

CONSUMER PROTECTION

TIPS FOR YOUNG ADULTS

COMMON CREDIT REPAIR SCAMS

Beware of companies that claim they can repair your credit report and get you a high credit score quickly. Many of these companies are running scams to steal your money.

Below are signs of a credit repair scam:

- **The company promises to remove negative information from your credit report.**

FACT: No one can legally remove negative information from a credit report that is accurate. Most negative information generally stays on your report for seven years while bankruptcy information can remain on the report for 10 years.

TIP: You can get one free credit report each year from each of the nationwide consumer credit reporting companies. Visit annualcreditreport.com to get your credit report and review it to make sure the information is accurate and up-to-date. Your credit report will include information about how to dispute inaccurate or incomplete information.

- **The company requires an up-front fee before any type of credit repair is performed.**

FACT: Under federal law, credit repair companies cannot require you to pay until they've completed the services they've promised.

TIP: You can get free help with improving your credit at an NYC Financial Empowerment Center.

- **The company offers to create a new "credit identity" for you with different identification (such as another Social Security number or business tax ID number).**

FACT: It is illegal to commit identity fraud or misrepresent Social Security or business tax ID numbers under false pretenses.

TIP: To report this credit repair company scam, file a complaint with the Federal Trade Commission (FTC) at ftc.gov.

- **The company asks you to sign blank forms and provide personal information so it can act on your behalf to help with credit problems.**

FACT: Signing blank paperwork and giving out personal identity information can lead to identity theft.

TIP: Never sign blank paperwork and don't give out personal information without knowing the reason and with whom you are dealing. There are no overnight solutions to fix your credit history. Consider speaking with a Financial Empowerment Center counselor to find ways to repair your credit and manage your debt safely and for free.

WAYS TO IMPROVE YOUR CREDIT SCORE

- Pay your bills on time.
- Pay more than the minimum payment amount.
- Know the amount of debt you can responsibly take on. Do not take on an amount of debt that you cannot afford to pay off.
- Understand what can impact your credit score positively and negatively such as length of credit history, types of credits, recent credit, and amount of credit.
- Get free help!

FREE HELP

Get free professional financial counseling at an NYC Financial Empowerment Center. Call 311 to schedule an appointment near you or visit nyc.gov/consumers for more information.

Get a free copy of your credit report and review it carefully.

Go to annualcreditreport.com or call toll-free 1-877-322-8228.

About Consumer Protection Tips for Young Adults

Young adults face consumer challenges every day. The Department of Consumer Affairs (DCA) created a series of tip sheets to educate young adults about their rights and how the spending decisions they make today will affect their future.



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