

BEYOND GOOD PERSONAL CREDIT

by BT Holley, Certified Credit Coach



job search



forward by

Ed Keels, Pres./CEO Beyond Breakeven, Inc.

FIRST STEPS

Welcome to the Beyond Good Credit Program! Through the process you will learn your actual current credit scores, how the scoring system works and what action steps that you can take to improve your scores. This improvement of yours scores will result in lower interest rates and interest expense, more money in your pocket, more access to personal and business credit, and an improved quality of life.

With so much to gain, it is important that we just get to it! Here is the overview of your First Steps:

1. Obtain copies of your three credit reports
2. Obtain your credit scores
3. Complete the Revolving Credit Worksheet
4. Send your credit reports, credit scores and credit worksheet to your credit coach
5. Schedule a telephone appointment with your credit coach
6. Teleconference with your credit coach for Credit Review and crafting of Action Steps
7. Review the written Credit Enhancement Plan and Action Steps
8. Work the Action Steps
9. Read the Beyond Good Credit Program that follows herein
10. 90-day status review with your credit coach

Here are those Action Steps again but this time including specific details for what and how to deal with each step:

1.) Obtain a copy of each of your three credit reports from the three credit reporting agencies.

- According to federal law, you're entitled to one free copy of your credit report every 12 months from each of the three nationwide credit reporting companies. You can order your free credit report:
 - Online: Visit AnnualCreditReport.com to get a free copy of your credit report from Equifax, TransUnion, and Experian.
 - By phone: Call [\(877\) 322-8228](tel:8773228228).
 - By mail: Download and complete the Annual Credit Report Request Form and mail it to:

Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

You will need to provide your name, address, social security number, and date of birth to verify your identity.

- Federal law also entitles you to a free credit report if any of the following applies:
 - You are unemployed and seeking employment.

- You are receiving public welfare assistance.
- You suspect errors due to fraud (Note: You can place a Fraud alert on your credit report by alerting any one of the credit bureaus and they are required by law to alert the others of the same. That way, you can get a free credit report for all three bureaus. Here are the numbers for placing a fraud alert:
 - Equifax: 888-766-0008
 - TransUnion: 800-680-7289
 - Experian: 888-397-3742

2.) Obtain your credit scores from each of the three credit reporting agencies

Your free credit report does not include a credit score. You can purchase a score, which costs about \$15, directly from the credit reporting agencies and scoring companies. However, it's important to check your credit report to make sure the information is accurate because your credit score is based on the information in your credit report. It's also important to note that the score you purchase may not be the same as the one lenders use to decide whether to give credit. The bureaus may have different information about your credit history, which means your credit score can vary somewhat from bureau to bureau. So it's important to view reports from all three.

The Different Kinds of Scores

Credit score is a general term given to the numerical value of your credit report. There are specific "brands" of credit scores that are used. The FICO score, named by its developers Fair Isaac Corporation, is the most well-known brand of credit score. The VantageScore is another type of credit score developed by the three credit bureaus - Equifax, Experian, and TransUnion. FICO Score vs. FAKO Scores tells you all about the different kinds of scores.

<http://money.cnn.com/magazines/moneymag/money101/lesson9/index7.htm>

Five Ways to Get Your Credit Score

There are a few different places that you can buy your credit score, but here are some of the most reputable ones:

1. MyFico.com. This is the only place where you can purchase your FICO score. You can order your FICO score based on your credit report at Equifax, Experian, and TransUnion. For a few years, consumers were unable to purchase their FICO scores based on Experian credit report data. Thankfully, FICO and Experian have rekindled their relationship and are once again allowing consumers to purchase Experian-based FICO scores.
2. Any of the credit bureaus. You can purchase your individual and 3-in-1 credit scores from each of the credit bureaus. Keep in mind that each credit bureau

has its own credit scoring model, so your credit scores could differ from each other and might even be different from your FICO score.

3. Free credit score websites. Three websites currently offer completely free, no-subscription-required credit scores. They are CreditKarma.com, CreditSesame.com and Quizzle.com. Be wary of any free credit score that asks you to enter a credit card number. IN essence you're being enrolled in a trial subscription to a credit monitoring service. If you don't cancel before the trial ends, the company will start charging your credit card for the service.
4. Your credit card statement. Certain credit card issuers are participating in a new FICO service that allows cardholders to view their FICO scores for free. So far, Discover It, Barclaycard and First National Bank of Omaha credit cards have enrolled in FICO's program. If your credit card issuer participates, you only have to view your monthly statement to see your recent FICO score.
5. Be denied for credit or approved for less favorable terms. This method isn't foolproof, but here's how it works. Lenders and credit card issuers are now required to send a copy of the credit score used in a decision to deny an application for credit or to approve the application, but for less favorable terms than those applied for. You don't do anything to receive this credit score, but put in the application. If you qualify, you receive the credit score automatically.

If you don't want to go through the hassle of ordering your credit score or signing up for a new service, you can use MyFICO.com's free credit score estimator. The tool estimates your credit score based on information you enter about your credit history. You'll have to be familiar with the information on your credit report to get an accurate estimate of your credit score.

While there's no law for universally free credit scores, all consumers are entitled to a free copy of their credit reports each year from every credit bureau through AnnualCreditReport.com.

<http://credit.about.com/od/creditreportscoring/qt/buycreditscore.htm>

3.) Fill out the enclosed Revolving Credit Worksheet

(That form is attached as a separate attachment in to the email.)

4.) Send the following to your Certified Credit Coach, BT Holley:

- a. Copies of all three of your credit bureau credit reports, and
- b. All of your credit scores from the three credit bureaus, and
- c. Your completed Revolving Credit Worksheet
 - By email at docs@beyondgoodcredit.com (Please put your first and last name in the subject line), or
 - By **first-class** postal mail at:

2637 E Atlantic Blvd #25860
Pompano Beach, FL 33062

5.) Schedule a telephone appointment with your Certified Credit Coach, BT Holley

Once you have forwarded all of the information requested in steps 3 and 4 above then you will need to book a teleconference appointment with the credit coach to jointly review your information and develop your future action steps. Here is how you do that. By clicking this link <http://www.meetme.so/BTHolley> you can view the coaches schedule then block time that is open on his schedule and convenient for you. He will then call you on the date and at the time of your choosing.

6.) Teleconference with your credit coach for Credit Review and crafting of Action Steps

Expect and answer a phone call from your coach at your scheduled date and time for your Review & Strategy Session. During this 30-minute call, a review of your current circumstances will be completed and a credit improvement strategy will be developed along with accompanying action steps.

7.) Review the written Credit Enhancement Plan and Action Steps

Following the Review & Strategy Session you will receive an email containing the print version of your specific Credit Enhancement Plan and Action Steps.

8.) Work the Plan

9.) Read the Beyond Good Credit Program that follows herein

10.) 90-day status review with your Certified Credit Coach

90 days after receipt of your Credit Enhancement Plan and Action Steps, you should repeat steps 1, 2, 3, 4, 5, and 6 for your second teleconference with your coach, during which time you will complete your 90-day progress check up. Continue to use what you have learned to move your scores to beyond good credit.

FORWARD

At first, I was reluctant to write this Forward. To do justice to my associate, BT Holley and more importantly you the reader, it meant that I would have to revisit an uncomfortable and dark time in my life, a time in which I often experienced overwhelming feelings of regret, embarrassment, little personal worth or personal power.

With the failure of one of my businesses came a divorce after twenty-three years of marriage, along with the loss of my home, automobiles, personal possessions, self worth, integrity and trustworthiness.

In retrospect, of all of these things the most painful to lose was that of trustworthiness. From an early age and throughout the history of my life, I considered myself to be someone that could be counted on, “a man of my word”. And, now I found myself in a position where I either didn’t or couldn’t honor my word and my commitments were considered hollow promises. No one believed or trusted me, and rightly so. My word meant... nothing.

