

\$10.00

# Credit Repair Made Easy

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Vicky Spring Love is author of the best-selling book, **Stop Robbing Peter to Pay Paul**, available online at [www.StopRobbingPeter.com](http://www.StopRobbingPeter.com)

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## TABLE OF CONTENTS

<b>TOPIC</b>	<b>PAGE</b>
Information In Your Credit File	3
What Credit Scores Are and How They Are Determined	4
Why Credit Scores Are So Important	7
What the Credit Scores Mean	8
How to Get a Copy of Your Credit Report	9
Steps to Cleaning Up Your Credit	11
Improving Your Credit Long Term	16
Guard Against Identity Theft	19
The Laws That Protect You	24
Sample Dispute Letters	25

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## Information In Your Credit File

Your credit file has information about you in four areas: identification and employment information, credit account information, inquiries and public record information. The identification and employment information section lists your name, birth date, social security number, employer, and spouse's name. It may also include employment history, home ownership, income, and previous addresses. The credit accounts section details information on all your accounts, including the date each account was opened, the credit limit, the highest amount owed, the current balance and payment history. In addition, if any account has been referred to a collection agency or charged off by the creditor as a bad debt, it will be noted as well.

Under the inquiries section, the credit reporting agencies must maintain a record of all creditors who have asked for your credit history within the past year, and a record of individuals or businesses that have asked for your credit history for employment purposes for the past two years. Finally, the public record section lists all events that are a matter of public record, such as bankruptcies, foreclosures, or tax liens.

It is important to note that each of the three credit bureaus, Experian, Equifax and TransUnion are independent companies and as such do not share information with one another. Each one of them maintains a totally separate credit file on you, which in most cases, is not identical. When looking to do credit repair, it is imperative that you contact all three bureaus to dispute any incorrect information. Their contact information is as

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follows: Equifax-800-685-1111, [www.equifax.com](http://www.equifax.com); Experian-888-EXPERIAN (888-397-3742), [www.experian.com](http://www.experian.com); and TransUnion-800-916-8800, [www.transunion.com](http://www.transunion.com).

## **What Credit Scores are and How They are Determined**

A credit score is a number that is calculated using past credit history data. It reflects your credit worthiness. The credit scoring system was developed as a way to give creditors an objective way to determine whether to give you credit, and how much to charge you for it. The credit score helps to predict how likely it is that you will repay a loan and make payments on time. Each of the three credit bureaus – Experian, Equifax and TransUnion – has a different credit score on you. While the most widely known credit score is the FICO score, short for the Fair Isaac Company model, it is not the only credit-scoring model. Experian uses FICO, while Equifax uses the Beacon scoring model and TransUnion uses Empirica. Because the models are proprietary, the exact formula for computing credit scores is not revealed. The FICO, Beacon, and Empirica scoring models each compute a score between 300 and 850.

To make matters even more confusing to consumers, the three credit bureaus collaborated in 2006 to develop another scoring model, called the Vantage score, which reports scores between 501 and 990. The Vantage score was not adopted by the mortgage industry and has not yet gained widespread usage. I mention the different scoring models because there are times when online credit monitoring services will provide you with your Vantage credit score (which is higher), while a mortgage company may be telling you your credit score based on the FICO model (which is lower).

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## **Payment History Strongest Factor**

Using a statistical formula, credit scores are developed by a weighted evaluation of five components. Payment history on prior debts is the most important factor in credit scores accounting for 35 percent of the score. Payment history data will reflect whether your past payments to creditors has been on time, late by 30, 60, 90 days or more; or if the account went to collections or charge off. Obviously, an on-time payment history will have a strong positive effect on your credit scores while late payments will have a negative effect. The payment history component of the credit score takes into account how recent late payments were, how frequently they occur, how severe the lates are (for example a 90-day late is more severe than a 30-day late); and what type of account the late payment was on (as a rule, mortgages are the most important type of account on your credit file so a late on a mortgage will have a more marked effect on your credit score than a late on a revolving account).

