

# A CREDIT RESOURCE GUIDEBOOK

## The Credit Repair

### Doctor

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## INTRODUCTION

Repairing your credit doesn't have to scare you. This resource guide will break down simple and easy to understand solutions for repairing your credit. Your credit is your passport to financial freedom.

## **The “C” Word**

When it comes to the “C” word, most people turn bright red. Why? More often than not we have learned from the mistakes of our friends and family that credit is bad. How? We abuse credit in college or in our early adult years to splurge on vacations or trips to the emergency room. Although we may swipe quickly, we have to mindful credit is a payment for services and good that must be repaid. Credit is not a bad thing. Credit is apart of the road to financial freedom and access to more resources. Unfortunately, most people abuse credit before they completely understand it. Luckily this resource guide will help you to debunk myths and have a clear understanding of how to have a better relationship with credit.

## **Credit Score**

Similar to grade school your credit score is a numeric grade for your credit history. Each of the three major credit bureaus create a credit report for you over time. Your credit score can range from 300 -850, the higher the

score the better credit rating you have with in the report. You've probably have heard of E.E.T ( Equifax, Experian, and Transunion ) Each bureau monitors and tracks your credit history from beginning to end. Although you may not be able to remember every single purchase or transaction you have made. The bureaus will provide you with a copy of your updated credit report. If you were denied a credit recently, you have up to 60 days to request a free report.



## **What you need to know about your obtaining information**

Just like most people you probably have seen the scary and often intimidating debt collector commercials. While they aren't super friendly to debtors, they are heading in the right direction when it comes to cost for your credit information. If you have been obsessing with your credit lately, you're not alone. After all some things on your credit can be a mistake. However, you have to keep in mind that there may be associated cost when requesting your scores and reports. Careful, those fees can cost you a pretty penny. Luckily, we've researched a few options for helping you obtain your credit score and report.

**MyFico.com** - This is possibly your best option for knowing your credit score if you are in need of money. Lenders review your FICO score when reviewing your application. Unfortunately, the biggest draw back with this website is the subscription to monitor your credit. Good news : there's a free trial period. Bad news : fees will be applied after the trial period.

**Creditkarma.com**- A lot of people are familiar with CreditKarma. Through their successful marketing, it's a trusted and reliable source for obtaining your credit score. The good news is you don't have to enter your credit card number or go through a trial subscription. CreditKarma will provide you with your TransUnion credit score based off of your report.

**Annualcreditreport.com** -If you're searching for more a simple way to obtain your credit information, you're in the right place. You're entitled to your credit report by law. So you can simply follow the necessary steps to order your report.

## **Understanding Your Credit**

When it comes to understanding your credit report, it can really boggle your mind. The report is essentially giving you an explanation as to why your credit is bad or good. Of course, you want good credit. It just doesn't happen like that overnight. Over time you've probably made some poor spending choices and accumulated so much debt with past due bills. It happens. Thus, your credit report provides the time and account information of the debt you owe to a company or organization. The good thing about your credit report is that you are able to view each balance and begin to dispute or resolve charges. If you spot any inaccuracies in the report, the bureau will follow up with the company on your behalf for more information. In the event the company is unresponsive or uncooperative the inaccurate information can be removed from your credit report.

**Here are some things you'll be able to spot on your report:**

Personal information lists your name, name variations (e.g. if you've been married or sometimes use a middle initial), current and previous addresses, phone number, date of birth, entire or last four digits of your social security number, and employer.

The summary section varies by credit report but typically gives a highlight of the negative information on your credit report, like the number of negative accounts and the total amount past due. The summary section may also provide information about your total credit age and sum amount of credit card and loan balances.

- The largest section of your credit report lists details about all your credit accounts individually. For each credit card, loan, collection account, etc. the same basic information is reported:
  - Information about the creditor.
  - Status of the account, e.g. whether you're current or past due
  - Date the account was opened.
  - Last time the account was updated.
  - Type of account, e.g. installment, revolving, collection, etc.
  - Monthly payment.
  - Type of account responsibility, e.g. joint, individual, or authorized user
  - Credit limit or original loan amount

High balance (this is the highest balance charged on the account) Current balance Last payment Account history for the past seven years Your personal statement for the account. Public records include things like bankruptcy, repossession, foreclosure, and judgments that are on file with a court system.