Shown to no longer to be a man of my word, I lacked any measure of integrity and trustworthiness. Life is hell without integrity or trust. I am not saying life can’t be difficult without some of those material things, but regardless of the situation there are usually alternatives. If you don’t have a vehicle you can use public transportation, without money for food you can get food stamps, eat at a soup kitchen, etc. But without trust, you have limited and sometimes no options. If you can’t be trusted you will find it almost impossible to get the most simple or basic things needed for survival, like a job or even the love of another person.

One’s trustworthiness is not only an attribute that is essential to mere survival and personal integrity, but it is also directly linked to one’s credit-worthiness. I didn’t fully understand the association of trustworthiness to creditworthiness until I completely lost both. A credit score, albeit bad, good or excellent is a direct reflection on one’s trustworthiness and personal integrity.

The decision by a creditor to extend credit is based on the level of trust they have in the potential borrower to repay the credit offered. That measure of trust is the “creditworthiness” of the borrower and is quantified by three different agencies each using their own unique scoring system.

In the pages that follow, you will learn how your trustworthiness and history of your life is translated into credit scores. You will learn how to have inaccuracies in your credit file corrected as well as learn strategies, which you can employ that may result in improvement of those scores. Excellent credit scores are desirable, and fortunately can be achieved through a combination of you establishing trustworthiness and your application of the teachings herein regarding the scoring systems, which are in no way rooted in common sense.

With BT Holley as your guide, you are in good hands. So read, ingest, implement and enjoy the benefits of Beyond Good Personal Credit.

-- Ed Keels, Pres./CEO Beyond Breakeven, Inc.

BEYOND GOOD CREDIT

by BT Holley, Certified Credit Coach

1.) What is credit?

Credit is money, goods or services that a bank, business or individual extends to a person or business. These monies or money equivalents are loaned under an agreement of future payment for goods and services and or repayment of monies. The terms of such payments typically specify the time frame for repayment, frequency of payments, interest rate and penalties for default. Those are the most simplistic and common terms, as more complicated deals can include more detailed terms. How this credit is repaid creates a credit history.

A credit report is a compilation of this history, which is used in assigning a credit score. The credit history is comprised of information like whether payments are made according to the terms: on time, late, made in full, or not at all. These items are important indicators as to credit risk and subsequent establishment of the credit score. Things that also factor into the score are the length of time credit has been extended, and the various types of credit the individual has been given.

Lenders or other creditors use the credit score to determine their level of risk in extending credit and how much. In other words, if credit is extended or money is loaned, how likely is that person to pay it back?

2.) Why is good credit important...and why bad credit will cost me big bucks?

Employment –

Having a bad credit score doesn't only affect your image to banks and lending companies, it can also affect how a prospective employer may view you. As part of the hiring process, many employers check their applicants' credit reports. Yes, employers can check the contents of your credit file, but will not have access to your actual credit scores. Since your credit file information and credit score go hand-in-hand, keeping both in good standing could mean the difference between being hired or not and keeping a job or not.

Access to credit –

Merely having access to credit greatly affects the quality of your life. Without good credit you may not even be able to secure some of life's basic needs. Lacking an adequate positive credit history, a landlord may choose not to rent a home or apartment to you. Without good credit you cannot make large purchase until you save up enough money to pay for the item in cash, which means without a good credit score and the subsequent access to credit, you may have to save for a very long period of time until you are able to buy a car or a home.

Preferable Interest Rates –

Another reason why your credit score is so important is because it will affect whether you can borrow money or not, and if so, how much interest the lender will charge. You may already know that if you have a low credit score, then you'll have a hard time finding a bank or credit card company that will lend you money. Finding a company that will lend you money isn't the end; it will also be difficult for you to get an attractive rate if you have a bad credit score. Lenders always check your credit score to determine what amount of risk you pose to them. It always follows that the lower the credit scores the higher the risk, and the higher the risk the higher the interest rate. Those higher interest rates will mean higher monthly payments and higher overall loan cost to the borrower.

For example, a \$10,000, five-year loan offered at:
8 ¼ % would equal \$204 per month payments and total interest of \$2,238
19 ½ % would equal \$262 per month payments and total interest of \$5,730

Preferable Insurance Rates –

Insurance companies also refer to your credit file for information so they can calculate your “insurance score”, which they will use in calculating your premium(s). Since persons with higher credit scores are considered to be more responsible, and hence less of a risk to the underwriter, they receive the benefit of more favorable insurance premiums.

Access to Business Credit -

One of the least known methods of access to credit is through that of business or corporate credit. Corporate credit is exceptional in that it provides credit limits that are usually much higher than that of personal credit accounts, are usually unsecured, meaning that no collateral is necessary to back the accounts and repayment terms most often times provide for a minimum payment option of interest only payments. While corporate credit accounts almost always require a guarantor none of the credit history of the accounts reports to the guarantor's personal credit file. Thereby allowing the guarantor to keep his or her scores high even while guaranteeing hundreds of thousands of dollars of business credit. But, while none of the corporate credit history or level of debt is shown on the guarantors credit file the guarantors credit file is reviewed during the credit application and review process. Which means there are two important things to point out here; first a corporate credit application will result in an inquiry posting to the guarantors personal credit file and second the better the guarantors personal scores the greater will be the amount of the corporate credit limits. So, again Beyond Good Personal Credit is essential to even that of obtaining credit in the name of a business.

In summary, good credit allows you to make more and save more money, and get more opportunities. As stated in the previous five reasons on why your credit score is

important, your credit score can really affect your life in a good way or a bad way. If you're looking to get a loan or a new credit card, your credit score can determine whether you can get a good interest rate and save money or not. Also, your credit score, or your credit report to be more specific, can also ruin your chances for employment of any kind, let alone getting your dream job.

So, do you see how that works? Your credit score is important, so don't overlook it. Many people think that credit scores only matter when you're applying for a loan or getting a credit card, but it goes far beyond that. Credit scores can get you closer to good opportunities or take you a step farther from them. The importance of credit today is significant; overlooking this fact can be very detrimental to your financial health.

3.) What is a credit report?

According to the Consumer Financial Protection Board, a credit report contains information about your credit - and some bill repayment history - and the status of your credit accounts. This information includes how often you make your payments on time, how much credit you have, how much credit you have available, how much credit you are using, and whether a debt or bill collector is collecting on money you owe. Credit reports also can contain rental repayment information if you are a property renter. It also can contain public records such as liens, judgments, and bankruptcies that provide insight into your financial status and obligations.

Lenders use these reports to help them decide if they will loan you money, what interest rates they will offer you, or to determine whether you continue to meet the terms of the account. Other kinds of companies can purchase reports to help inform them while making a wide range of business decisions such as providing or pricing insurance; renting you a residential property; providing you with cable TV, internet, utility, or telecommunication services; and (if you agree to let them look at your consumer report) making employment decisions about you.

Once negative information appears on your credit report, there is little you can do to clear it up if the information is truthful and accurate. Generally such information remains for about seven years, while bankruptcy filings typically stay on the credit report for about 10 years (Investopedia).

4.) What are the differences in the credit reports?

TransUnion, Equifax and Experian are the three major credit reporting agencies. All three gather the same type of information about consumers' credit histories and payment practices. All provide nationwide coverage of consumer credit information. However, the Washington Post reported on May 12, 2001, that each agency does not always gather the same information. All three have different cities and regions in

which they are more established, giving them an advantage in those areas over the other agencies. This means that each agency does not gather the same information and that the same person could receive a different credit score from each agency, depending on what information is gathered. You'll only be able to spot these differences, though, by closely examining your credit reports.

Additionally, each agency employs a different model to calculate your credit score. Experian, for example, uses the PLUS Score method, which helps consumers understand better what their credit score means, the factors that shape their credit score and what they can do to improve it. Trans Union and Equifax also have unique consumer credit scoring models, which are largely based on the same set of criteria. This criterion may include the combined balance owed and credit limit on open revolving credit cards, the number of credit application inquiries and the number of accounts where payments are late. While all three agencies perform the same basic services, the information they gather may differ slightly, along with their method of presenting and analyzing the data. Additionally, each offers unique services aimed to help consumers learn more about their credit score and how it can be managed. More information about each of these agencies and their services can be found online.

