



# **Complete Credit Repair Manual**

# Blotches on your credit report cost you. But, don't despair. It's never too late to become credit worthy -- just get started, and remember that it won't happen overnight.

## Here are 5 steps for improving your credit rating:

### **1. Order your credit reports**

Find out what the top three credit bureaus -- Equifax, TransUnion and Experian -- are saying about you. It's likely that they're all slightly different. Yes, different! Creditors don't have to report to all three credit bureaus, so they typically report to the credit bureau to which they also subscribe.

Time and money is wasted, says Steve Rhode, president and co-founder of [Myvesta.org](http://Myvesta.org), if you only order a report from one credit bureau. You can order a credit report from each bureau for free once a year through [annualcreditreport.com](http://annualcreditreport.com).

### **2. Examine your reports carefully**

Nearly every consumer has an error on at least one credit report from one of the major credit bureaus, says Rhode. Credit bureaus generate your report on information they receive from your creditors; they don't verify.

Keeping your credit report a true reflection of you is -- like it or not -- your job. Get ready to clean and polish. Carefully look for everything from typing errors, outdated and incomplete information to inaccurate account histories. You'll want to make a thorough list of items you dispute and why. Be meticulous.

If the negative information in your report is true, only time and improved habits can change that. Late payments, such as credit cards, and charged-off accounts remain on your report for seven years; bankruptcies for 10. Most creditors, however, look for a pattern of payment rather than focusing on one-time or rare occurrences; so consistent on-time bill payments will improve those blemishes.

### **3. Double-D strategy -- dispute and document**

Remember, a bad report costs you money. So, it pays to be thorough! You can either complete the dispute form provided with your credit report or write a letter. Clearly identify each mistake and state why it's wrong. A recommendation is to send a photocopy of your credit report with the mistakes circled to the reporting credit bureau. Include copies of supporting documents.

Document, document, document. Keep copies and records of all the forms, letters and documentation that you send the credit bureaus, plus dates sent. The credit bureau must investigate any relevant dispute within 30 days of receiving your letter. Any item that is not verified as accurate by a creditor is removed.

Sometimes it's necessary to contact your creditors to resolve mistakes.

If the credit bureau makes any changes to your credit file, it will send you the results and a free, updated copy of your credit report. Once a negative item is removed from your report, the credit bureau cannot put it back on unless a creditor verifies its accuracy and completeness -- and sends you written notice.

### **4. Solve and dissolve debt**

Now's the time to devise a spending plan that reduces your debt and sets you up to pay on time, every time.

If you're having difficulty making payments, be proactive. Call your creditors and negotiate to keep your accounts current and from being reported as delinquent or "bad debt." You can ask for reduced monthly payments, or even change due dates to balance out your monthly bills.

The same strategy can be used for fixed-loan payments. Remember, though, that this is a short-term strategy. You'll pay more interest to extend the repayment schedule, but it allows you to stay current and save your credit rating. Use the extra money to pay off debts one at a time, gradually increasing payments to other debts.

Deal with any collection accounts. Unpaid collections are worse than paid collections. You can negotiate a pay-off settlement that reduces your bill, plus demand that all derogatory remarks are removed from your credit report or at least reported as paid in full. Be sure to get verbal agreements in writing before sending off your payment.

Slowly close out unneeded or unused credit accounts. Most experts recommend carrying between two and four credit cards. But, be cautious when canceling because closing accounts can negatively impact your credit score, commonly called a FICO score. FICO considers the ratio of total debts to total available credit. A good rule of thumb is to keep your revolving debt to 50 percent of your available credit.

Remember that cutting up the card doesn't close out the account.

Other tips:

- Close out your newest accounts so that you don't lose your longer credit history.
- Close out accounts slowly over several months.
- Verify that all accounts you've closed are reported as "closed by consumer" for the best report.
- Even if creditors offer to raise credit limits, allow yourself only moderate credit limits.
- Keep your balances low and avoid revolving balances.

### **5. Add stability to your credit file**

You can also work to add positive information and show stability in your credit file.

You may have been denied credit because of an insufficient credit file, yet you have credit. Some creditors -- such as, travel, entertainment, gasoline card companies, local banks and credit unions -- may not report your credit history to the credit bureaus. You can try asking the credit grantors to report your account information and monthly payment history to a credit-reporting agency. Not all will do that. So, in the future, before opening a new account, ask if your on-time payments will be reported monthly to a credit-reporting agency, recommends Myvesta.org.