## **Amount and Type of Debts Also Key**

The second most important factor in your credit score is the amount and type of outstanding debt, which comprises 30 percent of the credit score. The amount of your credit limit on your accounts is important. Too much open credit lines can lower your credit score because it signals creditors that you have access to too much available credit. The balance that you owe on revolving credit, which includes credit cards, factors in at this point. If the balance on your credit card is more than 50 percent of your credit limit, it will lower your credit score because it appears that you are being stretched to your

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limit. This part of the credit score also looks at how many open accounts you have no matter the type – too many open accounts will lower your credit score. From a mortgage approval standpoint, an ideal credit report has four open accounts – for example, a mortgage, a car loan, and two credit cards. Much more than that and your credit score begins to suffer because of too much access to credit. The types of open credit affect the score, with too many open revolving accounts having a negative effect.

Length of credit history is the third component of credit score comprising 15 percent of the score. Obviously a young person who has just opened his first credit cards and only has a 3 month payment history will have a much lower credit score than someone who has a credit file spanning ten years of on-time payments. Generally if the length of the credit history file is less than 12 months, the score will be much lower; with increases shown once a 12-month on-time payment history is reported and further increases after a 24-month on-time payment history is reported.

### **Beware of Too Many Credit Inquiries**

Ten percent of the credit score is determined by recent accounts and inquiries, which looks at how many accounts were opened recently and the number of creditors that looked at your credit file. Too many new accounts will lower your credit score. It also looks at what types of accounts were opened recently, again with mortgage and installment loans being looked at more favorably than revolving accounts. Inquiries are also a major component of this section. Allowing too many companies to review your credit while shopping for the best rate and terms can sabotage your efforts altogether. That's because each inquiry can have a negative hit on the credit score of 5-15 points.

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Generally, all inquiries for mortgage shopping within a 30-day period are grouped together and counted as one inquiry.

The mix of accounts determines the final 10 percent of the credit score. Mortgages have the strongest impact on the credit score, either positively if paid on time or negatively if paid late. Following mortgages in order of importance are installment loans and revolving credit.

## **Why Credit Scores Are So Important**

Credit scores are so important because they are used by so many different organizations that affect your financial well-being. If you want to purchase or refinance a home, the mortgage company will obtain your credit score to determine whether to grant the loan and the interest rate and terms it can offer to you. Auto loan companies, credit card companies and all other credit providers look at your credit scores in a similar fashion. In addition to these obvious users of credit scores, your credit score is also a factor in determining your approval and premium amount for life, auto and home insurance. Finally, many employers now use credit scores to determine whether to hire potential employees. Their reasoning is that if an employee is behind on bills and stressed about credit, they may not be focused while working on the job or worst, they may be tempted to embezzle from the company in order to solve their financial woes.

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## What the Credit Scores Mean

In light of the recent meltdown in the sub-prime mortgage market, the meaning of credit scores has changed significantly. Although in the past, a person with a credit score of 660 or above would have been considered to have excellent credit, now excellent credit is defined as a credit score of 720 or higher. Good credit means a credit score of 640-659, while a score of 639 or below puts a person in the A minus category. A person with A minus credit or below will have a more difficult time qualifying for loans.

If your credit score is below the excellent mark of 720, it doesn't necessarily mean that you will be denied credit if you apply for a loan. It does mean, however, that you will probably be offered a higher interest rate or other terms that are not as favorable, such as an adjustable interest rate, pre-payment penalties, higher fees or other costs.

Over time, borrowing money at a higher interest rate can cost your household budget thousands of dollars. For instance, if your excellent credit rating allows you to borrow \$30,000 to purchase an auto at 7% over 5 years, your monthly payment would be \$594 a month. However, if your credit score is low and you can only qualify for a higher rate of 12%, that same \$30,000 loan will cost you \$667 a month over 5 years. That adds up to almost \$4400 more over the life of the loan!