As of this writing, Equifax reports are the only ones that summarize “Open Accounts” and “Closed Accounts,” making it far easier to distinguish this information and choose which accounts you want to examine first. (With Experian and TransUnion, all accounts are grouped together and listed alphabetically). Equifax files also often show an 81-month credit history for your credit accounts. In some cases, however, particularly for closed or paid accounts, you will see a statement saying: “No 81-Month Payment Data available for display.”

Experian credit reports contain a unique feature that many users find extremely enlightening. For all of the accounts listed in your credit file, Experian shows you “Status Details” indicating when an account is scheduled to fall off your credit report. For example, since positive payment history remains on your credit report for 10 years, an auto loan that you paid off and closed in July 2008 will show the following Status Details: “This account is scheduled to continue on record until July 2018.” By contrast, let's say you had an account go to collections and ultimately get written off by a creditor. For those of you who with these and other negative marks in your credit file, you won't have to wonder how long a certain blemish will haunt you. That critical “Status Details” section of your Experian report will give you that precise information.

With Experian credit files, you will also see a monthly “Balance History” for any accounts that are still open, or for those closed accounts with an outstanding balance. The “Balance History” information in Experian credit reports currently dates back to November 2007. Also included in the “Balance History” section will be a statement indicating your high credit/high balance, over different time frames, since November 2007. If you have accounts opened after November 2007, the Balance History data will reflect whatever time period you opened the account. For instance, it could say:

“Between September 2008 and January 2010 your credit limit/high balance was \$5,000.”

TransUnion has the most thorough employment data section in your personal summary. You can update or correct several fields, including: your current or previous employer’s name, the position you held and the date you were hired. Changing this information will not improve your credit score. However, if you ever seek a loan in the future, it will be helpful to have your information accurately reflected in your credit report to show a lender your hire date for a job, or the length of time you spent at a specific employer.

TransUnion reports list “Satisfactory” and “Unsatisfactory” accounts. They also include color-coded boxes (white, green, yellow, orange and red), with words or numbers inside of them, to indicate your payment history:

- A white box with an “X” indicates unknown information.
- A green box with “OK” signals that your payment is current.
- A yellow box with “30” means you were 30 days late on a payment.
- An orange box with “60” means you were 60 days late.
- A red box with “90” means you were 90 days late.
- A red box with “120” means you were 120 days late.

Lastly, TransUnion also uses the notation “N/A” or “Not Applicable” to describe various accounts.

The Information Found In All Credit Reports

All credit reports – whether from Experian, Equifax or TransUnion – contain basic information that can be categorized into five primary sections:

1. **Personal Information** - These personal facts about you include your full name, date of birth, address, place of employment, and a partial listing of your social security number.
2. **Summary of Accounts** - Your account summary lists any information creditors have reported about your payment history on loans of all kinds, such as mortgages, credit cards, auto loans, and student loans.
3. **Public Records** - Any public record on your credit file – such as a judgment, tax lien or bankruptcy – will seriously lower your FICO credit score. However, judgments or bankruptcies listed as “dismissed” will not impact your credit rating because credit-scoring firms will ignore them, as if they never happened.

4. Inquiries - An inquiry in your credit file is a record of any application for credit that you made. For example, if you seek a mortgage or car loan, or even if you apply for a credit card or perhaps request an increase in your current credit card limit, any of these actions can result in an inquiry, also known as a “hard” pull of your credit file. (Pulling your own credit report is a “soft” pull and doesn’t impact your credit rating).
5. Consumer Statements - Under the Fair Credit Reporting Act, you are allowed to add a 100-word “Consumer Statement” to any of your credit reports if you have disputed an item in your credit files, but the item was not removed because a creditor verified it.
6. Scrutinizing your credit reports puts you one step closer to achieving a great credit rating. You will undoubtedly become better educated about your credit just looking at the highlights of each credit file, and the way that similar information is presented differently in each credit report.

5.) What is a credit score?

Just as you are graded in school on a scale of A-F on your coursework, you are graded outside of school, in the real world, on your creditworthiness. Those grades are called credit scores, and they can be some of your most valuable assets. Credit scores are graded on a range of Poor to Excellent, or numerically, as a number between 300 and 850. The scores are formulated using proprietary algorithms developed by the credit bureaus using data taken from your credit reports. And, just like those test scores in school, the higher the score, the better your creditworthiness, which is used by lenders to assess the likelihood that you will repay your debts. A high credit score shows that you have a high probability of repaying your debts on time, while a low credit score signifies the opposite. Therefore, a good credit score will help you take out loans more easily and even get better interest rates.

Various organizations provide different credit scores, though all are similarly calculated. The FICO score is the best known and most widely used credit score. FICO is an acronym for Fair Isaac Corporation, the company that provides the credit score model to financial institutions. There are other providers of credit scoring systems as well. A FICO score ranges from 300 to 850, and those with scores of 740 and higher are typically entitled to the best interest rates. Landlords, utility companies, and potential employers may also take this information into account. A poor credit history may mean having to make a large deposit in order to open an account with the electric company or to sign a new lease. It could even mean the loss of job opportunities.

Consumers can typically keep their credit scores high by maintaining a long history of always paying their bills on time and not having too much debt.

6.) How are credit scores calculated?

The FICO model has 5 main elements:

1. Past payment history (about 35% of score) - The fewer the late payments the better. Recent late payments will have a much greater impact than a very old bankruptcy with perfect credit since.
2. Credit utilization (about 30% of score) - Low balances across several cards is better than the same balance concentrated on a few cards used closer to maximums. Too many cards can bring down the score, but closing accounts can often do more harm than good if the entire profile is not considered. **BE CAREFUL WHEN CLOSING ACCOUNTS!**
3. Length of credit history (15% of score) - The longer accounts have been open, the better for the score. Opening new accounts and closing seasoned accounts can bring down a score a great deal.
4. Types of credit used (10% of score) - Finance Company accounts score lower than bank or department store accounts.
5. Inquiries (10% of score) - Multiple inquiries can be a risk if several cards are applied for or other accounts are close to maxed out. Multiple mortgage or car inquiries within a 14-day period are counted as one inquiry.

7.) Do I have good credit or bad credit?

Your scores will range between 300 and 850. The higher, the better. As your scores increase, your credit risk decreases. Exact numbers differ by lending institution, but the average high approval score is 740 or above. Often times your score is taken from all three credit reporting companies and the middle score or average score is used.

Generally, if your score is higher than 660, you will be considered a good credit risk. If your score is below 620, then you might have a tougher time getting a loan. The following ratings explain the impact of the different score ranges:

- 720-850 - Excellent - This represents the best score range and best financing terms.
- 700-719 - Very Good - Qualifies a person for favorable financing
- 675-699 - Average - A score in this range will usually qualify for most loans.
- 620-674 - Sub-prime - May still qualify, but will pay higher interest
- 560-619 - Risky - Will have trouble obtaining a loan
- 500-559 - Very Risky - Need to work on improving your rating

***740 Credit Score is The Magic Number**

8.) What are the reasons for my low credit scores?