**Inquiries** : You may be familiar with inquiries and not realize the effects it may have on your credit. Have you ever applied for an apartment or even a store credit card? More than you'd probably like to admit.

Unfortunately inquiries are added to your credit report whenever a business requests to see your credit report. Some inquiries are added because of your applications for credit. These "hard" inquiries are on all your credit reports and are used to calculate your credit scores.

Other inquiries are done by you, employers, existing creditors, and businesses that want to pre-approve you. These "soft" inquiries only show up on your credit report and are not used to calculate your score. Be weary



of how often you apply for credit card or have inquires done on your credit. It can seem harmless in the moment. However, it's pretty damaging to your credit score.



### **Applying what you know about your credit score**

Here's how you can apply your credit to your regular and normal life. When you apply for an apartment or a more higher paying job, your credit report will be reviewed. The last thing you want to happen is frequent and

inaccurate mistakes appearing throughout your credit report. What you will want to do is review each credit report with an analytical eyes. You'll be checking for things such your correct social security number, addresses ( previous and current ) and your name. Each credit bureau will have an online or printed form where you can list incorrect information. All consumer requests must be investigated by the credit bureau once they have been received. Investigations can change the status of the report information if found to be false. It's your responsibility to be proactive about incorrect or inaccurate information. Whether you're purchasing a new car or home, you want to make sure your credit history is exemplary.

### **What's on your credit report?**

Are you prepared for a rainy day? Most people are not prepared for rainy days or unexpected emergencies. Thus, they utilize their credit to ease the burden of an unexpected bill or a resource. Although life events are common and often unplanned we should always prepare to have an emergency stash available. Once the emergency or bill has been processed

for payment. We have a responsibility to clear the debt. Unfortunately, some of us have the habits of mismanaging our money and find ourselves in difficult pickles. If those pickles go unpaid for an extended period of time they begin to show up on our credit report. Below are a few examples of what affects your credit report.

### **Recent delinquencies.**

If you have a bill that past the 90 day mark, you are considered to be delinquent in payment. It could be one bill or several that will affect your score. What you have to be aware of is payment history is 35% of your credit score, so late payments can take their toll on your credit score. Thus things such as debt collections, bankruptcies, and repossession fall under the payment history portion of your credit score.

**Any unpaid bill.** Did you know that your library late fees can be reported to the credit bureaus? It's true! Whether it's a couple of hundred bucks or thousands of dollars businesses may report it to the bureau. Any unpaid bill can become a serious delinquency, even if it's not a credit card or loan.

**Maxed-out credit card balances.** This one is a bit tricky to understand. Yet, it's one of the most important occurrences. that affect your credit score. Many experts recommend using no more than 30% of your allotted credit extension to improve and maintain your credit score.



**Closed accounts:** the average age of all your credit accounts. Opening a new account lowers your average credit age and can hurt your credit score. More often than not a lot of people assume the risk of closing an account.

Closing the account doesn't seem so bad. However, the problem comes into play when you have a balance on the account. People choose to close their accounts for various reasons. Although the choice to close the account does not affect the credit card company. The damage is done to your credit score. Once your credit card is closed, your credit limit is usually reported as \$0. If your credit card has a balance, it looks like you've maxed-out when all you've really done is closed the account. Too many recent credit applications Inquiries count for 10% of your credit score. Your score takes a hit whenever you put in several credit card or loan applications. As previously mentioned each time an inquiry is done on your credit report your score is affected. Certain factors are considered such as the time you had the first account opened and

### **Newly opened credit accounts-**

Did you know that fifteen percent (15%) of your credit score is based your credit age? That's correct. Consider this factor of which includes the

amount of time since you opened your first account and the average age of all your credit accounts. Opening a new account lowers your average credit age and can hurt your credit score. As a precaution most people are mindful of opening new credit cards to protect their good credit history.

### **What You Need To Know About Bad Credit On Your Record?**

A lot of people are familiar with the seven year time frame of certain accounts being able to be removed from your credit report. Unfortunately, some people choose to ignore their credit report and suffer some of the consequences of poor credit history. Certainly we want to advise going against this course of action. Educating yourself on your credit and managing debt is one of the most powerful and rewarding things you could ever learn to do. It's normal to experience a few bad months or even a few bad years when your finances become unmanageable. What happens typically after missing three or four payments on your credit card accounts

or other bills, your credit report will begin to reflect negative payment information and your credit score will begin its decline.

