

# PROTECT YOUR CREDIT

Understanding the CARES Act & Your Credit



If you are facing financial difficulties because of the COVID-19 pandemic, act now to protect your credit. The **CARES Act** implemented provisions to protect consumers' credit scores from January 30, through July 25, 2020, or after the coronavirus national emergency is declared over, whichever is later.

## KNOW YOUR RIGHTS

If your accounts were current as of February 1, and you are making payments, or made arrangements not to make payments, your creditors, including landlords, must report you as being current on your payments. If you were previously delinquent, but were able to make a repayment plan with the creditor and you are now current on that plan, then your account must be reported as current.



However, you **MUST** reach out to your creditor (the servicer, bank or credit card company that gave you the loan or extended credit to you) to arrange for forbearance or a payment alternative if you are having trouble making your payments. It is only after making arrangements for repayment that you will be given this protection.

## CHECK YOUR CREDIT REPORT

You are entitled to a free credit report every 12 months from each of the three major credit reporting companies; TransUnion, Equifax, and Experian. You can request and review your free report by visiting [annualcreditreport.com](https://annualcreditreport.com) or calling 1-877-322-8228. You may opt to request all three reports at one time. However, if you request a report from just one of the companies every four months, you can check your credit throughout the year, as most of the same information is reported with all three organizations.



## FIX INACCURATE INFORMATION

To dispute an error on your credit report, you should contact both the credit reporting company and your creditor – the company that provided the information.

The dispute processes are similar for credit reporting companies and creditors. You must explain in writing what you think is wrong, why, and provide copies of documents that support your claim.

The Consumer Financial Protection Bureau (CFPB) provides resources at [cfpb.gov](https://cfpb.gov) to help consumers dispute an error on their credit report.

- » [Instructions](#) and [template](#) letter for a dispute with credit reporting company
- » [Instructions](#) and [template](#) letter to dispute a record with a creditor or lender

Credit reporting companies (CRC) are required to investigate your dispute, contact the creditor who provided the information, and report the results back to you unless they determine your claim is frivolous. If they believe your claim is frivolous, the CRC must send you a notice within five days of receiving the claim, saying that it has made such a determination, and that it will not investigate.

If the creditor corrects your information after your dispute, it must notify all of the credit reporting companies to which it sent the inaccurate information, so that they can correct their reports. That way you only have to contest the inaccurate information once, and not with each individual credit reporting company.

## DEFINITIONS

### **CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT:**

The CARES Act provides support to individuals and businesses affected by the coronavirus pandemic and economic downturn.

### **CREDIT SCORE:**

A credit score predicts how likely you are to pay back a loan on time. A scoring model uses information from your credit report to create a credit score.

### **CREDIT REPORT:**

A credit report is a statement that has information about your credit activity and current credit situation such as loan paying history and the status of your credit accounts.

### **CREDIT REPORTING COMPANIES:**

Credit reporting companies, also known as credit bureaus or consumer reporting agencies, are companies that compile credit reports.



## ADDITIONAL INFORMATION



The National Association of REALTORS® has up-to-date information for property owners about the federal government's response to COVID-19. Visit the Coronavirus Resources for Property Owners section of [nar.realtor/coronavirus](https://www.nar.realtor/coronavirus) for details about how federal agencies, lenders, and bank regulators are working to help to homeowners protect their investment.