

MARRIAGE AND CREDIT HISTORIES



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INTRODUCTION

Each year, many people are denied credit because their “credit history” is incomplete. The record of your payments on credit cards, charge accounts, installment loans, and other credit accounts makes up your credit history. Your credit history is a major factor for most companies in predicting your success using credit. Having an accurate and complete credit history is essential to being able to obtain credit in the future.

KNOW YOUR RIGHTS

Two federal laws give you specific rights that help protect your credit history and make it easier for you to obtain credit:

- The Equal Credit Opportunity Act (ECOA) prohibits a creditor from discriminating against you on the basis of sex or marital status in any aspect of a credit transaction.
- The Fair Credit Reporting Act (FCRA) protects consumer privacy and safeguards the accuracy of credit bureau reports.

ASK THE CREDIT BUREAU TO HELP

Credit bureaus gather and sell credit information about consumers. Creditors usually rely on credit bureau reports before issuing a line of credit. There are three major national credit bureaus:

- Equifax 888-548-7878 www.equifax.com
- Experian 888-397-3742 www.experian.com
- Trans Union 800-916-8800
www.transunion.com

You also authorized to receive a free report each year from each agency, which you can access by going to www.annualcreditreport.com. You should periodically check your reports from all

three of these major agencies to make sure that they are not reporting inaccurate “bad” information or failing to report accurate good information, such as credit cards that you have always paid on time. Services now exist that offer to obtain your credit information, or abstracts thereof, from all three major bureaus for one flat fee. Use care in approaching any such service and make sure you know what you are getting before you “buy.” While the files kept on you by the national bureaus are the most important, it may also make sense to ask your local credit bureaus for your report. You can find them listed in the Yellow Pages under “Credit Bureaus” or “Credit Reporting Agencies.” Both local and national credit bureaus will report whatever they have on file, which might include what credit accounts you have, how punctually you pay your bills, and whether you have ever filed for bankruptcy. The report may include other credit references you can use in new credit applications. Please see this office’s “Fair Credit Reporting” brochure for more information on disputing inaccuracies in your credit report.

Some credit references may not appear in your file simply because the creditor may not report the information to the credit bureaus. Credit bureaus obtain most of their information from those creditors who send them monthly reports. Some creditors only report delinquent accounts.

FILL AN EMPTY CREDIT FILE

If you never had credit in your own name, or if a creditor fails to supply information to your credit report, the “empty” report can cause your application to be rejected.

For example, if you become separated, divorced, widowed, or simply want credit in your own name, a credit bureau may report “no file” exists for you. You might have a great credit history,

but all in your spouse's name. You may have the same problem if you marry and change your name. Old accounts held in your maiden name or a prior name are not automatically transferred to a file listed under your married or changed name. For all practical purposes your credit history is lost. It is important to check with credit bureaus after a name change to ensure that old account information has transferred to a file under your new name.

BUILD YOUR CREDIT FILE

Prevent credit history "evaporation" by taking steps to fill an empty file with your past credit history or to build the file with new information.

- If you have never had credit, start building a good record now. A local bank or department store may approve your credit application even if you do not meet the standards of large creditors. Be sure not to apply for too many accounts at one time. Credit bureaus keep a record of each creditor who inquires about you. Some creditors may deny your application if they think you are trying to open too many accounts and may exceed your ability to pay for them.
- If you have had credit before under a different name, make sure the national credit bureaus have complete and accurate information about you in a file under your current name. You may wish to take this step with local bureaus too, as well as making sure that local bureaus have accurate information on you if you have just moved into a given area. Most cities have two or three bureaus. Call each bureau to find out if they have a file on you. They may charge a small fee for checking your file.
- If you were married or divorced recently and changed your name, ask your creditors to change your name on your accounts. Once you verify the accounts are in your new name, your complete credit history should be reported correctly to credit bureaus.

GIVE YOUR BEST REFERENCES

List your best credit accounts, open and closed, on any credit application -- including accounts you shared with your spouse or former spouse. Ask the creditor to consider the credit history of accounts that are reported in your spouse's or former spouse's name only. The creditor must consider this information if you show it reflects your ability to manage credit. If your spouse's credit history on a shared account was *bad*, the company will consider that credit history yours as well. If any previous history was unfavorable but does not accurately reflect your creditworthiness, explain this to the creditor.

CREDIT HISTORY FOR MARRIED PEOPLE

When creditors report histories to credit bureaus or to other creditors, they must report information on accounts shared by married couples in both names. This is true *only* for accounts opened *after* June 1, 1977. If you and your spouse opened an account *before* that time, or the creditor is not reporting the information under both your names because of an oversight, ask the creditor to use both names.

ASK QUESTIONS IF DENIED

Federal law gives you the right to know the specific reasons for denial if you receive notice that your credit application was denied. If the denial was based on a credit report, you are entitled to know the specific information in the credit report that led to the denial. After you receive this information from the creditor, you should contact the local credit bureau to find out what information was reported. The bureau cannot charge for disclosure if you ask to see your file within 60 days of being notified of a denial based on a credit report. You can demand that the bureau investigate any inaccurate or incomplete information and correct its records.

***This handout is general in nature. It is not a substitute for legal advice from an attorney regarding individual situations. (August 2021)**

For additional information on this and other legal topics, see the Air Force Legal Assistance Website:
<https://aflegalassistance.law.af.mil>