1. Inaccuracies - Don't be too alarmed to find inaccurate information listed in your credit profile -- errors are not uncommon. These errors are due to credit bureau clerks punching in the wrong information when receiving it from member companies, and from clerks of these companies who are punching in the incorrect information. Whatever the source may be, it is up to you to get it corrected promptly or they will affect your credit score and prevent you from obtaining credit. Write down on a sheet of paper all incorrect personal data listed on your report, such as, name, employment, address, previous address, social security number, etc. Just remember, you have the right to question the accuracy of any item you feel is inaccurate.
2. Late payments to creditors
3. Charge-offs - A charge-off or charge off is the declaration by a creditor (usually a credit card account) that an amount of debt is unlikely to be collected. This occurs when a consumer becomes severely delinquent on a debt. Traditionally, creditors will make this declaration at the point of six months without payment.
4. Collections - A collection account is a loan that has been turned over to a third-party debt collection agency due to negligent payment practices of the borrower. The collection agency assumes the responsibility of collecting the debt for the original creditor. While the borrower makes payments on the collection account, the account will remain open and will be listed as a "collection account" on the borrower's credit report. Information on collection accounts is gathered by credit reporting agencies, which compile and store this information in your credit report. The information is then made available to consumers in a report, which can be accessed online or by mail.
5. Public records - Public records on a credit report may include information such as judgments, foreclosures, repossessions, suits, wage attachments, bankruptcies, state and federal tax liens, and past-due child support. This information is reported by county, state, and federal courts to various credit reporting agencies. The agencies retain the information in a credit report and use the information along with other relevant credit data to determine your credit score. Since public records reflect poorly on your credit rating, you'll want to make sure that this section of your report stays spotless. Additionally, criminal activity is not reported to the credit bureau; the public records sections

of a credit report will only include financial-related information. This information will remain on your credit report for seven years. However, if the record relates to bankruptcy, it will remain on your report for 10 years.

If you do have a public record, it's important to make payments toward them regularly and make every effort to pay them off as quickly as possible. To some extent, having an aggressive plan to pay off such debts could mitigate the negative aspects of having a public record on your credit report.

6. Inquiries - A credit inquiry occurs when a potential credit grantor, potential employer, rental housing agency, or other entity with a "permissible purpose" (as defined by the Fair Credit Reporting Act) requests access to your credit report. These inquiries are captured by credit reporting agencies and retained in your credit report for approximately two years from the date of the initial inquiry.

Credit inquiries, which may reflect negatively on your credit report, are those that are triggered by you in an effort to obtain additional credit. For example, if you apply for a credit card, mortgage or car loan, an inquiry will be made into your credit history. Potential credit grantors may regard such inquiries on your behalf as an indication of financial instability. However, inquiries by a potential employer, you, or a bank interested in offering you a pre-approved credit card, will not reflect negatively on your report. All inquiries are listed regardless of their nature. As a general rule, it's a good idea to limit your number of credit-seeking inquiries. But remember, your debt to income ratio will likely be considered when a potential grantor is determining your level of risk. This means that if you have a low amount of debt in relation to your income, the number of inquiries against your account may not affect your credit rating negatively. In short, be sure to monitor the number of credit inquiries, particularly if you are hoping to assume additional loans.

9.) What is the Fair Credit Reporting Act?

The Fair Credit Reporting Act (FCRA) is a federal law that governs how a credit reporting agency (CRA) handles your credit information. It is designed to protect the integrity and privacy of your credit information. The FCRA requires credit reporting agencies--and the entities that report your credit information to them and others--to ensure that your information is fair and accurate, and kept private. The FCRA protects your right to access and correct any inaccuracies in your credit report and provides you with remedies if a credit reporting agency or information furnisher violates your rights.

A CRA is any entity that collects and furnishes credit information about you. A common type of CRA is a credit bureau, such as Transunion, Equifax or Experian. A CRA also includes a company or person who collects and sells your credit information (often in the form of background checks) to landlords, employers, or anyone else who makes a credit decision about you. A CRA is obligated to:

- Upon your request, provide you with the information it has on file about you (called your “file disclosure”), often for free (to learn how to get your credit report, see Credit Reports & Credit Scores)
- Provide you with your credit score upon your request
- Investigate disputed credit information in your file (there are a few exceptions to this rule; see When the CRA Does Not Have to Investigate Your Complaint.)
- Correct or delete any inaccurate, incomplete, or unverifiable information within 30 days of the receiving notice of your dispute (for more on this, see How to Correct Errors on Your Credit Report)
- Refrain from reporting old credit information, usually more than seven to ten years old (see How Long Does Negative Information Stay on Your Credit Report)
- Limit disclosure of your credit file to third parties who have a “valid need” (such as a creditor, landlord, or employer), and
- Withhold disclosure of your credit information to employers unless you consent.

An “information supplier” is any entity that submits your credit information to a CRA. Usually, that means your creditor. But it could also mean any other third party that you have even a loose credit relationship with, such as a government entity to whom you owe taxes, costs, or fines.

Under the FCRA, your creditor and any other information supplier:

- Must not report to a CRA any information about you that it knows -- has “reasonable cause” to know -- is inaccurate
- Has a duty to promptly update and correct any inaccurate information that it previously supplied to the CRA
- Must tell you about any negative credit information it reports to a CRA within 30 days
- Must notify the CRA when you voluntarily close an account with it, and

- Must maintain a “reasonable procedure” to respond to identity theft notices by a CRA, and refrain from reporting information about an account that you previously reported was the result of identity theft.

If you dispute the inaccurate information with your creditor in writing, it cannot continue to report the wrong information to the CRA until it investigates. It must also notify the CRA of your dispute.

In addition to CRAs and your creditors, anyone who uses your credit information for employment, credit, or insurance purposes is covered by the FCRA. They must:

- Notify you if they turn you down based on what they found in your credit report, and
- Identify the CRA or information supplier who provided the report.

If any of these three types of entities (CRA, information supplier, or user) violates the rules in the Fair Credit Reporting Act, you may be able to sue them in state or federal court for damages. If you are in the military, you might have additional protections and remedies. Your state's laws may also offer additional relief and remedies. For more information, visit the Federal Trade Commission's section on the FCRA at www.ftc.gov/os/statutes/fcrajump.shtm.

10.) How do I read and understand my credit reports?

A credit report is divided into four sections: identifying information, creditor information, public record information, and inquiries.

- Identifying information – This is pretty self-explanatory, but identifying information is, very simply, data that identifies you. This section generally includes:
 - Your name and aliases
 - Social security number
 - Date of birth
 - Employment data
 - Current address
 - Previous address

Look at it closely to make sure it's accurate. It's not unusual for there to be two or three spellings of your name or more than one Social Security number, Sweet says. That's usually because someone reported the information that way. The variations will stay on your credit report; "If it's reported wrong, we leave it because it might mess up the link. Don't be concerned about variations."

Other information might include your current and previous addresses, your date of birth, telephone numbers, driver license numbers, your employer and your spouse's name.

- **Creditor Information** – This constitutes the main section of your report. All of your existing lines of credit are included in this section. This is a detailed listing of all credit accounts in your name.

Each account will include the name of the creditor and the account number, which may be scrambled for security purposes. You may have more than one account from a creditor. Many creditors have more than one kind of account, or if you move, they transfer your account to a new location and assign a new number. Usually, the report will divide the accounts into good standing/satisfactory accounts (accounts that raise your credit score) and adverse/negative accounts (accounts that lower your credit score, such as late payments, charge-offs, and/or collection accounts) into two different sections. The creditor information entries will include:

1. The kind of credit, in other words, is it installment debt or revolving debt. Note: Installment debt is usually loans with fixed payments over a fixed time period, like a mortgage or car loan. Revolving debt is likely credit card accounts that you don't have to pay in full every month, and you have the option to revolve your credit and pay interest on the amount you revolve.
2. The status of the account: Current/open, closed, charged-off (the creditor has given up on you and charged the amount off as a loss), or sent to collections (account has been transferred to a third party collection agency). Note: **If you've made a payment after a charge-off, it won't be removed from your report. Also, collection accounts will stay on your report, even after you've settled the amount, as well.**
3. The responsibility of the account: Individual (the account is in your name alone) or Joint (the account is with another person).
4. The credit limit (total amount of the line of credit), and highest balance on the card.
5. Your current account balance (how much you still owe).
6. Your minimum monthly payment amount, and the amount of your most recent payment.
7. How well you've paid the account (on time, 30, 60, 90 days late).
8. Past due information, if any.

