

# Five Reasons to Check Your Credit Report Regularly

In much the same way that a resume displays your work experience to a prospective employer, a credit report provides prospective creditors (and in some cases employers and insurers too) with a detailed picture of your credit history. And like a resume, your credit report can influence whether you will receive what you are applying for.

Ideally, your credit report is an accurate, up-to-date reflection of your credit history. However, since we don't live in an ideal world, there are many reasons that your credit report could contain inaccuracies that might prevent you from receiving the credit you deserve. The good news is you can take action to keep your report accurate. Here are the top five reasons why you should make a practice of regularly reviewing your credit report:

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## **Inaccuracies & Mixed Credit Files**

Many inaccuracies on a credit report can be the result of simple human error, and are therefore not difficult to dispute. Of course, if you don't order your credit report, you might never know about it. Whether the inaccuracies relate to payments not credited, late payments, or data mixed in from the credit file of someone else with a name similar to yours, you will want to contact the credit bureau to dispute inaccurate information promptly.

## **Tracking *Payments***

One of the most important elements of credit is a demonstrated history of on time payments. Once you send the check though, anything can happen--a delay in the payment being received can kick you over to a 30-day delinquency. If you call your creditor and explain the situation, they might adjust the information. Of course, if you don't read your credit report, you won't necessarily know which payments are being received and reported properly.

## **Identity Theft**

This issue alone is reason to order your credit report immediately. Identity theft is an insidious crime, involving a thief who assumes your name to open new accounts, divert your card statements to another address, and run up all sorts of bad debt without you ever knowing about it until collectors come calling. Over time, identity theft could jeopardize your ability to obtain further credit. The best way to catch a thief who is using your name is by getting a copy of your credit report, which will show you if there are accounts listed you know you haven't opened. For example, if a thief has intercepted a pre-approved credit card offer in your name and sent it in

with a change of address, your credit report will include the account.

### **Inquiries**

If you're shopping around for a loan or more credit, you should know that when creditors check your credit, it places an inquiry on your credit report. Inquiries can add up, which is often interpreted as a negative by creditors. For this reason, too many inquiries can actually make getting credit more difficult. Moreover, if you didn't authorize someone to look at your credit report and they did, they may have broken the law.

### **Credit Fraud--Unauthorized Charges**

Credit fraud involves the theft of your credit card or account number to make unauthorized charges to your account. Though consumers are protected financially from this abuse, other creditors may take note of all this activity and decide to raise your interest rates or refuse to grant you a loan. Ordering your credit report will help you catch new activity on accounts that you haven't been using, or may have closed.

When it comes to managing your credit worthiness, your credit report is your best resource. Ordering your credit report gives you the opportunity to manage your credit wisely today, while planning your credit strategy for achieving future goals--a credit-savvy move every consumer should make!