



Credit: Yours, Mine and Ours

Marriage & Credit Myths

What happens to your credit reports and scores when you get married? How does marriage change your credit? There are a lot of questions out there. There is also a lot of misinformation and myths. Here are the five most common marriage and credit myths:

MYTH 1: Credit reports & scores will merge together when we get married

This is probably one of the most common marriage and credit myths. Credit reports are figured off a person's individual Social Security number. Since your Social Security numbers don't merge together into one number when you get married, neither do your credit reports or scores.

MYTH 2: Marriage will automatically lower my credit score

Nothing automatically changes on your credit report when you get married. So, therefore, your credit score won't change either. However, large amounts of credit used to fund weddings, honeymoons, and other related marriage expenses can affect your credit score because your debt to income ratio has increased, but this has nothing to do with the actual marriage.

MYTH 3: When I change my last name, my credit history is erased

Don't worry-this isn't true. If you change your name after you are married and report this change to your creditors, you will see some updates to your existing credit reports.

Along with your old name, your new name will be listed. You will not have to start over with a new credit history. It is, however, important to check your credit report during this time because some inaccuracies may be on your credit report.



MYTH 4: My spouse's poor credit will hurt my credit scores

This is a common worry for couples about to get married. Fortunately, your spouse's past credit history has no impact on your personal credit profile. Only when you open a joint account will any information be shared on both of your credit reports. With this said, you do have to consider when you want to buy a home together, your spouse's negative credit history could impact your mortgage rates. You should work together to improve your spouse's credit if you are planning for a major purchase.

MYTH 5: I will automatically become a joint user on my spouse's accounts

Marriage doesn't automatically make you an authorized user or co-signer on your spouse's accounts. If you wish to be added to your spouse's credit cards, you will need to call the creditors with this request. Please note that being added as an authorized user will not result in the account being factored into your credit score. As for loan accounts, becoming a co-signer for a loan usually requires refinancing.

Reference: Credit.com

Get a FREE Copy of Your Credit Report Each Year

The Fair Credit Reporting Act (FCRA) requires each of the nationwide consumer reporting companies Equifax, Experian, and TransUnion to provide you with a free copy of your credit report, at your request, once every 12 months. The report does not include your FICO score, but will show any delinquencies and other information. If you want to know your FICO score, you can pay a nominal amount to get it from the consumer reporting companies.

A credit report includes information on where you live, how you pay your bills, and whether you've been sued or arrested, or have filed for bankruptcy. Nationwide consumer reporting companies sell the information in your report to creditors, insurers, employers, and other businesses that use it to evaluate your applications for credit, insurance, employment, or renting a home.

How do I order my free report?

The three nationwide consumer reporting companies have set up a central website, a toll-free telephone number, and a mailing address through which you can order your free annual report.

To order, visit annualcreditreport.com, call 1-877-322-8228, or complete the Annual Credit Report Request Form and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. Do not contact the three nationwide consumer reporting companies individually.

You may order your reports from each of the three nationwide consumer reporting companies at the same time, or you can order your report from each of the companies one at a time. The law allows you to order one free copy of your report from each of the nationwide consumer reporting companies every 12 months. It's up to you how you want to do it. Some people like to be able to look at a credit report every 4 months to see if there are any changes, etc. Others want to see all 3 credit reports at once. There will be small differences in each credit report. This is normal.



www.annualcreditreport.com

B E W A R E

OF COSTLY IMPOSTER
SITES OFFERING A
"FREE" CREDIT REPORT

Only one website is authorized to fill orders for the free annual credit report you are entitled to under law - annualcreditreport.com. Other websites that claim to offer "free credit reports," "free credit scores," or "free credit monitoring" are not part of the legally mandated free annual credit report program. In some cases, the "free" product comes with strings attached. For example, some sites sign you up for a supposedly "free" service that converts to one you have to pay for after a trial period. If you don't cancel during the trial period, you may be unwittingly agreeing to let the company start charging fees to your credit card.

