

7 simple things you can do to increase your Credit Score fast!



Table of Contents

INTRODUCTION.....	3
YOUR CREDIT REPORTS	4
CREDIT SCORING	5
WHO HAS PERFECT CREDIT?	6
See what everyone's saying about you:	6
Fix all typos and errors:	6
Change your ways, immediately:.....	7
Remember that a credit card is not cash. It represents money you do not have:	7
Ignore anyone's rules on what should be an "acceptable" amount of debt:.....	7
In summary:.....	7
HOW TO BOOST A CREDIT SCORE IN 7 EASY STEPS.....	8
A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT	11
STARTING A CREDIT REPAIR BUSINESS.....	13
STEPS TO START A CREDIT REPAIR BUSINESS.....	14
WHAT IS THE BEST CREDIT REPAIR SOFTWARE?	17

INTRODUCTION

Credit Repair is not rocket science. It's about learning the rules of The Fair Credit Reporting Act.

The FCRA gives you the right to dispute any item on your credit reports. If that item can't be verified it must be removed. Even accurate negative items can often be removed if you challenge them. You just need to learn the rules. Whether you hire a credit repair company or you do it all yourself. This is the basis of all credit repair.

Credit Repair doesn't require any special tools or software, however software can save you a tremendous amount of time, and it will also guide you the whole way so you can avoid making mistakes.

Once you learn credit repair, you may start to help your friends and family and you may realize that there is a lucrative business in credit repair. As America recovers from recession, most of America needs your help.

Whatever path you choose with credit repair, we hope these pages are beneficial and we wish you the best of success.

Daniel Rosen
Founder and CEO



www.credit-aid.com

YOUR CREDIT REPORTS

A credit report is the equivalent of a consumer's financial report card. It details your credit history as it has been reported to the credit reporting agency by the lenders who've given you credit. Your credit report lists the types of credit you use, the amount of time your accounts have been open, and if you pay your bills on time.

Your credit report is used by many different companies to make decisions about you. Credit card companies, banks, mortgage companies, auto loan and insurance companies, also landlords and employers check credit reports to check on your credit history. Why? They know that if you were responsible in the past, you are likely to be responsible in the future (and vice versa).

CREDIT SCORING

“Credit scoring” of is a system creditors use to help determine whether to give you credit, and how much to charge you for it. When you apply for credit, the creditor or lender will often request your report (or credit score) from one of the big three bureaus (Equifax, Experian or Trans-Union). In some instances, however (such as when applying for a Mortgage), the broker or lender will pull reports from all three. These Bureaus grade your “credit worthiness” by calculating your credit history against a system called the Fair Isaac Model. Fair Isaac uses a variety of factors to determine your score, such as; your bill-paying history, the number and type of accounts you have, late payments, collection actions, outstanding debt, and the age of your accounts.

The final outcome of those calculations is referred to as your FICO® score. FICO® scores range from 300 to 850, but the majority of scores fall between the 600s and 700s. Higher scores indicate a lower credit risk. A FICO® score above 700 will get you a very good mortgage rate. A score above 720 will get you an excellent rate. A score below 700 will make it very difficult for you, and definitely should be worked on.

Correcting mistakes on a credit report in order to repair an undesirable credit score takes time. It's your responsibility to correct mistakes that may appear in your credit report. To do this, you must regularly obtain copies of your credit reports, and contact each of the big three credit reporting bureaus to correct any misinformation.

WHO HAS PERFECT CREDIT?

Roughly 1% of the population has perfect credit. Perfect credit would mean a FICO score of 850 on Fair Isaac's scale of 300 to 850. Earning such a high credit score does not involve fancy tricks.

Folks with such a high credit score all have these following traits in common:

- Between four and six revolving accounts (this means credit cards).
- At least one "installment" trade line (e.g., a mortgage or automobile loan) in good standing.
- Several accounts around 20 years old with a long history of positive use. (To get a score above 800, you need 10 years of positive account history.)
- Around 30 years of credit use.
- No late payments (or other serious account errors) for at least the past seven years.
- Very few credit inquiries (no more than 1-3 in a six-month period).
- No derogatory notations -- collections, bankruptcies, liens, judgments, etc.)
- Debt levels on credit accounts of less than 30% of their overall credit limit.