Banking site www.Bankitis.com offers a handy breakdown of some common credit report codes. Here are some different status codes you may encounter, and what they mean:

- CURR ACCT: Account is current, in good standing
 - CUR WAS 30-2: Account is current but was 30 days late twice
 - PAID: Account balance paid off, inactive
 - CHARGOFF: Unpaid balance charged off, credit grantor no longer seeking balance (likely has been sent to collections)N
 - COLLECT: Account is seriously past due and has been sent to collections
 - FORECLOS: Property was foreclosed
 - BKLIQREQ: Debt forgiven via Chapter 7, 11 or 13N
 - DELINQ 60: Account 60 days past due
- Public Record Information – This section details any financial legal issues you may have, including:
 - Judgments
 - Liens
 - Repossessions
 - Wage garnishments
 - Bankruptcies
 - Credit Inquiries - This section includes individuals or businesses that have pulled and reviewed your credit report. It might include a bank at which you opened an account, for example. Or a mortgage lender, if you're applying for a home loan. According to College Answer, there are two types of inquiries:
 1. Hard Inquiries: Made by lenders when you've applied for a loan or line of credit. If too many are made within a certain time frame, this can count against your credit score.
 2. Soft Inquiries: Made when you check out your own credit report or when a marketing agency "pre-approves" you for a line of credit. Soft inquiries do not count against your credit score.

11.) **Can I have my bad credit or adverse/negative items removed from my credit report?**

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

Step One

Tell the credit reporting company, in writing what information you think is inaccurate. Use the appropriate sample dispute letters included in the Appendix. Include copies (NOT originals) of documents that support your position. In addition to providing your complete name and address, your letter should clearly identify each item in your report you dispute, state the facts and explain why you dispute the information, and request that it be removed or corrected. You may want to enclose a copy of your report with the items in question circled. Send your letter by certified mail, “return receipt requested,” so you can document what the credit reporting company received. Keep copies of your dispute letter and enclosures.

Credit 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 credit reporting company, it must investigate, review the relevant information, and report the results back to the credit reporting company. If the information provider finds the disputed information is inaccurate, it must notify all three nationwide credit reporting companies so they can correct the information in your file.

When the investigation is complete, the credit reporting company must give you the results in writing 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 credit reporting company cannot put the disputed information back in your file unless the information provider verifies that it is accurate and complete. The credit reporting company also must send you written notice that includes the name, address, and phone number of the information provider.

If you ask, the credit reporting company must send notices of any corrections to anyone who received your report in the past six months. You can have a corrected copy of your report sent to anyone who received a copy during the past two years for employment purposes.

If an investigation doesn’t resolve your dispute with the credit reporting company, you can ask that a statement of the dispute be included in your file and in future reports. You also can ask the credit reporting company to provide your statement to anyone who received a copy of your report in the recent past. You can expect to pay a fee for this service.

Step Two

Tell the information provider (that is, the person, company, or organization that provides information about you to a credit reporting company), in writing, that you dispute an item in your credit report. Use the appropriate sample dispute letter

included in the Appendix. Include copies (NOT originals) of documents that support your position. If the provider listed an address on your credit report, send your letter to that address. If no address is listed, contact the provider and ask for the correct address to send your letter. If the information provider does not give you an address, you can send your letter to any business address for that provider.

If the provider continues to report the item you disputed to a credit reporting company, it must let the credit reporting company know about your dispute. And if you are correct — that is, if the information you dispute is found to be inaccurate or incomplete — the information provider must tell the credit reporting company to update or delete the item.

About Your File

Your credit file may not reflect all your credit accounts. Although most national department store and all-purpose bank credit card accounts will be included in your file, not all creditors supply information to credit reporting companies: some local retailers, credit unions, travel, entertainment, and gasoline card companies are among the creditors that don't.

When negative information in your report is accurate and verifiable, only the passage of time can assure its removal. A credit reporting company can report most accurate negative information for seven years and bankruptcy information for 10 years. Information about an unpaid judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer. There is no time limit on reporting: information about criminal convictions; information reported in response to your application for a job that pays more than \$75,000 a year; and information reported because you've applied for more than \$150,000 worth of credit or life insurance. There is a standard method for calculating the seven-year reporting period, which generally runs from the date that the event took place.

12.) How do I dispute inaccurate information for removal from my credit reports?

Method of Disputes

1. Delinquent Accounts - Dispute: "I paid this company on time" or, "I paid this company on time as agreed." You must be totally caught up on your bills and have made at least 3 payments on time before disputing these accounts. Preferably, it is better to wait until the account is paid in full before you dispute it; however, these accounts have been successfully removed in cases where payments are still being made.

2. Incorrect Payment History - Dispute: "I was Never 30 days late", the goal was to encourage the credit bureau to investigate your request and remove it if it is not verified.
3. Charged-Off Accounts - When you still owe a company money over a period of time, they will usually write your debt off their books as a bad debt expense. This account will appear as a Charge Off account. It is very difficult to have these accounts removed from your credit report. What was done in the past was to look on your credit report and take notice to the last date this company reported you to the credit bureau. If the lender has reported to the bureau within the last twelve months, your best bet is to directly deal with that company and negotiate some type of settlement. See the sample letter of negotiation in the appendix. However, if the company reported you years ago you might have a good chance of getting the account removed. Note: Charged-Off Accounts are difficult to remove when the account is under two years old. After two years, it will not hurt your credit score anymore, therefore you can leave it on the file. However, what was done in the past was to try the dispute on the last page, hoping the company will not re-verify the information you are challenging. In this case, dispute only one Paid P&L Account at a time putting at least two (2) to three (3) months between cycles (an explanation of a cycle in credit repair is listed on this page).
4. Collection Accounts - Dispute: "I never had a collection account..."
5. Bankruptcies - Most bankruptcies are being reported inaccurately. You are entitled to have this item investigated. If the credit bureau is unable to verify the inaccuracy within a reasonable period of time, the entire bankruptcy must be removed from your credit report. In the past, many have flatly denied ever filing bankruptcy and have been very successful in removing the item.

Dispute: "I never filed for bankruptcy -- Please remove at once!"

This dispute also applies to Judgments, Liens, Chapter 13 arrangements, (wage earner) and repossessions. Note: Don't dispute a wage earner, judgment or any public record if you are currently making payments on that account. If you do, you will be dealing with two sources that can verify the negative information, instead of one. Although you are making payments on the account, the judgment will continue to show that you still owe the company who filed the suit. Don't make a big scene about the way this item is currently being reported. You may defeat the purpose of the credit repair process by admitting guilt before the information can be verified. Be patient and pay the account off, and don't worry, after two years it will not count against your score, anyway. **Important Notice:** Your wage earner plan (Chapter 13) must be dismissed or discharged before you start disputing. Additionally, if your wage earner plan was dismissed, or you stop making payments, proceed with CAUTION, as your creditors may come back and attempt to collect their money, and cause problems for you. Unless you are

willing to pay the old debts, you must be careful in your attempt to have wage earner plans removed from your credit report.

6. Judgments - A judgment is a public record (PR). A PR cannot be directly removed by the company who filed a suit against you. It will only come off if it's not verifiable. If you wait approximately 3 months after you have paid the company, the judgment may come off your credit report on a technicality because the court clerk that day may not verify your challenge. Court clerks hate to go through old records; they are usually over worked and underpaid, and also too busy processing new records.
7. Inquiries - Dispute: "I never authorized this company to check my credit rating; please remove immediately."

13.) Can I create a new credit profile?

My credit is too far gone. Can't I just create a new credit profile? The answer is yes, but it's illegal and you could go to jail.

There are companies advertising, for a fee, that they will show you how to legally create a new credit file, supposedly, in order that you may obtain loans and credit cards and overcome your bad credit score. However, if you get caught, you could, again go to jail.

These scam artists are inviting you to commit bank fraud. When you apply for a credit card, loan, or any type of financing you are asked for your social security number. Your social security number is the main way that the three credit bureaus, Experian, Equifax and Trans Union and many creditors and employers, etc., keep track of you and separate your credit file and personal information from everybody else.

