



The following was written by Sandra Block (covers personal finance for USA TODAY)

Monitoring Credit Reports

Monitoring your credit report is one of the most effective ways to protect yourself against identity theft, an insidious crime that often goes undetected until victims start receiving calls from collection agencies about fraudulent accounts. Some victims spend months, or even years, trying to restore their credit.

The easiest way to order your credit reports is through a central Web site set up by the Federal Trade Commission, www.annualcreditreport.com. You must go through the FTC site to get a free report; if you order directly through the credit bureaus' Web sites, you'll have to pay for your report.

You also can order your credit reports through a toll-free number, 877-322-8228, or by writing: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

When you request your reports, you'll be asked to provide your name, address, Social Security number and date of birth. The credit bureaus also may ask you for specific identifying information, such as the amount of your monthly mortgage payment.

You can order all three of your credit reports at once, or stagger them over several months. Spreading them out allows you to check changes in your credit report over time, says Evan Hendricks, author of *Credit Scores and Credit Reports: How the System Really Works*.

However, if you plan to apply for a mortgage or car loan in the next few weeks, you may want to order all three credit reports at once, he says. That way, you can correct any errors before you apply for a loan.

In either case, order all three reports, Hendricks says. Some lenders report information to just one or two of the credit reporting agencies, so ordering all three reports is the only way to get a complete picture of your credit profile.

Deciphering your reports

Once you've obtained your reports, you should review them carefully for trouble spots that could hurt your ability to obtain good credit.

Some potential problems and how to identify them:



Fraud Check the credit card accounts in your reports carefully. If a report lists unfamiliar accounts with large credit lines, you may be a victim of identity theft, says David Chung, interim president of CreditXpert, which sells credit-management products. Identity thieves often open new accounts in victims' names and use them to make purchases.

You also should review the "inquiries" section of your reports, which tells you who has been reviewing your credit history. If you live in Maryland and a car dealer in Texas has pulled your credit report, you may be the victim of identity theft, Hendricks says.

Mistaken identities. Credit bureaus process millions of pieces of information every year, and sometimes mix-ups occur. Information about someone with a similar name or address may show up on your credit reports.

If your doppelganger has a tattered credit record, misplaced information could hurt your ability to get a loan.

Inaccuracies. Late payments can hurt your credit score. If one of your reports shows a delinquent credit card payment and you know you've paid your bills on time, "get ready to dispute it," Hendricks says.

You also should check the "public records" section of your reports for errors. This section shows tax liens, bankruptcies and default judgments against you.

Those types of items are tremendously damaging to your credit score, so it's important to challenge errors right away.

You can learn more about disputing information in your credit reports at www.ftc.gov/credit.

Consumers Union, an advocacy group, also has published tips on its Web site, www.consumersunion.org.

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