Now that you know their simple secret, here's what you can do to follow their lead and improve your credit and keep it stellar for life:

See what everyone's saying about you:

Three major credit-reporting agencies are keeping tabs on what you do with your credit and finances. If they're watching, so should you. At least once a year (and a few months before entering into any major loan), review your credit reports from Equifax, Experian and TransUnion. You are entitled to one free copy from each bureau once a year (and more under certain circumstances)

Fix all typos and errors:

Since your credit record spans almost a decade of your borrowing activity, it makes sense that errors sometimes turn up. In fact, a recent study showed that 79% of all credit reports contain errors. This means that your reports have a good chance of

having errors. Some common credit-reporting errors include out-of-date addresses, closed accounts being shown as open, credit lines not reported at the correct amount, and erroneous information.

Change your ways, immediately:

Self-inflicted credit wounds (such as a history of late payments, defaults, and general irresponsible behavior) will fade from your record over time. You cannot wipe out accurate information from your credit report. Nor can any firms who offer to do so for a fee. However, it is possible to negotiate removal. Since the most recent behavior on your reports carry more weight than old news, vow that from this day forward you will be a financial upright citizen, and over time your score will grow.

Remember that a credit card is not cash. It represents money you do not have:

Even though you have been approved credit by a bank, a store, etc (Visa, MasterCard, Sears, Kmart, etc.) to borrow thousands of dollars, you don't actually have thousands of dollars to spend, which leads nicely to the next rule...

Ignore anyone's rules on what should be an "acceptable" amount of debt:

Your debt-to-income ratio is the measure of how much debt you carry to how much money (after taxes) you have coming in. In the world of lending, it is acceptable to carry 25% of your income in debt. That ratio is still very high. You might want to consider trying to keep your debt (including car loans) to 15% or less of your after-tax income.

In summary:

Based on the above information, you can see the tricks to keeping your credit score high. Just keep your spending under control, pay your bills on time, and don't apply for credit too often. Follow those rules and your credit score will start to rise.

HOW TO BOOST A CREDIT SCORE IN 7 EASY STEPS

1. Correct all errors on the credit reports

Go through your credit reports very carefully. Especially look for; Late payments, charge-offs, collections or other negative items that aren't yours, Accounts listed as "settled," "paid derogatory," "paid charge-off" or anything other than "current" or "paid as agreed" if you paid on time and in full, Accounts that are still listed as unpaid that were included in a bankruptcy, Negative items older than seven years (10 in the case of bankruptcy) that should have automatically fallen off your report (you must be careful with this last one, because sometimes scores actually go down when bad items fall off your report. It's a quirk in the FICO credit-scoring software, and the potential effect of eliminating old negative items is difficult to predict in advance). Also make sure you don't have duplicate collection notices listed. For example; if you have an account that has gone to collections, the original creditor may list the debt, as well as the collection agency. Any duplicates must be removed!

2. Be sure that proper credit lines are posted on the credit reports

This is one of the most overlooked credit repair secrets. In an effort to make you less desirable to their competitors, some creditors will not post your proper credit line. Showing less available credit can negatively impact your credit score. If you see this happening on your credit report, you have a right to complain and bring this to their attention. If you have bankruptcies that should be showing a zero balance...make sure they show a zero balance! Very often the creditor will not report a "bankruptcy charge-off" as a zero balance until it's been disputed.

3. If you have negative marks on the reports, negotiate with the creditor/lender to remove them

If you are a long time customer and it's something simple like a one-time late payment, a creditor will often wipe it away to keep you as a loyal customer. If you have a serious negative mark (such as a long overdue bill that has gone to collections), always negotiate a payment in exchange for removal of the negative item. Always make sure you have this agreement with them in writing. Do not pay off a bill that has gone to collections unless the creditor agrees in writing that they will remove the derogatory item from your credit report. This is important; when speaking with the creditor or collection agency about a debt that has gone to collections, do not admit that the debt is yours. Admission of debt can restart the statute of limitations, and may enable the creditor to sue you. You are also less likely to be able to negotiate a letter of deletion if you admit that this debt is yours. Simply say

"I'm calling about account number _____" instead of "I'm calling about my past due debt."