As previously stated most people are familiar with the general rule of 7 years. Seven years is the length of time a credit report will show an accurate negative mark. Of course things are not always as simple as they may seem during polite conversation or what you have been told by others.

**Here are the exceptions to the 7-year rule of credit reports:**

1. Bankruptcy If you have filed for bankruptcy, the information will be reported on your credit history for the following 10 years.
2. Tax Liens If you had a lien filed against you for taxes owed to the government, the information will remain on your credit history report for 7 years from the date you paid the debt.
3. Loan Default If you default on a loan with the U.S. government or a guaranteed student loan the information can be reported for 7 years after the guarantor takes action. Lawsuits Judgments against you in a lawsuit can be reported to your credit history for seven years or for the period specified in the statute of limitations, whichever is longer.

## **Your Rights, Laws , and Need To Know Basics Of Credit Repair**

Contrary to popular belief there are laws available to people who want to resolve inaccuracies on their credit. You have rights and we're going to make sure that you are informed on how to legally protect your credit.

There are laws that protect your rights before, during, and even after credit repair. Automatically people assumed that major corporations and agencies held the golden key to giving them a piece of the American dream in terms of credit. This concept would cost the public millions of hard earned dollars and years of headaches. Thus creating more of a struggle and breakdown in the trust of actually repairing your credit report.

The good news is the federal government has implemented laws to protect consumer rights. Although the laws aren't perfect and corporations do their best to find gaps in the law. As a consumer it's your right to make a informed decision at all times. Let's go over a few laws that you should be aware of today.



**Fair Credit Reporting Act** The FCRA is a law that generally dictates what can and can't appear on your credit report. The FCRA says that inaccurate, incomplete, unverifiable, or outdated information can't be listed on your credit report. You have the right to dispute credit report errors either with the credit bureau or the company that listed the information on your credit report. It was an amendment to the FCRA in 2003 that entitles you to your annual credit reports through the federally mandated

**Fair Credit Billing Act** The FCBA was created to help consumers correct billing errors from credit card companies. Billing errors include unauthorized charges to your credit card, unposted payments, or charges for merchandise that weren't received as promised. You have 60 days from the date of the billing error to make a dispute directly to the credit card company and the credit card company must investigate the dispute.

**Fair Debt Collection Practices Act** The FDCPA is a law that dictates what debt collectors can and cannot do when they're collecting a debt from you. Surprisingly there's a long list of things they can't do. For example, they

can't call you before 8 a.m. or after 9 p.m. Thus, the do not call list was created to protect the rights of consumers and debt agencies not to abusive with power.

**Credit Repair Organizations Act** The CROA was created to protect consumers from unscrupulous credit repair agencies. Scams still happen, but many dishonest credit repair companies are caught and charged by the Federal Trade Commission. Credit repair companies can't lie about the services they provide you, they're not supposed to charge you upfront, and they can't ask you to do anything illegal to "repair" your credit. If a credit repair company violates your rights, you can sue them for penalties and damages.

**If you have a complaint against any business you've dealt with during the credit repair process, you can report them to the FTC by visiting [www.FTCcomplaintassistant.gov](http://www.FTCcomplaintassistant.gov) or you can call 1- 877-FTC-HELP.**

**You can also report these businesses to your state Attorney General or local Better Business Bureau.**



## ADDING POSITIVE INFORMATION TO YOUR CREDIT REPORT

**1. Pay On-Time, Every Time-** This one may seem like a no brainer for most people. However, emergencies and unexpected events happen occasionally and sometimes you're not able to pay your bills on time. It is certain that the way you pay your bills has a big impact on your credit score. If you are 30, 60, 90 days or more late with payments on bills that report back to the credit bureaus, you will see a drop in your credit scores. If you are consistently late, you risk having accounts closed and the negative information being reported on your credit reports for years to come. A great way to manage your bill payments is through an automated system. The monthly service fee is automatically drawn from your account. Automate your payments to make it less likely you will be late or miss making payments. The good news is if you are consistent for over a six month time period of perfect bill paying, you can see an increase in your credit score.