Therefore, to create a new credit identity or file, one would need a new social security number. Since it is almost impossible to get a new social security number from the Social Security Administration, those who sell "create a new identity" information advise you to apply to the federal government for an Employer Identification Number (EIN) or Taxpayer Identification Number (TIN) and use that number in place of your social security number when you apply for a loan or credit card.

The problem with doing this is that it is a felony to lie on a credit or loan application. If you decide to try this, the mortgage lender or whomever you try to defraud will likely catch it, and if they do, they have the right to turn the whole matter over to your local district attorney for prosecution.

First offenders convicted of bank fraud usually get a two-year prison sentence. Most of the people who sell "create a new credit identity" information are possibly scam artists and if they are not, they are usually ignorant to the fact that they are breaking the law and in violation of the Credit Repair Organizations Act, which is federal

legislation that bars anyone from claiming that consumers can create a new credit identity. In fact, several years ago, the Federal Trade Commission went after many sellers of this information and shut them down completely. This is not a good idea. It is best to fix your own credit instead of taking the risk of becoming a felon.

In reviewing this overview, you should by now have a general understanding of the credit reporting system. In completing the “First Steps” listed on page 1 herein and working the action steps and strategic plan drafted by your coach, you will be well on your way to beyond good credit. Congratulations on taking the actions that will improve your life.

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Sample Letter: This Is Not My Account

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip

ATTN.: Consumer Relations Department

Gentlemen:

Thank you for sending me a copy of my credit report just as I requested. However, after careful review, I noticed accounts and Inquires, which do not belong to me.

Please remove these entries immediately.
ABC COMPANY NAME - ACCOUNT #
XYZ COMPANY NAME - DATE OF INQUIRY

Please send me an updated copy of my credit report after you remove these entries.

Sincerely,
(signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Delinquent Accounts

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip

ATTN.: Consumer Relations Department

Gentlemen:

The following accounts listed below were paid on time. Please correct and forward me an updated copy of my credit report.

ABC COMPANY - ACCOUNT #
XYZ COMPANY - ACCOUNT #

Your prompt attention in this matter is greatly appreciated.

Sincerely,
(Signature)
Your Name
Your Address
City, State & Zip
Social Security Number

Sample Letter: I'm Wondering Why Dispute

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

I am wondering why you are reporting that I was late with ABC Company Acct.# 123-456. I am in dispute of the information listed, and it is my request that you remove this account from my credit report and send me a new copy to reflect the change.

This negative account is having a harmful effect on my credit rating.

Sincerely,
(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Incorrect Payment History

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

I am in dispute of the account that is listed below. Dispute Supply Company Acct. #456789-123|
-- Never 30 days late.

Please delete the negative entry and forward me an updated copy of my credit report to reflect the changes.

I appreciate your cooperation.

Sincerely,
(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Charge-Off Accounts

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

Since I don't know anything about this P&L, I would appreciate it if you remove this incorrect account immediately.

XYZ Company Account #

Please send me an updated copy of my credit report to show this deleted account.

Thank you for your cooperation.

Sincerely,
(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Collection Accounts

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

I never had a collection account with ABC Company Acct# 1234. Please delete this account from my credit report and send me an updated copy showing the results.

Your cooperation is greatly appreciated.

Sincerely,
(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Bankruptcies (dispute the accounts)

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

The following account is being reported incorrectly, fix as soon as possible.

1. Account name, Acct. # - Problem: The DATE CLOSED should be the filing date of bankruptcy (enter month and year of filing)
- 2) Creditor name, - please note that this account must be reported as open and current because it was NOT included in my bankruptcy and my payments are made as agreed.

Please forward my updated credit report after you remove this harmful and incorrect item.

Your prompt attention to this matter is greatly appreciated.

Sincerely,
(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Update Bankruptcy Accounts.

Many times, accounts which were included in a bankruptcy are not updated to reflect this on your credit report, which could lower your credit score even more than it already is. This is a sample letter requesting the update of those accounts to show "Included in Bankruptcy". Keep a copy for your files and send the letter registered mail.

**Credit Bureau
Credit Bureau Address
Some City, Any State 56789**

RE:

CREDITOR AGENCY Account XXXXX-XXXXXXXXXXXX
CREDITOR AGENCY Account YYYYY-XXXXXXXXXXXX
CREDITOR AGENCY Account ZZZZZ-ZZZZZZZZ

Date:

To Whom it May Concern:

Dear Credit Bureau:

This letter is a formal complaint that you are reporting inaccurate credit information on my credit report. The above referenced accounts were included in my bankruptcy and are instead showing as <chargeoffs> <pastdue> <late>. The incorrect listings are lowering my credit score unnecessarily, and it is also preventing me from purchasing a home.

I am enclosing a copy of my bankruptcy discharge papers as proof of the date of my discharge. Please correct your records to display the proper listings.

Sincerely,
Your Signature
Your Name
enclosure

Sample Letter: Permissible Purpose Letter (Inquires)

Lender Legal Department

To whom it may concern:

As per my credit report, your company obtained my credit file on Date. I don't recall applying for credit or employment with <your company>.

From the FCRA § 616. Civil liability for willful noncompliance [15 U.S.C. §1681n]

"(b) Civil liability for knowing noncompliance. Any person who obtains a consumer report from a consumer reporting agency under false pretenses or knowingly without a permissible purpose shall be liable to the consumer reporting agency for actual damages sustained by the consumer reporting agency or \$1,000, whichever is greater."

From the 1998 FTC opinion letter Greenblatt at <http://www.ftc.gov/os/statutes/fcra/greenblt.htm>:

"Any person who procures a consumer report under false pretenses, or knowingly without a permissible purpose, is liable for \$1000 or actual damages (whichever is greater) to both the consumer and to the consumer reporting agency from which the report is procured."

Please explain your permissible purpose for your obtaining my credit file. Should you not have a permissible purpose, please arrange for payment of \$1,000 by Date.

Please respond via fax to (555) 555-1212.

Sincerely,
Your Name

Sample Letter: Inquires

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

I never authorized the following companies to check my credit rating. Please remove immediately.

ABC Company - Date of Inquiry
XYZ Company - Date of Inquiry

Your cooperation in this matter is appreciated.

Sincerely,
(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Credit Bureau Reminder #1

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

Please refer to the letter I sent (Date), (please see enclosed copy), in which I challenged negative information listed on my credit report.

As the date above, I have not heard from you. It's been almost (Amount of weeks or months) with no response.

Please respond to my request immediately.

(Your Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Credit Bureau Reminder #2

Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

On (date), I contacted your bureau by certified mail to dispute incorrect entries listed on my credit report. It is my understanding that you must send me the results of my dispute within a reasonable time; however, as of the above date, I have not received a response from you.

Please delete the incorrect information I have disputed and send me an updated copy of my credit report. Also, please include the names and addresses of the companies or individuals who were directly checked with in regards to this matter.

Your cooperation is greatly appreciated.

Sincerely,
(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Sample Letter: Credit Bureau Reminder #3

Name of Credit Bureau Date
Street Address of Credit Bureau
City State Zip

ATTN.: Consumer Relations Department

Gentlemen:

I disputed incorrect information contained in my credit report in a letter dated (Date), (please see enclosed copy). I understand that under the Fair Credit Reporting Act (FCRA, I am entitled to timely response from your bureau.

Please take notice that I must receive a corrected copy of my credit report with the changes I have outlined within five (5) business days from receipt of this letter, or I will be forced to take legal actions under the FCRA, seeking damages for lost of credit and mental anguish your bureau has caused me.

Because of your violation of the FCRA's time frame on such timely responses, it is safe to believe that the information I have disputed has been corrected and all negative data have been removed from my credit report.

I thank you for your kind attention to this matter and hope to receive my updated credit report soon.