4. Pay all credit cards and revolving credit down to below 30% of the available credit line

The scoring system wants to make sure you aren't overextended, but at the same time, they want to see that you do indeed use your credit. 30% of the available credit line seems to be the magic "balance vs. credit line" ratio to have. For example; if you have a Credit Card with a \$10,000 credit line, make sure that never more than \$3000 (even if you pay your account off in full each month). If your balances are higher than 30% of the available credit line, pay them down. Here is another thing you can try; ask your long time creditors if they will raise your credit line without checking your Credit Report. Tell them that you're shopping for a house and you can't afford to have any hits on your credit report. Many wont but some will.

5. Don't close your old credit card accounts

Old established accounts show your history, and tell about your stability and paying habits. If you have old credit card accounts that you want to stop using, just cut up the cards or keep them in a drawer, but keep the accounts open.

6. Avoid applying for new credit

Each time you apply for new credit, your credit report gets checked. New credit cards will not help your credit score and a credit account less than one year old may hurt your credit score. Use your cards and credit as little as possible until the next credit scoring.

7. Maintain at least three revolving credit lines and one active (or paid) installment loan

The scoring system wants to see that you maintain a variety of credit accounts. It also wants to see that you have 3 revolving credit lines. If you do not have three active credit cards, you might want to open some (but keep in mind that if you do, you will need to wait some time before rescoring). If you have poor credit and are not approved for a typical credit card, you might want to set up a "secured credit card" account. This means that you will have to make a deposit that is equal or more than

your limit, which guarantees the bank that you will repay the loan. It's an excellent way to establish credit. Examples of an installment loan would be a car loan, or it could be for furniture or a major appliance. In addition to the above, having a mortgage listed will bring your score even higher.

A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT

The Federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. For more information, including information about additional rights, go to www.ftc.gov/credit or write to: Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.

You must be told if information in your file has been used against you. Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment - or to take another adverse action against you - must tell you, and must give you the name, address, and phone number of the agency that provided the information.

You have the right to know what is in your file. You may request and obtain all the information about you in the files of a consumer reporting agency (your "file disclosure"). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free.

You are entitled to a free file disclosure if:

- A person has taken adverse action against you because of information in your credit report.
- You are the victim of identify theft and place a fraud alert in your file.
- Your file contains inaccurate information as a result of fraud.
- You are on public assistance.
- You are unemployed but expect to apply for employment within 60 days. In addition, by September 2005 all consumers will be entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.ftc.gov/credit for additional information.

You have the right to ask for a credit score. Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores

used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.

You have the right to dispute incomplete or inaccurate information. If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.ftc.gov/credit for an explanation of dispute procedures.

Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information. Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

Consumer reporting agencies may not report outdated negative information. In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.

Access to your file is limited. A consumer reporting agency may provide information about you only to people with a valid need -- usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.

You must give your consent for reports to be provided to employers. A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.ftc.gov/credit .

You may limit "prescreened" offers of credit and insurance you get based on information in your credit report. Unsolicited "prescreened" offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).

You may seek damages from violators. If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.

Identity theft victims and active duty military personnel have additional rights. For more information, visit www.ftc.gov/credit.

STARTING A CREDIT REPAIR BUSINESS

So many mortgage brokers and entrepreneurs call and write asking how to start a credit repair business, we decided to add this info.

Starting a credit repair business is very simple and your timing couldn't be any better for this lucrative business opportunity. Nearly 80 million Americans have poor credit. Many do not understand the credit reporting system and will gladly pay good money for someone to help them with their credit. Why shouldn't that be you?

A credit repair business

- Is a recession-proof
- Excels during tough economic times
- Is easy to run from your home
- Can make you money immediately
- Is easy to start with very little investment
- Pays for itself after just a few clients
- Is a great supplement to your existing business and does a service for the community.

Credit repair brings in new streams of revenue and passive income. Mortgage brokers, loan officers, real estate agents and auto dealers use credit repair to generate new leads and close more loans. Many entrepreneurs use credit repair as an affordable home business that can earn them an additional \$5000- \$10,000 a month and more.

Learning the basics of credit repair enables you to start a new business immediately. It's something you can easily do in your home or office, because all you need is a computer, a mouse and a printer.

Helping others repair their credit history and have a fresh new head start on life is very rewarding. While it's true that consumers can do this very same work themselves, most people don't want to deal with the aggravation of talking to credit bureaus to correct mistakes, handle disputes or negotiate with creditors. This is where you come in to handle all that for them.

STEPS TO START A CREDIT REPAIR BUSINESS

GET A COPY OF YOUR OWN CREDIT REPORT TO STUDY.