**2. Stop Overspending** Although it's been said numerous times before, we'll say it again. Overspending is a bad habit and affects your credit negatively. Whether you're trying to buy a house or car, you need to be mindful of your spending habits often. If you want to improve your credit score and history, stop overspending on credit. If you max out your credit cards or take them over the credit limit, your score will drop. A good tip is to use your cards for purchases you are sure you can pay off in full each month.

**2. Using Credit Limit Increases to Help Your Credit Score-** This one seems kind of tricky. However, it's one of the most influential strategies for boosting your credit. By increasing your credit limit, you will not only lower your credit utilization for that specific credit card, but you'll also lower your total credit utilization. The more credit limit increases you get, the better your credit score will be.

- **Two Ways to Get a Credit Limit Increase** Some credit card issuers grant credit limit increases automatically after you've used your credit card responsibly for a certain period of time. You might notice

an automatic credit limit increase after charging a certain amount on your credit card then paying it off.

- **Be direct and ask for a credit increase** - You can also apply for a credit limit increase with your credit card issuers. The process is simple. Call your credit card issuer using the number on the back of your credit card and ask for your credit limit to be increased. If your card issuer asks how much of an increase you're looking for, keep it reasonable. Too high of an increase may be automatically denied. For example, if you have a \$1,000 credit limit already, it's more reasonable to ask for an increase to \$5,000 than \$10,000. Your request may be processed over the phone or the creditor may send a letter letting you know the decision.

### **How Credit Limit Increase Requests Can Backfire**

Just because you can ask for a increase in credit, doesn't mean that you should abuse the option. Some credit card issuers actually do a credit check when you request a credit limit increase. If the card issuer does a "soft

pull” of your credit report, you have nothing to lose from requesting a credit limit increase since soft credit inquiries don’t affect your credit score and can only be seen when you check your own credit report.

On the other hand, your credit card issuer may do a “hard pull” which does show up on your credit report and will affect your credit score for the next 12 months. The negative effect of an additional credit inquiry could negate any benefits your credit score would get from the additional credit limit. And if your credit limit increase is denied, then your credit score has taken a hit and you’ve benefited nothing. It’s highly recommended that you request a “soft pull” of your credit report if possible. This will prevent any negative hits to your credit score.

**4 Preventing Inquiry Negatives**=When you are in the process of trying to maintain your good credit or clean up your credit. The last thing you should ever do is make an impulsive decision that will affect your credit report. To often people apply for multiple credit cards to capture the incentives and rewards.

With so many inquiries counting against you in one time, additional creditors pulling your report will likely be concerned about all of your recent credit applications and be less inclined to approve a loan or line of credit. They will consider you too much of a risk and not responsible with your credit. Additionally, your credit score will drop a few points with each hard inquiry and essentially make you less creditworthy. Now there are some instances where you are applying for credit applications that may not be as harmful. These are more commonly known as ignored inquiries. Ignored Inquiries – any inquiry for auto loans, mortgage loans, or student loans will be ignored by potential creditors within 30 days of scoring.



**All for One Inquiries** – any time inquiries for mortgage, auto, or student loans are made within a 14 day time period will be counted as one inquiry. While the rules are currently in place, it does not necessarily mean creditors will abide by them. It is still better to be careful with your credit by limiting credit inquiries and making your payments on time to keep boosting your score.

**5. Getting a Co-Signer to Improve Your Score-** Giving the circumstance a lot of people are very cautious about putting their name and credit on the line as a co-signer. Why? The number one reason is that they don't want to be responsible for the debt if you default on the loan. Thus, if you do it will not only have negative repercussions on their credit history. In most cases, your best option for a co-signer is someone in your family that wants to help you restore your credit. The person who co-signs with you needs to have good credit so the application will get approved. Realize that this person will have joint responsibility on the credit card account so whatever you do with this credit card will affect their credit and vice versa. So, if you

go the joint application route, you need to trust the other person and they should trust you.

**6. Get a Secured Credit Card-** There are two types of credit cards: unsecured and secured. You're probably most familiar with unsecured credit cards that you simply apply for and if you qualify, you get the card. Secured credit cards, on the other hand, require you to make a security deposit against the card's credit limit. Because secured credit cards typically don't check your credit, they're often the best option for post-bankruptcy credit repair. Select a secured credit card that reports to the major credit bureau. The best secured credit cards also convert to unsecured credit cards within six to eighteen months of timely payments.

