



A Program with the
Colorado Attorney General
and the AARP Foundation



Colorado Attorney General
John W. Suthers



Better Business Bureau
serving Colorado



There's no Magic Wand: Bad Credit Cannot be "Erased"

Due to the current state of the economy, seniors may, for the first time, find themselves in the position of having financial issues that have arisen unexpectedly and consequently have possibly negatively affected their credit scores. As a result, there has been an increase in solicitation from companies claiming to have the power make all of your bad credit go away with just a wave of their magic wand (and a fee of course).

The fact is that it's illegal: No one can remove accurate or legitimate negative information from your credit report. So after these companies have been paid hundreds or thousands of dollars in fees, victims are left with the same credit report and someone else has their money.

According to the FTC here's how to tell if the company behind it is up to no good:

- The company wants you to pay for credit repair services before they provide any services. Under the Credit Repair Organizations Act, credit repair companies cannot require you to pay until they have completed the services they have promised.
- The company doesn't tell you your rights and what you can do for yourself for free.
- The company recommends that you do not contact any of the three major national credit reporting companies directly.
- The company suggests that you try to invent a "new" credit identity — and then, a new credit report — by applying for an Employer Identification Number to use instead of your Social Security number.
- The company advises you to dispute all the information in your credit report, regardless of its accuracy or timeliness.

The good news is that you can improve your credit report legitimately, but it takes time, a conscious effort, and sticking to a personal debt repayment plan. Colorado consumers have a right to order one free copy of their credit report each year. This opportunity can be used to check your credit report for errors, which YOU have the power to correct or dispute, should they be fraudulent. This can be done at www.annualcreditreport.com or by calling 1-877-322-8228 to receive the Annual Credit Report Request Form.

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