You are entitled to one free copy a year, and there are three major credit bureaus to see reports from: Equifax, Experian and Trans-Union.

LEARN AS MUCH AS YOU CAN ABOUT THE CREDIT REPORTING SYSTEM.

We offer a copy of the Fair Credit Reporting Act right on our site. We also offer a free eBook with credit repair tips with every purchase of our credit-aid software. You can also download guides at the FTC web site. Also see our blogs and other resources in the last chapter.

UNDERSTAND YOUR ROLE IN THE PROCESS

Once you obtain your clients credit reports, you can then work with that client to correct any mistakes, acting as the intermediary between them and the credit bureau or creditor.

UNDERSTAND WHAT YOU ARE SELLING AND TAKE CARE IN WHAT YOU PROMISE

A credit repair company cannot “erase” negative items that are accurate and have been present on a credit report for less than seven years. However, many accurate but negative items can be removed with a bit of finesse if you learn the right negotiating tactics and approach the creditors and collection agencies in the proper manner. Here’s the good news: 79% of all credit reports contain errors. This means that MOST credit reports contain errors. Those errors come off very easily with a few clicks of your mouse. Simply removing errors will improve a score almost immediately. Once you’ve accomplished that, you can further enhance a credit report by negotiating the remaining negative items.

WORK SMART AND MINIMIZE TIME SPENT WORKING

The most common mistake more entrepreneurs make is in managing their time poorly. Time spent creating dispute letters and handling paperwork can eat up hundreds of hours and drop your hourly earnings very low. This is where [professional credit repair business software](#) comes in handy. It helps you to work “smart” and save you hundreds of hours by automating the process and giving you more off-time to enjoy your success.

PROMOTE AND MARKET YOUR BUSINESS

Now that you have everything in place, it's time to start promoting and marketing your credit consulting business. You might call local credit repair businesses to get an idea of the services they offer and the types of fees associated with these services. In our own PRO software we give a breakdown of suggested fees. Some credit repair specialists don't charge fees at all. For mortgage brokers and auto dealers the reward can be greater in generating leads and closing more loans. Go through all the information you can find, decide on your fees and services, and get ready to advertise.

It's easy to create credit repair business flyers and business cards, either professionally or on your home computer. On the flyers, give a brief description about your services and contact information. Remember. Less is more. Post these flyers everywhere you can. You may also want to place small ads for your services in local newspapers, church newsletters, periodicals and with local merchants who deal with financing: mortgage brokers, real estate agents, auto dealers, etc.

Offer friends and family your credit repair counseling services for free, and then ask them for a letter of recommendation. This will quickly help to build your client base. Word of mouth is the very best kind of advertising.

You may want to consider giving credit repair and debt seminars and classes to help people to help themselves before they are too far in debt. Perhaps you might want to give talks at high schools and colleges about ways to stay out of debt. The students will go home with the information you have given them, and your business card or brochure, and tell their parents, who could end up as your next clients.

START SMALL AND WORK OUT KINKS BEFORE EXPANDING TOO QUICKLY

As a credit consultant, you should start to build your business locally before expanding

too fast or going to the internet. If you build your credibility early, when you branch out, you will have experience and a history of customer satisfaction to back you up.

Stay honest with your clients. You are providing them with a very important service. They must trust you and your business. Credit repair can be confusing to many. Reassure and give them the information they want. This will enhance your credibility and increase your credit repair business well into the future.

Running a credit repair business can be made simpler with the help of [professional credit repair business software](#). It stores your client information to merge into its database of letters, and tracks the progress, saving you many long hours.

WHAT IS THE BEST CREDIT REPAIR SOFTWARE?

It's Credit-Aid Software of Course! Credit-Aid Software automates the process of cleaning up your credit and boosting your Credit score. It's 100% legal and written by attorneys to use the credit repair system to your advantage. Order free credit reports, remove errors, generate letters, negotiate with creditors, track your finances and keep it all organized.



*Credit-Aid Software is a "stand-alone" easy-to-use software program that you install and run on your own computer. Your user data is safely encrypted and remains stored only on your computer and is not transmitted over the Internet.

Download a free demo right now at www.credit-aid.com

View our professional software at www.credit-aid.com/pro.htm

Habla Espanol? Credit-Aid Software is also available in Spanish!