

IMPROVING YOUR CREDIT

Only time, a conscious effort, and a personal debt repayment plan will improve your credit report. If your credit history is not where you would like it to be, there are some things you can do to improve your score:



- **Pay your bills on time, all the time.**
- **Pay off outstanding collections.**
- **Pay down credit card balances.**
- **Pay off credit cards and loans with high interest rates.**
- **Establish or re-establish credit by opening a secured credit card.***

*A secured credit card is a bank credit card backed by money you deposit in a bank account. If you don't pay your bill, the money in your account will be used to cover the debt.

Beware of Credit Repair Agencies who promise to “erase your bad credit” or “create a new credit identity”. The truth is that after you pay them hundreds or thousands of dollars in up-front fees, these companies do nothing to improve your credit report. Many simply vanish with your money. Others use illegal methods that will make things worse for you. It is better that you handle your credit problems yourself, because only you can do a good job of repairing your credit.

Your contract must include:

- payment terms for services, including their total cost
- a detailed description of the services to be performed
- how long it will take to achieve the results
- any guarantees they offer the company's name and business address.

Credit Repair Organizations Act

By law, credit repair organizations must give you a copy of the "Consumer Credit File Rights Under State and Federal Law" before you sign a contract. They also must give you a written contract that spells out your rights and obligations. Read these documents before signing the contract. The law contains specific protections for you.

There are reputable non-profit credit counseling agencies that provide outstanding service to consumers and can negotiate better credit terms with many creditors on your behalf. If you are interested in working with a consumer credit counseling agency, make sure they are a member of the NFCC (National Foundation of Credit Counselors). Find more information at www.debtadvice.org.

CHECK YOUR CREDIT REPORT FOR ACCURACY

It is your responsibility to review your credit reports to insure they are accurate.

Use the checklist below as a guide.

Today's Date: _____ **Name of Credit Bureau:** _____

Read through entire credit report:

- Make sure name, address, and social security number are written correctly
- Account History: Check that balances make sense, payment history is accurate, and the account listed is in fact yours
- Look for accounts listed as open that are yours but you don't use. Keep the one that you have had for the longest time.....close the rest.
- Public Records: Verify any information appearing here from local courthouses regarding defaults and legal judgments.
- Mark or highlight items you feel are not accurately reported
- Write a letter to the credit bureau that sent you the report
- Provide the account number for the item you feel is not accurate
- For each item, explain concisely why you believe it is not accurate. Once the Credit Reporting Agency begins an investigation, you may be asked to provide documentation to support your claim. If you can, include copies of bills or loans that show you have paid them on time. Send copies only and keep the originals of everything you send.
- Provide your address and telephone number at the end of the letter so the credit bureau can contact you for more information if necessary.
- Make a copy of your letter before you send it to the credit bureau.
- Once you mail your letter to the credit bureau, follow up in 60 days if you have not heard anything. Be sure to have a copy of your letter in front of you so you can discuss the items you are disputing. Be prepared to write another letter to the credit bureau, if need be.

By law, the Credit Reporting Agency has 30 days to investigate the dispute and it is their responsibility to show that their information is accurate. If they can't do so within 30 days, they are required to remove it and should send a copy of the new report to reflect the changes. If they do not, contact the Consumer Financial Protection Bureau at <https://www.consumerfinance.gov/>.