

THE MONEY COACHES



“Success is not final, failure is not fatal: it is the courage to continue that counts..”

Winston Churchill

Do Credit Reports Matter?



Whenever you have prepared to borrow money, you’ve no doubt had to get access to and take a look at your credit report. The Money Coaches recommend that you do a credit report check each year to keep up with any relevant changes that might impact you. But did you know that your credit report can affect you even if you aren’t trying to borrow money?

We have learned more about this industry from personal experience recently. Our home owner’s insurance went up the last two years. When we called our agent the first year, she indicated that the increase was because most properties were appreciating and therefore the increase of value justified an increase in premium.

When the premium increased for a second year in a row, she looked a bit deeper and said LEXISNEXIS is now rating the insurance policy holders and our score had gone up from 4 to 20. She

emphasized that 20 was a really good score, because the scale used by LEXISNEXIS (what a name!) goes from 1 to 90. In that context, 20 is a really good score. I did not agree, because before this unwelcome rating system was imposed, my homeowner’s insurance was less expensive.

So, I asked a simple question: How do I contest this without shopping for a new insurance agent and company? The answer was to file a dispute, which I did. I received a 56-page report about my wife and I.

I spent two hours reading and highlighting mistakes. I didn’t remember ever living in Atlanta, Georgia. I also found out that according to LEXISNEXIS I’m a year younger than my parents told me. This is not a joke! After highlighting with a marker all the mistakes on the report, it looked like my high school English papers after Mrs. Jackson had graded them.

I then called the number on the report and the person who answered was pleasant (I thought I had some tough jobs in the past), and asked for the disputed info. When I told her there were dozens, we agreed to concentrate on the 3-4 that were obviously from the Twilight Zone.

Now we are standing by as we wait for corrections and an apology. I’m sure that will be prompt, right? Please consider freezing your credit. This doesn’t solve all of the problems related to this industry, and if you do ask for a credit card, car loan, or a mortgage, you’ll have to unfreeze your credit for a period of time, so it is a good idea to write down all of your usernames and passwords for each of the credit houses. You’ll have to do this with each credit house, because they operate independent of one another. What’s more, they are always merging and changing, so they can be somewhat fluid. In general, it is important to monitor and check your credit reports, because if you just assume everything is fine with them, they could be costing you money you didn’t even realize was walking out the door.

As always, here at the Money Coaches, we’ll do our best to keep you up to date on all the changes.

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