The impact gets even more dramatic when you consider mortgage financing. For example, if your excellent credit qualifies you for a \$150,000 home loan at 6.5% over 30 years, your principal and interest payment would be \$948 per month. On the other hand, if your credit score is low and you are forced to get a higher rate mortgage loan at 9%,

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then your monthly payment would shoot up to \$1207 per month, an increase of \$259!

Assuming you kept the loan the full 30 years (which, hopefully no one would), then the difference adds up to over \$93,000!

These examples show the dramatic impact your credit score can have on your budget. It makes it even more imperative to work diligently to improve and maintain your credit score so that when you need to borrow money, you can obtain the best possible interest rate and terms. Doing so will help you maintain your budget and reach your other financial goals.

## How to Get a Copy of Your Credit Report

The Fair Credit Reporting Act was amended in recent years to require each of the nationwide credit bureaus—Equifax, Experian, and TransUnion—to provide you with a free copy of your credit report, at your request, once every 12 months. The three nationwide credit bureaus set up one website, a toll-free telephone number, and mailing address through which you can order your free annual report. To order, visit [www.annualcreditreport.com](http://www.annualcreditreport.com), call 877-322-8228, or 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 obtain this form by going to the Federal Trade Commission website at: [www.ftc.gov/bcp/online/edcams/credit](http://www.ftc.gov/bcp/online/edcams/credit).

Do not contact the three credit bureaus individually to obtain your free credit report. They are providing free annual credit reports only through

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[www.annualcreditreport.com](http://www.annualcreditreport.com), 877-322-8228, and Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. Please note that although the government requires the credit reporting agencies to provide you with a free copy of your credit report, it did not mandate that they give you the credit scores for free. If you want your credit scores, you will be required to pay a nominal fee. Also, please do not be confused by other services that advertise heavily on television that they offer a free credit report – they are trying to get you to sign up for a credit monitoring service, it is not the website for the free credit report mandated by the federal government.

In order to obtain your free credit reports, you will need to provide your name, address, social security number, and date of birth. If you have moved in the last two years, you may have to provide your previous address. To maintain the security of your file, each credit bureau may ask you for some information that only you would know, like the amount of your monthly mortgage payment. Each company may ask you for different information because the information each has in your file may come from different sources.

### **Stagger Your Requests for Free Credit Reports**

You are not required to get all three of the free credit reports at the same time. Because you can only get one credit report per year from each of the three bureaus, I recommend that you stagger your free reports in order to monitor your credit file throughout the year. For instance, you can get the free report from Experian in January, from Equifax in May and from TransUnion in September. The purpose of the

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government mandating that the bureaus give you a free credit report each year is so you can monitor your credit file and protect yourself from identity theft.

Under federal law, you're also entitled to a free report if a company takes adverse action against you, such as denying your application for credit, insurance, or employment, based on information in your report. You must ask for your report within 60 days of receiving notice of the action. The notice will give you the name, address, and phone number of the credit bureau. You're also entitled to one free report a year if you're unemployed and plan to look for a job within 60 days; if you're on welfare; or if your report is inaccurate because of fraud or identity theft. Otherwise, the credit bureau may charge you up to \$9.50 for another copy of your report within a 12-month period.

## **Steps to Cleaning Up Your Credit**

Before we go into the steps to cleaning up your credit, let me be clear that no one can legally remove negative information from your credit file that is true and accurate. However, under the Fair Credit Reporting Act (FCRA), you have the right to dispute any information that you believe is inaccurate or incomplete. You can dispute errors on your credit report for free if you have the time and discipline to aggressively follow through with the process. However, just like some people choose to do their own taxes while others prefer to hire someone to do it for them, you can also hire a company to do the credit restoration tasks for you. Our company is a non-profit organization dedicated to providing financial solutions to consumers with less-than-perfect credit. You pay one

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price, and will enjoy the peace-of-mind of a money-back guarantee if no inaccurate, erroneous or outdated information is corrected or removed within six months. For more information, visit our website at: [www.GetGreatCreditNow.com](http://www.GetGreatCreditNow.com).

