



The importance of your Credit Rating:

People seem to be continually confused by their credit report(aka Credit rating)and how it impacts their ability to get credit. This document alone can impact your ability to work at certain companies, rent an apartment, get a credit card and open a savings account!!

This detailed collection of your entire history of borrowing habit is being used by more and more institution across Canada all the time. Like it or not, many places consider this type of reporting a very good indicator of your character. This report contains details on your payment history, your previous loans, any liens against your property, where you lived and worked, whether you have been sued, and whether you have declared bankruptcy in the last seven years.

What people do not know is that you have legal right to be able to gain access to this information . Not just to see where you stand, but to correct any erroneous reporting that may have occurred. Unfortunately many people have a tendency to discover outstanding issues on their credit report when its too late (i.e 20 days before the closing of their home.) The strange thing is that even though , by law people have the right to see what is in their file(and to correct erroneous information), they rarely do until its too late. You should check your credit reporting at least once every two years to make sure that everything on it is accurate. We don't suggest checking much more often than that, or creditors may wonder what you have to worry about.

In Canada, two main credit reporting agencies are EQUIFAX and TRANS UNION. Both of these credit reporting agencies have a mechanism in place for consumers to get their reports. The contact details for these agencies are contained below:

Equifax

Consumer Relations Department, Box 190 Jean Talon Station,
Montreal Quebec H1S-2Z2 1-800-465-7166, www.equifax.ca

Trans Union

325 Milner, Toronto, ON M1B-5N1
(416) 609-2070: 1-800-663-9980

It is not unheard of for these two reporting agencies to have different information about you. It is also not unheard of for people to be flagged with credit accounts that they never had. If the credit report you obtain and your financial information are not the same, then onus is on you to have this corrected. It is critical that any correspondence that you have between the credit reporting agency and yourself is always documented. Always get everything in writing and keep it for your personal records. Unless you have it in writing from the creditor with an issue, consider it unresolved. Many people are surprised at just how much information is collected.

Remember when you didn't pay that dentist who took you to small claims court? How about that last Electricity bill that you skipped out on your fourth year of university? Even if you don't remember these items, your credit records will help everyone else remember. If you have liens against your name, then most lenders will not extend credit to you. The lawyers office you use will also do a name check before registering property in your name. This enables them to dig up further dirt.

Don't find yourself in a last minute panic because you suddenly discovered that Mr. Jones's unpaid MasterCard account has you listed as a guarantor. Take the responsibility for your credit, and monitor your credit card as you would your health. Checks up are always a good idea.