**7. Diversify Your Credit Report-**In an effort to show that you are making more responsible choices with your credit. It's a smart strategy to begin to have a little diversity on your credit report.. There are many types of credit a consumer can have including revolving credit accounts such as credit cards and installment accounts like small personal loans. You may consider approaching your bank or local credit union and requesting a small loan. Be

sure to pay the loan on time, each and every month to boost your score and history report.

## **REMOVING NEGATIVE INFORMATION FROM YOUR REPORT**

**How Credit Report Disputes Repair Your Credit-** While it's an amazing opportunity to be able to have access to your credit report each year. Most people are either not sure or not completely informed about how to dispute inaccurate information. We're going to show you the proven steps and methods to go about removing the inaccurate information from your report.

### **What Information Can Be Disputed?**

Technically, you can dispute anything on your credit report. Federal law requires the credit bureau to remove information that's incomplete, inaccurate, or unverifiable.

- 1. Your social security number (sometimes only the last four digits of your SSN appear on your credit report)**
- 2. Payments reported late that were actually paid on time.**

- 3. Negative information that's passed the credit reporting time limit can be disputed for credit repair.**
- 4. Accounts being reported by two collection agencies at once.**
- 5. Accounts that don't belong to you.**
- 6. Accounts reported as closed that are actually open.**
- 7. Accounts discharged in bankruptcy that are reported delinquent or charged-off.**

### **How to Make a Credit Report Dispute**

Most people prefer to order their credit report online, you might be inclined to make your credit report dispute online as well. Unfortunately, not everything has caught up to the way we instantly receive and resolve information. This leaves you without the paper trail you'll need if the credit bureau doesn't follow the law. The best way to send your credit report dispute is through the mail. Write a letter and send it certified mail with return receipt requested. That way you have proof of when the letter was

mailed and received. If you have multiple errors for your credit repair list, you should dispute them one at a time.

It's highly recommended that you have patience when trying to dispute your reports. If you are anxious and impatient and continuously bombarding the the credit bureau, they will not take your dispute seriously. Legally they do have the right to refuse to investigate. When stating the reason for your dispute, provide substantial reasons for why there is an inaccuracies on your report. Provide supporting documents to support your argument.

It helps to include a copy of the credit report you're Page 15 of 21 disputing with the error highlighted. Keep the original copy of your proof for your records. Send your dispute to the credit bureau that provided the report you're disputing.

**Here are the mailing addresses for all three credit bureaus:**

**Equifax P.O. Box 7404256 Atlanta, GA 30374-0256**

**Experian Dispute Department P.O. Box 9701 Allen, TX 75013**

**TransUnion Consumer Solutions P.O. Box 2000 Chester, PA**

**19022-2000**

Once you send your credit report dispute, the credit bureau typically has 30-45 days to do an investigation and send a letter alerting you to the result of the investigation. If your dispute results in a change to your credit report, you'll automatically receive a free copy of your updated credit report. Otherwise, the bureau will send a letter telling you why your dispute was rejected.

### **Negotiate with Creditors Directly**

When it comes to addressing your concerns, you have the right to contact the creditors directly. By being proactive about your credit report indicates that you want to be responsible for your debt. You don't have to be mean or rude about negotiations. Keep a cool head and open mind during the process. Be honest about the amount of payments you are able to afford monthly towards the debt. You have the option to negotiate a settlement

with your creditors directly. It is advised that part of your negotiation process involves an agreement by the creditor to stop reporting information to the credit bureau or request that the account be listed as 'paid as agreed' instead of being listed as 'settled' on the credit report.

This works largely in your favor to clean up your credit. For some people cleaning up their credit report takes only a few months. The best course of action they started with was reaching out to the creditors and agreeing to make payments.

This can help raise your credit score as well as improve your chance of loan approval. There is no guarantee a creditor will agree to the request but it certainly can help you credit wise if they will.



## **How to Construct a Credit Dispute Letter to Your Creditors**

At any point during your research and overview of your credit report. You notice something that doesn't seem familiar and accurate. You have the right to begin disputing the credit. With the right information your next step is to follow through by filling out the appropriate forms provided by the credit bureaus to dispute the information.

Once received by the credit bureaus, each dispute must be investigated and contact will be made with your creditors. If the creditor does not reply to the request for information, the credit bureau may drop the data from your report entirely if the debt is not verified. If the creditor does respond within the 30 day period, the information will be updated or left as is on your report.