Some "imposter" sites use terms like "free report" in their names; others have URLs that purposely misspell annualcreditreport.com in the hope that you will mistype the name of the official site. Annualcreditreport.com and the nationwide consumer reporting companies will not send you an email asking for your personal information. If you get an email, see a pop-up ad, or get a phone call from someone claiming to be from annualcreditreport.com or any of the three nationwide consumer reporting companies, do not reply or click on any link in the message. It's probably a scam. Forward any such email to the FTC at spam@uce.gov.



What to do if you find errors on your credit report...

Both the consumer reporting company and the information provider (the person, company, or organization that provides information about you to a consumer reporting company) are responsible for correcting inaccurate or incomplete information in your report. To take full advantage of your rights under this law, contact the consumer reporting company and the information provider.

1. Tell the consumer reporting company, in writing, what information you think is inaccurate.
2. Consumer reporting companies must investigate the items in question usually within 30 days unless they consider your dispute frivolous. They also must forward all the relevant data you provide about the inaccuracy to the organization that provided the information. After the information provider receives notice of a dispute from the consumer reporting company, it must investigate, review the relevant information, and report the results back to the consumer reporting company. If the information provider finds the disputed information is inaccurate, it must notify all three nationwide consumer reporting companies so they can correct the information in your file.
3. When the investigation is complete, the consumer reporting company must give you the written results and a free copy of your report if the dispute results in a change. (This free report does not count as your annual free report.) If an item is changed or deleted, the consumer reporting company cannot put the disputed information back in your file unless the information provider verifies that it is accurate and complete. The consumer reporting company also must send you written notice that includes the name, address, and phone number of the information provider.
4. Tell the creditor or other information provider in writing that you dispute an item. Many providers specify an address for disputes. If the provider reports the item to a consumer reporting company, it must include a notice of your dispute. And if you are correct that is, if the information is found to be inaccurate the information provider may not report it again.

Reference: Federal Trade Commission



"No man's credit is as good as his money."
- Edgar Watson Howe, American Novelist

Have you charged up

too much credit debt?

In order to answer this question, find Your Debt Rate.

Divide your total month debt payment by your monthly take-home pay.

What is your total monthly debt payment? _____

What is your monthly take home pay? _____

Total monthly debt payment/monthly take-home pay = debt rate

What is your debt rate? _____

How are you doing?

10 percent or less - Congratulations! You are in the safe limit and probably feel little debt pressure.

11 to 15 percent - You are in the safe limit but you may feel some debt pressure. Be cautious about taking on more debt.

16 to 20 percent - You are probably hoping that no emergency arises. Start working on reducing your debt.

21 to 25 percent - You are probably worrying about your debt load. It is time for a dramatic change. You may need help from a non-profit credit counselor.

26 percent or more - You definitely have more credit than you can handle. Start making changes now. Seek help from a non-profit credit counselor, if necessary.





MARRIAGE

SURVIVAL

It's a jungle out there!

Talking to Each other About Credit

Surprisingly, it's not uncommon for a newly-wed couple to not know how much credit each other has or what each other's credit reports say. If you haven't had this important conversation before you say "I Do", there is still plenty of time for this critical talk. Sit down with your spouse and make some decisions about your financial future. Did one or both of you come into the marriage with debt? If so, come up with a plan on the front end of the marriage about paying it off. Do not blindside your spouse with some huge credit card balance that you haven't made payments on in the last six months. Honesty and being up-front is key to successful credit management in a marriage.

Come up with a monthly budget for debt payments and think about what you can cut back on until the debt is gone. Talking about the issues between each other allows both of you to feel in the loop. Even if one person will be responsible for the finances, you should at least involve the other person in the process. Talk about what you want as a couple and make the decisions that get you to that end goal. This can save you a lot of fights and headaches over the years of marriage.



USU Extension
44 N. 100 E.
St. George, UT 84770



"Utah State University is an affirmative action/equal opportunity institution."