Sincerely,
(Signature)
Your Name
Your Address
Your Social Security Number

Sample Letter: Repossession Dispute

When your car is repossessed in many cases the original creditor sells the car for less than the amount remaining on your loan. It is possible for them to come after you for the balance, this is called the *deficiency*. This letter is for the purpose of disputing collection activities on a deficiency from vehicle repossession. It may be used AFTER 2 years from the date of the repo sale, providing there has been no filed claim for a judgment. It should not be used if you have been sued, or if the repossession is less than 2 years ago. The following site has all the state's repo laws listed: http://www.nfa.org/Site_search.html . Send a copy to EACH of the parties (collection agency and original creditor) Certified Return Receipt Requested.

Your Name
123 Your Street Address
Your City, ST 01234

Cheatem Collections
123 Fagetaboutit Ave
Chicago, IL

Date

Name of Original Creditor
Address of OC
Name of Original Seller (car dealer)
Address of OS

Re: Acct # XXXX-XXXX-XXXX-XXXX (collection agency)

Re: Acct # XXXX-XXXX-XXXX-XXXX (original creditor)

Make of car:

Model:

VIN#

To Whom It May Concern:

I am writing in regard to the above referenced accounts and transactions. This vehicle was repossessed by <Original Creditor> in the State of <Your State> on or about, xx/xx/xxxx, and resold on or about xx/xx/xxxx. Under the laws of the State of <State where car was repossessed> UCC § <Your stat's UCC code, you will need to look this up> and State RISA and MVISA statutes a deficiency can not be claimed unless all of the required notices were properly and timely given, and all of the allowable redemption and cure time limits were adhered to.

Please provide copies of the legal notices and proof of the commercially reasonable manner of the resale of the subject vehicle.

If no such proof is provided within 14 days from receipt of this notice, the alleged claim of a deficiency will be considered null and void, and any continued collection activities, or continued

reporting of this invalid claim on my credit reports will be considered a violation of the FDCPA and FCRA. In addition, if you singularly or severally fail to comply with the above requests, I reserve the right to seek damages against all parties, under all available State and Federal statutes and UCC § 9 remedies.

Sincerely,

XXXX

Consumer Statement #1

Today's Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

Under section 611(b) of the Fair Credit Reporting Act, I am requesting the following consumer statement be inserted in my credit report exactly as I have written it:

"I dispute the fairness of the late payments being reported on the [name of creditor] account. These late payments are the fault of [name of creditor] that habitually mails my monthly statement to me after the date payment is due, if it bothers to mail me a statement at all. Because I do not receive my billing statement in time and sometimes not at all, I have had no choice but to make payment after the due date. For this reason, there are numerous late pays associated with this account that are no fault of mine."

Please send me an updated copy of my credit report once the above statement has been added to my credit report. Thank you very much.

Sincerely,

(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Consumer Statement #2

Today's Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

Under section 611(b) of the Fair Credit Reporting Act, I am requesting the following consumer statement be inserted in my credit report exactly as I have written it:

"On [date] I was laid off from work while employed at [employer's name] due to [reason why laid off, e.g., company downsizing, etc.]. As a result, I fell behind paying my debts. I found employment on [enter date of new employment] and began catching up paying my delinquent debts. My overall credit report shows an excellent payment history. If it weren't for losing my job, I would still have a good credit rating. I believe the late payments associated with the [creditor's name] account are not a true reflection of my creditworthiness."

Please send me an updated copy of my credit report once the above statement has been added to my credit file. Thank you very much.

Sincerely,

(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Consumer Statement #3

Today's Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

Under section 611(b) of the Fair Credit Reporting Act, I am requesting the following consumer statement be inserted in my credit report exactly as I have written it:

"The [creditor's name] account being reported as a charge-off on my credit report is not mine. I have tried to resolve this dispute with the creditor directly numerous times, but have not been successful. The creditor insists on claiming that this account is mine, despite the fact that I was only 15 years old when this account was opened. I am asking any prospective lender reading my credit report to examine the date of my birth and the date this particular account was opened."

Please send me an updated copy of my credit report once the above statement has been added to my credit file. Thank you very much.

Sincerely,

(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

Consumer Statement #4

Today's Date

Name of Credit Bureau
Street Address of Credit Bureau
City State Zip
ATTN.: Consumer Relations Department

Gentlemen:

Under section 611(b) of the Fair Credit Reporting Act, I am requesting the following consumer statement be inserted in my credit report exactly as I have written it:

"The [creditor's name] account being reported as a collection account on my credit report arose out of a conflict with this creditor over [nonperformance of a promised service or non-delivery of a product]. I tried to resolve this dispute with [name of creditor] on numerous occasions, but was unsuccessful. Since I did not receive the [service or product], I refused to pay the bill."

Please send me an updated copy of my credit report once the above statement has been added to my credit file. Thank you very much.

Sincerely,

(Signature)
Your Name
Your Social Security Number
Your Address
City State Zip

The next series of letters can be used as a guide when negotiating with creditors and collection Agency. Remember, these are sample letters, and they must be adjusted to your current situation. Note: Do not copy the sample letters included in this book word for word. You do not want credit bureaus or creditors to get several letters written exactly the same.

Sample Letter: Credit Bureau Verification Procedure

This letter should be sent to the credit bureaus if you get a “verified” response from a dispute of a negative mark. Credit bureaus will not take the time or trouble to send you this information unless you ask, but it is your right to know it under the FCRA. Many times you can use this information as ammunition for your credit disputes.

Company
Address
City, State Zip

Date

To Whom It May Concern:

This letter is a formal request for the description of the procedures used to determine the accuracy and completeness of the disputed information, including the business name, address, and telephone number of any furnisher of information contacted in connection with this reinvestigation, in compliance with the The Fair Credit Reporting Act, Section 611, part B, subsection (iii)

§ 611. Procedure in case of disputed accuracy [15 U.S.C. § 1681i] (6)

(B) Contents. As part of, or in addition to, the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing before the expiration of the 5-day period referred to in subparagraph (A)

(i) a statement that the reinvestigation is completed;

(ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

(iii) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the business name and address of any furnisher of information contacted in connection with such information and the telephone number of such furnisher, if reasonably available;

I am disappointed that you have failed to maintain reasonable procedures to assure complete accuracy in the information you publish, and insist you comply with the law by providing the requested information within the 15 days allowed.

As a matter of convenience to you and to expedite my request, I am resubmitting my request to correct my credit report.

Name of Creditor/Agency, Account # _____

<List your reasons for disputing this negative mark here, inaccurate account information, dates wrong, etc.>

As already stated, the listed item is inaccurate and incomplete, and is a very serious error in reporting.

Sincerely,

Sample Letter: Anticipating Financial Problems

Company Name & Address

Date

Re: Account Number #123456789

Gentlemen:

It has been a pleasure doing business with your company. Since the inception of my account with you, the quality of service you've rendered has been excellent.

I am writing this letter notifying you of difficult times, which are rapidly approaching. During recent cutbacks on my job, I received notice from my superiors of a tremendous cut in my pay. Due to this cut, my financial situation is such that I am unable to meet my current monthly obligations, as my most recent payment history shows. However, I want you to know that my intention is to pay my account in full, and in a timely manner. I am currently writing all of my creditors working out a lower payment arrangement in proportion to my reduced income.

I am prepared to offer a temporary payment arrangement with your company for the next nine months in the following manner: It is feasible for me to only pay (Amount) per month on my account payable on the (due date) of each month. This new arrangement will prevent a financial disaster for my family and me. Additionally, it is my concern that my credit rating will begin to go sour from my current situation. I hope and pray that you will refrain from giving me a negative mark during these difficult times.

If you have any questions, please feel free to contact me at the address below:

Sincerely,

Your Name
Address

Sample Letter: Collection Agency Negotiation

Date

Collection Agency Name & Address

ATTN.: Collection Manager

RE: Account Number 123456789

Gentlemen:

Concerning the letter sent to me (Date) (please see enclosed copy), I am apologizing for not responding to you as to what my intentions are concerning my account. I have always appreciated doing business with your company. During the time I have had an account with you, the service I received has been to my satisfaction. My personal situation has recently become difficult. Due to recent cut-backs on my job, and a little poor management, my financial situation is such that I have been hard pressed to meet my obligations, as my recent payment history with your company shows.

