



## When Should I Check My Credit Report?

Your credit report is a very important document. Your credit score will be used in all sorts of weighty financial purchases. Checking your credit periodically is essential to maintaining a healthy score and being able to qualify for big loans. How often should I check my credit? Are there other times when it is vital to check your report?

You may have heard that you can pull your own credit report for free once a year from all three of the major credit reporting bureaus. These are Experian, Equifax, and TransUnion. Each collects data on your credit individually which means each agency may give you a slightly different credit score. It is a good idea to check with all three to make sure there is not a huge discrepancy among them. And don't believe that old credit myth that frequently checking your credit will bring down your score. Inquiries you make yourself are not counted against you.

### Before a Home Loan

Outside of your annual credit report check-up, there are several reasons why you may want or need to check your credit more often. One such trigger event is when you are preparing to buy a home. Mortgage lenders often rely heavily upon the information in your credit report to decide whether or not to loan to you as well as what kind of interest rates and terms they will offer you. They will pull your credit as part of the application process and you should pull a copy for yourself before you start applying so that you will anticipate any questions they may have. Even if you are thinking about buying a home a few years down the road, you may want to start checking your credit now as it will take time to correct any errors or dispute any erroneous problems. As big and important as a home purchase is, you will want to be as prepared as possible to dazzle lenders with your credit background.

### Before Other Loans

Another good time to pull your credit is right before you start applying for a car loan or a new credit card account. These companies will also base their decisions to some degree on your credit score. Checking before you apply will allow you to clean up any mistakes and tell you what kind of bargaining power you will have.

### When You Are Denied

If you have recently applied for a new line of credit, either from a mortgage lender, a car deal or elsewhere, and have been denied the loan, this is a major sign that you should check your credit to see if there is anything wrong. Ask the potential creditor why you were denied funds. If their response has anything to do with your credit report, you should see what you need to do to improve your score or correct errors.

### To Check for Identity Theft

If you have any reason to believe that you have been the victim of identity theft, you should pull a copy of your report. Look for any information that does not pertain to your financial actions and notify the authorities if you find suspicious activity. You may want to check your credit several times a year just to monitor such activity; that way you will be able to put a quick stop



to identity theft if you spot it.

How often and exactly when you pull your credit history is a matter of your personal financial circumstances. Definitely you should obtain a copy at least once a year to make sure everything looks right. Whether or not you check it more often will depend on the upcoming financial events in your life and on whether you need constant reassurance that all is well with your credit.