

FAIR HOUSING AND CONSUMER CREDIT **FAIR HOUSING HIGHLIGHT #21**

I don't know much about credit reports. What kind of information do credit reports have in them... is this something to worry about?

Your credit report is a record of your credit re-payment history that is recorded in a file at one of the three consumer reporting agencies (CRAs) usually known as "credit bureaus". There are three main CRAs: Experian, Equifax, and TransUnion. If you have ever applied for a credit or charge account, a loan, insurance, or even a job - you have a credit report on file at a credit bureau. These reports have information about your income, debts and re-payment history and also indicate whether you have ever been sued, arrested, or filed for bankruptcy. This is not something to "worry about", but it is important to make sure that the information contained in your credit report is accurate and up-to-date.

What does fair housing have to do with consumer credit issues?

A lot. A good credit rating is very important. Businesses of all types may look at your credit history when you apply for housing, credit, insurance, or employment. And based on your credit report, you can be turned down for a mortgage or pay a higher interest rate on everything from credit cards to home loans. Or you could get turned down when you try to rent an apartment if your credit reports indicate you have bad credit. Since a mortgage lender or landlord could use your credit report to deny you housing or make you pay a higher rate, you need to know what laws protect consumers against lending discrimination. If a housing provider is deciding whether or not to provide housing based on certain considerations such as income, credit report, criminal record, or rental history, then they must apply the same criteria to everyone i.e. *if one applicant's credit report is checked, then every applicant's credit report must be checked.*

Besides the Fair Housing Act, which outlaws housing discrimination based on race, color, religion, national origin, gender, physical or mental disability, or familial status, there are other laws protecting people from credit discrimination such as the Equal Credit Opportunity Act and the Fair Credit Reporting Act

What are the Equal Credit Opportunity Act and Federal Fair Credit Reporting Act?

The Equal Credit Opportunity Act (ECOA) ensures that everyone is given an equal chance to obtain credit. It prohibits creditors from discriminating against any credit applicant on the basis of illegal criteria of: race, color, religion, national origin, sex, marital status, age, or because an applicant receives income from a public assistance program. Not all consumers who apply for credit will get approved. Besides credit history, factors such as income, expenses & current debt can be considered in accepting or rejecting an applicant. *If you are denied credit, you have a right to know why.* Under the Federal Fair Credit Reporting Act, you have the right to know what is in your credit file. If you have been denied credit, employment, or insurance within the last 30 days, the credit bureau must give you a copy of your complete file free of charge.

Who should I call if I feel I may have been discriminated against?

To file a complaint about discriminatory business practices, call the Federal Trade Commission (FCC) at 877-382-4357. You can also file a complaint with the Pennsylvania Attorney General's Office of Consumer Protection, at 800-441-2555. If the discrimination is related to housing, call the Fair Rights Center.

HOT TIP: A new federal law allows you to receive a FREE copy of your credit report once a year from the three main credit reporting agencies (Equifax, Experian, and Trans Union) To order your credit report, call 1-877-322-8228 or log on to: www.annualcreditreport.com

**Questions? Call the Fair Housing Rights Center in Southeastern Pennsylvania at 215 576-7711
or visit us online at www.fairhousingrights.org.**