

How Requests About Your Credit Report Can Hurt Your Score

Q. Are there any way to have hard inquiries removed from my credit report? -- Borrower

A. We're glad to see you're paying attention to your credit reports.

You want to make sure they're accurate because of the direct effect they have on credit scores, the ability to obtain credit and in some cases, the interest rates that come with it. There are two types of inquiries, said **Claudia Mott**, a certified financial planner with **Epona Financial Solutions** in Basking Ridge.

She said a soft inquiry doesn't have a direct effect on a credit score, while a hard inquiry may cause a score to drop by a few points. "Examples of a soft inquiry would be an employer performing a background check or being pre-approved for a credit card," Mott said. "Hard inquiries generally take place when you apply for a loan, credit card, mortgage or rent an apartment. "The inquiry will typically remain on your credit report for a little as 12 months but no more than two years, she said.

While a hard inquiry may cause a score to drop by five points or less, it is not the most important piece of the actual calculation of your number, she said. "New credit comprises 10 percent of your overall credit score while your payment history and outstanding debt account for 65 percent of it," she said. "Staying current with payments and not acquiring too much debt are essential for maintaining a good credit rating."

If you have found an unfamiliar hard inquiry on your credit report, you would need to send a letter of dispute to the creditor(s) asking that it be removed, especially if it is related to a case of identity theft or fraud, Mott said. "If the creditor has proof that you authorized the inquiry, the request may be denied," Mott said. A similar letter should also go to each of the three credit bureaus -- Experian, Equifax and TransUnion -- indicating that you are disputing the inquiry.

Mott said you should be sure to include a copy of the page from your credit report showing the inquiry in question, and send the letters by certified mail so that you have proof of receipt. Please be sure you continue to monitor your credit report by obtaining a free copy at www.annualcreditreport.com. You are entitled to receive a free report from each of the three agencies once a year.

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