. The main reason to aim for a good credit score is for creditworthiness - whether that is for a home loan or a car loan. It can also be the basis of an employer in hiring an applicant or an insurance company in calculating the rate of the consumer's premium.

The article discloses how a good credit score implies that a person is very responsible when it comes to their credits. It also shows that they know how to use their credit wisely. Lenders view them as a low credit risk borrower. A person with a bad credit score only implies the reverse of everything that was mentioned. It shows that they are a high risk borrower, they have a bad payment behavior or they have a high debt amount. It can also mean they have declared bankruptcy or foreclosure in the past. All of these do not bode well for a consumer who wants to take in new credit.

Credit Report Agencies Publishes Article On Understanding Free Credit Reports

Written by Australian Business

The third topic is all about how consumers can get a copy of their credit report. The article reveals that all consumers are entitled to one free credit report from a major credit bureau once a year. Since there are three credit bureaus, each consumer can get three reports a year. This can be downloaded from the AnnualCreditReport.com. Consumers are encouraged to view this report to check and dispute any wrong information. There is a high possibility that all three reports are not identical.

Lastly, the article provide consumers with tips on how they can improve their credit scores. While the article claims that it cannot be done overnight, it is doable. Even if a score is low, the consumer can implement certain habits that will help increase that and improve the data on the credit report. The tasks include removing incorrect entries in the report, paying bills on time and paying down debts. Other ways to increase a credit score includes keeping old accounts and keeping credit inquiries far apart.

To read the whole article, visit the website of [Credit Report Agencies](http://CreditReportAgencies.org).

To get a free copy of a credit report and score or to simply learn more about credit reports, go to CreditReportAgencies.org.