By using our professional service, you get the assistance you need to dispute numerous items on your credit reports. Our service provides you with professional and personalized credit education. Our team of professionals will review your credit reports and prepare a personalized dispute packet for you. Customers receive regular progress reports and have 24/7 access to monitor the progress of this credit restoration program. Our team of professionals is fully knowledgeable about the Fair Credit Reporting Act and its application for credit restoration. For more information, visit our website at [www.GetGreatCreditNow.com](http://www.GetGreatCreditNow.com).

The question always comes up, “What should I dispute on the credit report?” Some people advocate disputing everything negative whether it is true or not with the hopes that the credit bureau won’t be able to verify all of it and some or all of it will be deleted. Others advocate only disputing three negative items at a time because the credit bureaus may determine that your dispute is frivolous if you dispute everything all at once. In the final analysis, the decision is yours in terms of what you choose to dispute on your credit report.

Of course you will want to dispute all the old accounts that have stayed on your credit report longer than the law allows. The credit bureaus 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

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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. The seven-year reporting period generally starts on the date of the last activity on the account – the date of the last payment, the date the account was closed or the date a collection account was opened.

Under the FCRA, both the credit bureaus and the creditor providers are responsible for correcting inaccurate or incomplete information in your report. To take advantage of all your rights under this law, contact them both.

- **Step One: Write a dispute letter to all three credit bureaus.** The letter should explain what information you think is inaccurate. 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 when they received your dispute. Keep copies of your letter and enclosures.
- **Step Two: Write the Original Credit Provider to Dispute the Account.** Tell the creditor or other information provider, in writing, that you dispute an item. Be sure to include copies (NOT originals) of documents that support your  
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position. Many providers specify an address for disputes. If the provider reports the item to a credit bureau, it must include a notice of your dispute. And if you are correct – that is, if the information is found to be inaccurate – the information provider may not report it again.

- **Step Three: The Credit Bureaus get 30 days to investigate.** Credit bureaus 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 bureaus, it must investigate, review the relevant information, and report the results back to the credit bureaus. If the information provider finds the disputed information is inaccurate, it must notify all three nationwide credit bureaus so they can correct the information in your file.
- **Step Four: What the Credit Bureaus Must Do.** Disputed information that cannot be verified must be deleted from your credit file. If your credit report contains inaccurate information, the credit bureau must correct it. If an item is incomplete, the credit bureau must complete it. For example, if your file shows that you were late making a payment, but failed to show that you are no longer delinquent, the credit bureau must show that your payments are now current. If your file lists an account that belongs to another person, the credit bureau must delete it. People with family members with similar names such as Senior and

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Junior or Susan and Suzanne frequently find accounts erroneously listed on each other's credit files.

- **Step Five: You can challenge the Credit Bureaus Validation.** If the credit bureau issues you a brief reply stating that the information is valid, you have the right under the Fair Debt Collection Practices Act to challenge it. This act states exactly what it takes to verify that a debt is valid. Validation of a debt can either be a signed judgment order, or an accounting, which is signed and dated by the person responsible for maintaining the account general ledger. A copy of the original contract with your signature is not validation of your payment history!
- **Step Six: Get Results Back From the Credit Bureaus.** When the investigation is complete, the credit bureaus must give you the results in writing and a free copy of your report if the dispute results in a change. If an item is changed or deleted, the credit bureaus cannot put the disputed information back in your file unless the information provider verifies that it is accurate and complete. The credit bureaus also must send you written notice that includes the name, address, and phone number of the information provider.
- **Step Seven: Have the Credit Bureau Send Updated Credit Reports Out.** If you request, the credit bureaus must send notices of any correction 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.