However, I want you to know that I am in the process of recovery, and I fully intend to pay my account with you in full. I hope you will allow a temporary adjustment of my account during this period. Because of this situation, I am behind on my financial obligations. I am now trying my best to catch up on my bills but I am getting farther behind. I am now in the process of working out agreements with all of my creditors to prevent a financial disaster. I am currently several payments past due on my account. With a balance of _____. I am only able to pay _____ per month until this account is current, enclosing _____ with this letter. This offer will help me tremendously to get back on my feet financially.

Your cooperation will be greatly appreciated. I am concerned that my previously good credit rating will begin to suffer from my current situation. I hope you will show patience and understanding and refrain from issuing a less than favorable reports during this time. As I stated earlier, I will fulfill my responsibility to you fully, but the adjusted payment I am requesting will allow me to meet that responsibility without even greater burden on my family and me.

Please contact me at the address above if you require further information.

Sincerely,

Your Name
Address

Sample Letter: Negotiation: Collection Agency #1

Your Name & Address Date

Collection Company Name & Address

Attn.: Credit Manger

RE: Account Number Amount Owed

Gentlemen:

This letter is in regard to the response received (Date), from your company, concerning my account with (Company Name). Your Letter dated (Date), states that the bank would not accept my settlement offer of (Amount) per month, and has turned my account over to you for collections.

I showed that letter to my attorney and was advised to file bankruptcy due to my financial hardship. However, I feel that brighter days are coming soon. I am prepared to make this counter offer. I can pay your company ____ payments of \$____ until the balance is paid in full, making the first payment due ____, and due the ___ of each month thereafter. I would also like you to agree to take the negative mark off my credit rating if I stick religiously to my agreement. I am currently unemployed due to health problems, but making plans to go back to work (Date).

If this offer is not agreeable, I have no other alternative but to file bankruptcy, for this is the best I can do.

Yours truly,

Your Name

Read, Approved and Accepted By: _____

Collection Manager _____ Date _____

Witness _____ Date _____

Sample Letter: Negotiation: Collection Agency #2

Date

Person Name
Their Company Name
Address
City, State, & Zip

RE: Account Number Amount Owed

Gentlemen:

This letter is to inform you that I received your letter dated (Date), (please see enclosed copy) stating that my proposal Dated (Date), (please see enclosed copy) was unacceptable.

It is my desire that this account be satisfied. Therefore, I am prepared to make a counter offer concerning my account. If I pay the balance of this account in full, will you then accept my proposal of deleting the negative mark off my consumer credit report? I am trying to make a new life for my daughter and I but it is very difficult when your husband leaves you in a financial hole.

Please reconsider my offer. Thank you for everything.

Sincerely,

Your Name
Your Address
Your City, State, & Zip

Sample Letter: Creditor Agreement

Today's Date

Creditor's Name
Address
City, State, Zip

ATTN.: (Name of person you made the agreement with)

Dear (Name of person you made the agreement with)

Thank you for your understanding and professional courtesy. Your sensitive approach of handling my account is a great burden off my family and me. We all thank you for working out a payment plan in a fashion that won't cause financial hardship on us, at the same time both parties come out winners.

Please find enclosed an SASE along with two (2) copies of this notarized agreement following: I, (your name), agree to pay (creditor's name) the total amount of (\$ amount) by (date) In return, (creditor's name) agrees to delete all negative marks entered on any credit report under the name: (your full name, date of birth and social security #).

I/We agree that the above is a legal binding contract.

Your Signature Date Creditor's Signature Date

Notary Signature Date Notary Signature Date

Date Commission Expires Date Commission Expires

(PLEASE NOTE: THIS CONTRACT IS A SAMPLE ONLY. YOU MAY WISH TO SEEK A COMPETENT ATTORNEY BEFORE ENTERING SUCH AN AGREEMENT IF YOUR SITUATION IS COMPLEX.)

Sample Letter: Stop Collection Procedures

CEASE & DESIST LETTER

Date

Person Name

Their Company Name

Address

City, State, & Zip

RE: Account Number

Gentlemen:

Please be advised that I am exercising my rights under The Federal Fair Debt Collection Act to have all collection procedures **STOP** immediately.

It is my understanding that all letters, phones calls, etc., must **CEASE** immediately or I can file a claim against your organization for non-compliance.

It is my regret that we could not solve our problem amicably or reach some possible solution to the matter in which you contacted me. However, I must take appropriate action to cease our communications.

Thank you for complying.

Sincerely,

Your Name

Your Address

Your City, State, & Zip

Sample Letter: Collections Agency Fails To Validate Debt
SEND THIS LETTER TO THE CREDIT BUREAUS

This letter assumes that you have contacted the collection agency using our debt validation methods, and they have failed to send you adequate proof of your legal obligation to pay a debt, this is the letter you need to write to the credit bureaus.

Company
Address
City, State Zip

Date
RE: Account XXXXX-XXXX-XXXXX

Dear Sir/Madame:

I am writing to dispute the account referenced above. I have disputed this account information as inaccurate with you, and you have come back to me and stated you were able to verify this debt. How is this possible? Under the laws of the FDCPA, I have contacted the collection agency myself and have been unable to get them to verify that this is indeed my debt.

I enclose copies of my requests to the collection agency, asking them to validate my debts, and the receipts showing that I sent these letter certified signature request. This debt is not mine and I was given no evidence of my obligation to pay this debt to this collection agency.

The FCRA requires you to verify the validity of the item within 30 days. If the validity can not be verified, you are obligated by law to remove the item. There is a clear case of unverified debt here, and I urge you to remove this item before I am forced to take legal action.

In the event that you can not verify the item pursuant to the FCRA, and you continue to list the disputed item on my credit report I will find it necessary to sue you for actual damages and declaratory relief under the FCRA. According to this regulation, I may sue you in any qualified state or federal court, including small claims court in my area. While I prefer not to litigate, I will use the courts as needed to enforce my rights under the FCRA.

I look forward to an uneventful resolution of this matter.

Sincerely,

Signature
Your Name
Your Address
enclosures

Sample Letter: Estoppel By Silence – Validation of Debt

Name
Address
Date
Account ID

Dear Collection Agency,

This certified letter, receipt number# _____ is to formally advise you that I believe your company has violated several of my consumer rights. Specifically you: Failed to validate a debt at my request- FDCPA violation continued to report a disputed debt to the CRA- FCRA violation Not only have you ignored my prior requests for validation of debt (proof enclosed- receipt copies or letter copies) but you continue to report this debt to the credit bureaus causing damage to my character.

This letter will again request that you follow the FDCPA and provide the following:

Validation of Debt Request

Proof of your right to own/collect this alleged debt balance claimed including all fees, interest and penalties contract bearing my personal signature.

As you may be aware, "Estoppel by Silence" legally means that you had a duty to speak but failed to do so therefore, that must mean you agree with me that this debt is false. I will use the Estoppel in my defense.

I expect to receive proof requested above, within 15 days of this letter. Should you again ignore my request for validation of debt I reserve the right to sue your company for violations of my consumer rights as indicated under both the FDCPA and the FCRA. I may seek damages from you if warranted.

Sincerely,

Your Name

Sample Letter: Credit Card Limit Is Incorrect To Company

Date

Company Name

Address

City, State, Zip

Attn: Customer Service Department

Re: Account Number #123456789

Gentlemen:

Please be advised that I am writing to dispute incorrect credit limit information currently being reported in my credit report.

You are reporting that my credit is: (enter credit limit reported), however my correct credit is: (enter correct credit limit).

Failure to report my correct credit limit has damage my credit score severely. To verify the accuracy of my credit limit, I have enclosed my lasted credit card statement for your review.

Please correct the matter with the following credit bureaus: (Enter credit bureaus that the information is reported incorrectly. Failure to correct this matter only leaves me the option of closing my account and moving to a company that is willing to report accurate credit limit information to the credit bureaus.

I appreciate your cooperation.

Sincerely,

(Signature)

Your Name

Your Address

City, State Zip