If you have really bad credit -- perhaps even filed bankruptcy -- don't let your credit status go dormant. "The faster you begin to re-establish good credit, where you pay on time, every time," says Craig Watts, consumer affairs manager of the Fair Isaac Corp., "the faster you'll improve your credit score."

Build a solid credit history. Secured credit cards offer people with no credit and those repairing their credit this opportunity. Shop around for the best deal available, but limit your applications. Credit bureaus look at how many new accounts you've opened, and the number of "inquiries" for new accounts that are listed. A sudden flurry of "inquiries" results in a lower score, because many times consumers anticipating money problems increase their credit lines. Inquiries made by creditors wanting to make "prescreened" credit offers are not counted.

Lastly, open a savings account at your bank. This shows creditors that you are working to save and that you have reserves to repay debts.

## Contact Information

**Equifax Information Services 1 (800) 797-6987**

**P. O. Box 740256 [www.equifax.com](http://www.equifax.com)**

**Atlanta, GA 30374**

**Experian 1 (800) 397-3742**

**P. O. Box 2104 [www.experian.com](http://www.experian.com)**

**Allen, TX 75013**

**Trans-Union 1 (800) 888-4213**

**P. O. Box [www.transunion.com](http://www.transunion.com)**

**1000Chester, PA 19022**

## Examples

### **LETTER Explanation for Delinquent Payment**

**This letter is used for pleading with a creditor the fact that your untarnished credit report has been affected negatively because of one problem over many years of good payment history. You are asking the creditor to remove the negative information as a one-time courtesy based on your excuse.**

To Whom It May Concern,

I have recently found that several of my payments to your account have been labeled as “late” on my credit report. These missed payments were due to:

\_I had been sick with the flu for almost three weeks, which caused me to loose almost a month’s salary. Since then I have been working full time and I have caught up on all of my

bills. \_\_\_\_\_

I have always paid my accounts on time in the past. Since the late payments occurred for the above justifiable reasons, please correct the payment history for my account at the following credit bureaus, which carry the history of my account with you:

Experian

Equifax

Trans-Union

It is imperative that my credit reflect the good business relations I have maintained with your company in the past. The corrections to the credit report will make it more representative of my financial habits. I sincerely hope you will not take into consideration my oversight with these late payments which, I assure you, will not occur again. I look forward to continuing our relationship for many years.

My personal information is as follows:

Account Number: 4200 1542 1672 9852

Name: Your Name Here

Social Security Number: 000-00-0000

Date of Birth: MM/DD/YY

Current Address: Your Address

City, State Zip

Previous Address: Address

City, State Zip

Sincerely,

Your Signature Here

Date: MM/DD/YY 25

#### **LETTER Request for Husband and Wife File Separation**

**This letter is used for separating credit reports between husband and wife. This may be very useful if your spouse has bad credit and you do not want it to affect your credit, or vice versa.**

To Whom It May Concern,

Under the Equal Opportunity Act, a husband and wife are allowed to maintain separate files pertaining to credit information. We request that the credit information on our accounts be maintained in separate files.

We further request that all past, current and future information be reported as separate account information to all credit reporting agencies.

Spouse 1

Name: Your Name Here

Social Security Number: 000-00-0000

Date of Birth: MM/DD/YY

Current Address: Your Address

City, State Zip

Previous Address: Address

City, State Zip

Sincerely,

Your Signature Here

Date: MM/DD/YY

Spouse 2

Name: Spouse Name Here

Social Security Number: 000-00-0000

Date of Birth: MM/DD/YY

Current Address: Spouse Address

City, State Zip

Previous Address: Address

City, State Zip

Sincerely,

Spouse Signature Here

Date: MM/DD/YY 27

**Demand for Validation**

**This letter is used to place the burden of proof on the creditor or collection agency that the debt in question truly belongs to you based on contractual law. If the creditor or collection agency is unable to provide specific documents you may be able to delete the negative item from your credit report due to lack of documents.**

Certified Mail Number: \_\_\_\_\_0000-0000-0000-0000-0000 \_\_\_\_\_

To Whom It May Concern,

I am formally requesting that you validate all tradeline notations you have submitted to the three major credit reporting agencies by " \_\_\_\_\_ Name of Collection Agency \_\_\_\_\_ " or " \_\_\_\_\_ Name of Original Creditor \_\_\_\_\_ for me, \_\_\_\_\_Your Name Here \_\_\_\_\_, for account number \_\_\_\_\_Original Creditor Account Number \_\_\_\_\_.