The credit bureaus will also send you written correspondence about the results of the investigation. If information is verified by the creditor to the

credit bureaus that you do not agree with, you'll need to construct a letter directly to the creditor.

Below is an example of what your letter to your creditors may look like:

**Your Name**

**Address**

**City**

**State**

**Zip**

**Date**

**Attn: Dispute Department Creditor**

**Name Creditor**

**Address**

**City**

**State**

**Zip**

**Date Attn: Dispute Department Creditor**

**Name**

**Creditor**

**Address**

**City**

**State**

**Zip**

**Dear Disputer Supervisor:**

**This letter is to dispute the following information that is being reported to my credit file. I have attached a copy of the report that contains the information and have circled it for your convenience. The information in question is not accurate because (describe why the information is not accurate or incomplete as well as any action taken to resolve the matter). I am now requesting that the**

**information be removed from my credit report (or ask for a specific change to update to correct information). I have enclosed copies of relevant documentation that proves the information contained on my credit report is erroneous. I respectfully request an investigation into this disputed matter as soon as possible and that correspondence of results be forwarded to me at the conclusion of the investigation.**

**Sincerely,**

**Name Enclosures: (provide list of what documentation are included with the letter) Once the letter has been completed and the documents are attached, send it via Certified/Return Receipt Requested through the US Post Office.**

This will ensure your dispute letter was delivered and you will have a confirmation of that receipt. Once you receive confirmation, wait three to four weeks before following up on with the creditor by phone if you haven't received any other correspondence.

**No Reply on a Dispute Credit** bureaus have the legal obligation to reply to your correspondence within a 30 day time frame. **The Fair Credit Reporting Act** states that the bureaus must have their investigation completed on your behalf within four weeks. In some cases things do not go as planned. Follow up and check the status of your investigation.

Here's how your hard work and consistency can pay off for your credit score. Let's say you have followed the steps for having the dispute investigated. You've been patiently waiting for a response back from the bureau. You don't hear anything back and it's been more than 30 days since the investigation. In the event you get no reply, the credit bureau must remove the negative information you disputed effective immediately.

The good news is this will benefit your credit score and attempts at credit repair. The valuable lesson here is to remain on task and being persistent about your credit dispute. Don't fall short and lose sight of the goal at

hand. This is your credit report and it's going to benefit you in the long run.

Here some helpful next step suggestions :

- You can send them a letter via Certified/Return Receipt Requested. Keep a copy of the information you are sending. Be sure to create a professional-looking letter that contains your return address. You'll want to inform the credit bureau that they have failed to reply to your initial correspondence and list the date of your first contact.
- Restate the FCRA law pertaining to the 30 day rule and put them on notice that they will be in violation of the law if they fail to remove the data. Let them know you have kept detailed notes and copies of all correspondence pertaining to the matter.
- Keep a professional tone and request that the matter receive immediate attention.
- Enclose copies of your original correspondence that verifies the 30 days has passed.

- You should relist the accounts that should be deleted from your credit report due to the lack of response. Be sure to include your name and Social Security number for easy tracking.

### **Dispute a Consumer Dispute**

When you're in the process of disputing inaccuracies on your credit report. You may become a bit anxious to get the matter resolved immediately. After all having a good credit score is like being able to upgrade your life. It's an aspiration many people aspire to do daily. Once the process of the investigation is initiated the bureaus will begin to communicate with you via standard mail. You will be dutifully informed from the agencies that their dispute is being disputed. A reply letter may indicate a frivolous dispute so it will be up to you to take further action.

### **Next Steps**

Don't get discouraged by the agencies claims that your dispute is invalid or results were hard to be determined. This is where you will have to be

persistent in your fight to justify your claims. This is your opportunity to take further action. Review your original dispute documentation and see what the reason was for your dispute. Plan to re-file the dispute using other reasoning that is still accurate and sound.

**The following lists of inaccurate information may help you find the most relevant for your situation:**

- 1.This is not my account.**
- 2.I didn't pay late during...(list date)**
- 3.Wrong amount listed.**
- 4.Wrong account number listed.**
- 5.Wrong original creditor information listed.**
- 6.Wrong charge-off date listed.**
- 7.Wrong date of last activity noted.**
- 8.Wrong balance listed.**
- 9. Wrong credit limit amount listed.**



**10. Wrong status listed – there are about 20 possible statuses.**

**11. Wrong high credit limit amount listed.**

### **What You Should Not Do While Disputing**

Unfortunately this is not a ordeal where you can pick up the phone and talk to someone in customer service. We're not quite there yet with the credit bureau. At this point most consumers usually throw in the towel and begin to arrange payment options. If you're still up for the good fight and can withstand the back and forth with bureaus, you can do this.

