

# DEPENDENTS AND CREDIT HISTORIES



**Office of the Staff Judge  
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## INTRODUCTION

Each year, many dependents not employed outside the home are denied credit because their credit history is incomplete. A good credit history is the way most companies predict your future success using credit. The record of your payment on credit cards, charge accounts, installment loans, and other credit accounts is how you get a “track record.”

## KNOW YOUR RIGHTS

Two federal laws give you specific rights that help protect your credit history and make it easier for you to obtain credit:

- The Equal Credit Opportunity Act (ECOA) prohibits a creditor from discriminating against you on the basis of sex or marital status in any aspect of a credit transaction. 15 USC 1691 et seq.
- The Fair Credit Reporting Act (FCRA) protects consumer privacy and safeguards the accuracy of credit bureau reports. 15 USC 1681 et seq.

## ASK THE CREDIT BUREAU TO HELP

Credit bureaus gather and sell credit information about consumers. Creditors usually rely on credit bureau reports before issuing a line of credit. It makes sense to ask your local credit bureaus for your report. You can find them listed in the Yellow Pages or online as “Credit Bureaus” or “Credit Reporting Agencies.” The bureaus will report whatever they have on file, which might include credit accounts you have, how punctually you pay your bills, and whether you have ever filed for bankruptcy. The report may include other credit references you can use in new credit applications.

Some credit references may not appear in your file simply because the creditor may not report the information to the credit bureaus. Credit bureaus obtain most of their information from those creditors who send them monthly reports. Some creditors only report delinquent accounts.

## FILL AN EMPTY CREDIT FILE

If you have never had credit in your own name, or if a creditor fails to supply information to your credit report, the “empty” report can cause your application to be rejected.

For example, if you become separated, divorced, widowed, or simply want credit in your own name, a credit bureau may report “no file exists” for you. You might have a great credit history, but all in your spouse’s name. You may have the same problem if you marry and change your name. Old accounts held in a maiden name are not automatically transferred to a file listed under the married name. For all practical purposes your credit history is lost. It is important to check with the credit bureau after a name change to ensure that old account information has transferred to a file under your new name.

## BUILD YOUR CREDIT FILE

Prevent credit history “evaporation” by taking steps to fill an empty file with your past credit history or to build the file with new information.

If you have never had credit, start building a good record now. A local bank or department store may approve your credit application even if you do not meet the standards of large creditors. Be sure not to apply for too many accounts at one time. Credit bureaus keep a

record of each creditor who inquires about you. Some creditors may deny your application if they think you are trying to open too many accounts and may exceed your ability to pay for them.

If you have had credit before under a different name or in a different location, make sure your local credit bureau has complete and accurate information about you in a file under your current name. Most cities have two or three bureaus. Call each bureau to find out if they have a file on you. They may charge a small fee for checking your file.

If you were married or divorced recently and changed your name, ask your creditors to change your name on your accounts. Once you verify the accounts are in your new name, your complete credit history should be reported correctly to the credit bureau.

### **GIVE YOUR BEST REFERENCES**

List your best credit accounts, open and closed, on any credit application -- including accounts you shared with your spouse or former spouse.

Ask the creditor to consider the credit history of accounts that are reported in your spouse's or former spouse's name only. The creditor must consider this information if you show it reflects your ability to manage credit.

If your spouse's credit history on a shared account was bad, the company will consider that credit history yours as well. If any previous history was unfavorable but does not accurately reflect your creditworthiness, explain this to the creditor.

### **CREDIT HISTORY FOR MARRIED PEOPLE**

The ECOA states that when creditors report histories to credit bureaus or to other creditors, they must report information on accounts shared by married couples in both names. This is true only for accounts opened after June 1, 1977. If you and your spouse opened an account before that time, ask the creditor to use both names.

### **ASK QUESTIONS IF DENIED**

The ECOA gives you the right to know the specific reasons for denial if you receive notice that your credit application was denied. If the denial was based on a credit report, you are entitled to know the specific information in the credit report that led to the denial. After you receive this information from the creditor, you should visit or telephone the local credit bureau to find out what information was reported. The bureau cannot charge for disclosure if you ask to see your file within 60 days of being notified of a denial based on a credit report. You may ask the bureau to investigate any inaccurate or incomplete information and correct its records.

**This pamphlet is for basic information on dependents and credit history. It is not intended to take the place of legal advice from a Judge Advocate. There may be important exceptions in some states to the information presented here. Please contact the 354th Fighter Wing Legal Office for questions and further information.**