Due to possible inaccuracies in these CRA reports, I must demand that the validation I hereby lawfully request be in the form of a notarized statement by a person with original knowledge of the debt as it was constituted and who can testify that the debt was incurred legally, was not subsequently disputed as a result of returned, faulty, or recalled consumer products, was not utilized as a profit-loss tax deduction during the period it may have been payable, and was not claimed as a loss with any insuring entity during the period it may have been payable.

Please be advised that I am not requesting a verification that you have my mailing address; rather, I am requesting validation, i.e., competent evidence that I had some contractual obligations consumer protection encumbrance which incurred the original claims associated with this trade line.

Please know that you have 30 days from the tracked and confirmed delivery of this lawful notice to either answer these demands or to remove the associated negative trade line notations from the CRA reports. Any other action may constitute evidence of your intent to abridge one or more civil or other constitutional rights. Please be further advised that continued unsubstantiated reporting of possible inaccuracies to third parties may provide a basis for criminal complaints being filed in accordance with FDCPA, FCRA, and other federal statutes.

I look forward to a timely resolution to this matter.

Name: Your Name Here

Social Security Number: 000-00-0000

Date of Birth: MM/DD/YY

Current Address: Your Address

City, State Zip

Previous Address: Address

City, State Zip

Sincerely,

Your Signature Here

Date: MM/DD/YY 32

### Removal of Unidentifiable Information

**This letter is for disputing information on your credit report that does not belong to you. Anything that you do not recognize may be easily deleted by using this letter.**

To Whom It May Concern,

There are several items on my credit report that I have no knowledge of, and do not belong to me.

These items are having a negative impact on my credit report. Since I have no knowledge of these accounts; I am asking you to investigate these items immediately.

Item #1 Name: \_\_\_\_\_ Unknown Entry \_\_\_\_\_ Account #: \_\_\_\_\_ 000-0000-00 \_\_\_\_\_

Item #2 Name: \_\_\_\_\_ Unknown Entry \_\_\_\_\_ Account #: \_\_\_\_\_ 0000-0000-0000-00 \_\_\_\_\_

Item #3 Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Item #4 Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Item #5 Name: \_\_\_\_\_ Account #: \_\_\_\_\_

If your investigation finds the items do not belong to me, I demand that these items be removed immediately and my credit score be adjusted accordingly. In addition I am requesting a copy of my updated credit report reflecting these changes be sent to me immediately. I appreciate your attention in this matter.

Name: Your Name Here

Social Security Number: 000-00-0000

Date of Birth: MM/DD/YY

Current Address: Your Address

City, State Zip

Previous Address: Address

City, State Zip

Sincerely,

Your Signature Here

Date: MM/DD/YY

**Request for Addition of Supplementary Credit References**

**This letter is used for adding accounts that are not being reported to your credit report. The credit bureaus are not required to report all accounts but they are required to reflect the maximum possible level of accuracy.**

To Whom It May Concern,

According to the Fair Credit Reporting Act, 15 USC section 1681i, I request that you add the following credit references to my credit report:

Creditor Name Creditor Address Account # Account Type

\_\_\_\_\_  
ABC Furniture \_\_\_\_\_ 100 ABC Ave. NY,NY \_\_\_\_\_ 00-00000-000 \_\_\_\_\_ Loan \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

I appreciate your attention to this matter, as the addition of these credit references will more accurately portray my credit history. Please inform me within the statutory 30-day time period from your receipt of this letter of your compliance with the provisions described in 15 USC 1681e, which require that all information in a consumer's credit report must reflect "...the maximum possible level of accuracy".



Name: Your Name Here

Social Security Number: 000-00-0000

Date of Birth: MM/DD/YY

Current Address: Your Address

City, State Zip

Previous Address: Address

City, State Zip

Sincerely,

Your Signature Here

Date: MM/DD/YY 34