As previously mentioned you don't want to bombard the bureaus with multiple disputes at once. It's not a sign of professionalism or organization. You will only be wasting your time. Follow through with only legitimate disputes and don't attempt to challenge the credit bureaus with every entry in the hopes of having them all removed to boost your credit ratings. Once the credit reporting agencies considers all your disputes irrelevant, they are not legally obligated to change any data, leaving you back at square one.

Don't abuse the system or try to attempt to pull a wool over the bureaus eyes. Have supporting documentation to support your dispute and take your time disputing future inaccurate information.

### **What is a Charge Off?**

A charge off lets lenders know you did not meet the financial obligations with your original creditor and that you still owe a balance on the account. See how much you still owe on the account and how much of it is listed as "past due". Can you pay the account in full now? If so, contact the creditor and find out how to make payment and how long before the information is corrected on your credit report. If you do not have enough money to pay for the account in full, contact the lender or the collection agency handling the account and find out what your options are. Sometimes they will accept a payment plan toward paying off an account in charge off status; other times they require a lump sum payment. If they do accept payments, ask whether or not they will also update the account on your credit report to show you are making payments. This would show any other companies

viewing your credit report that you are making good on this debt – although your credit score itself would not likely improve until the account is paid in full.

Most consumers usually come into a large sum of money during tax season. This is a great time to apply a charge off and begin to repair your credit while you have the accessible funds.

### **Pay for Delete**

Wouldn't it be nice to start all the way over with your credit? Absolutely! Well we have something similar to that concept, it's called the pay for delete. That's when you pay off an account in exchange for having it deleted from your credit report. It isn't always successful as creditors and debt collectors aren't required to remove any accurate information from your credit report.

In fact, credit bureaus encourage businesses to leave this information on your credit report. Ultimately, it's up to the business whether to report an

item on your credit report. Although you can't erase or make all of those bad decisions disappear. You want to make sure that the debt is no longer in bad standing with the creditors.

Don't try a pay for delete on accounts that are current, but have past delinquency or accounts that have already been paid off. The accounts that are best for a pay for delete are collections and charge-offs.

### Negotiating a Pay for Delete

The agreement you're looking for is this: I'll pay this account if you remove it from my credit report upon receipt of payment. Anytime you make an agreement with an account, you should get that agreement in writing, even if the agreement is made over the phone.

Get a signed copy of the agreement before you send payment. A signed copy of your agreement is the only leverage you have to make sure the creditor or debt collector holds up their end of the deal. You can try to negotiate a pay for delete over the phone, but it's often better to make sure the creditor or debt collector holds up their end of the deal.

You can try to negotiate a pay for delete over the phone, but it's often better to send a letter. In your letter, state that you're willing to pay the debt in exchange for having the account.

If you can't afford to pay the entire debt, and the debt is owned by a collection agency, you can try to offer a lower lump-sum payment in exchange for deletion. Debt collectors often buy debts for less than 10% of the face value, so they're like to go for a settlement offer. This is especially true if the account has been through several collection agencies.

### **Removing Public Records from your Report**

You may have to work with an attorney to get public records like foreclosure and repossession removed from your credit report. If you can show that there is something about the entry which is questionable, you may be able to successfully remove it from your credit report. But, the hard part is finding the necessary loopholes. That's where an attorney who's knowledgeable about your state's laws comes in.

## Using Debt Validation

The credit reporting agencies are required to remove any collection records which cannot be validated from your reports. When you send a validation request, you request the debt.

collector to send proof of the debt you allegedly owe. It is worth noting that some debt collectors don't bother with validation requests and their lack of action will result in the record being removed from your credit report. That does not mean that you no longer have to repay your debt, it only means that it will not be used to calculate your credit score, because the information given to the credit reporting agencies couldn't be validated.

While the validation takes place, the collector can't collect on the debt or put it on your credit report until the proof has been sent. Again, send these requests via certified mail with return receipt requested.