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- **Step Eight: Add a Statement of Explanation to Your Credit File.** If an investigation doesn't resolve your dispute with the credit bureaus, you can ask that a statement of the dispute be included in your file and in future reports. You also can ask the credit bureaus 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. A statement on your credit file may or may not help you get the credit you are applying for but it will at least give your side of the story.

## Improving Your Credit Long Term

While credit repair may provide a way to remove inaccurate negative information from your credit file, the only way to improve your credit report in the long term is to handle credit responsibly. Below are several strategies you can implement to help you over the long haul.

- **Set Up and Stick With a Budget.** Most people end up over-extended and behind in credit payments because they do not have a written budget. A budget is simply a written plan for the use of your finances. It requires you to list your income from all sources, and all your bills so you can plan to pay them in a timely fashion. If you have trouble setting up a budget, you can find easy-to-use forms and expert guidelines on sticking with a budget in my book, *Stop Robbing Peter to Pay Paul*, available online at [www.StopRobbingPeter.com](http://www.StopRobbingPeter.com).

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- **Bring Accounts Current.** If you have any accounts on your credit file that are late, bring them current so you can begin paying the accounts on time.
- **Pay Your Bills on Time over Time.** Really this is the best strategy for removing the effect of negative credit. Time is the best way to increase your credit score permanently. By developing the habit of paying bills on time consistently, you demonstrate that you are credit worthy and your credit score will rise as a result.
- **Pay Down Credit Cards to Below 50% of Credit Limit.** If the balance on your credit cards is close to the credit limit, your credit score will be low as a result. Discipline yourself to pay down your credit cards to below 50% of the limit. Or if you are disciplined and have a good payment history with the creditor, ask them to raise your limit so now your balance is less than 50% of the new limit. (Caution: only use this last suggestion if you are disciplined enough not to spend the additional credit limit!)
- **Close all Accounts That Have Ever Been Late.** By closing accounts that have any prior history of being late, you stop the clock, so to speak, in terms of that account continuing to affect your credit score in the future. Only close accounts with prior late payments if you will still have a minimum of four open accounts. Too few open accounts can actually hurt your credit score.
- **Keep Open All Accounts with On-Time Payment History Over 24 Months.** Any account that you have had for longer than two years with an on-time payment history is a strong positive account on your credit file. Keep it open so it can

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- continue to boost your credit score. Use the account periodically, even if you pay it in full each month, so that it can continue to positively affect your credit score.
- **Opt Out of Credit Offers.** Did you know that when you receive those “Pre-Approved” credit offers in the mail that those companies have previewed your credit file? Even though the pre-screened credit inquiries do not count as inquiries against your credit score, I am irritated that these companies are reviewing my credit without my permission! You can opt-out of pre-screened credit offers by calling 888-567-8688 or online at [www.optoutprescreen.com](http://www.optoutprescreen.com). One of my lender colleagues says that by opting out of these offers, it will increase your credit score by 5-40 points within 10 days. I’m not sure if this is true, but even if the only benefit is less junk mail in your mailbox, it is still worth it to opt out.
  - **Avoid Excessive Inquiries.** When you are shopping for a product or service, don’t be quick to give the sales person your social security number. Do your due diligence first to research the company’s product offer, price and services. Make your decision first on what company you plan to go with and then allow only one company to run your credit. If you are not approved with that company, then you can try a second one. But don’t be quick to give permission for companies to run your credit when you haven’t decided to buy their product or service yet.
  - **Pay Off Collections, Charge-Offs and Judgments.** There is absolutely no benefit to your credit score of establishing a payment plan on any of these types of negative accounts. Once your account reaches collections, charge-off or  
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judgment status, the creditor usually will not even update the account again until it is paid off. Your best bet with these types of accounts is to pay it off lump sum. Or better yet, try to negotiate a settlement for less than what's owed. For instance, if you will get a tax refund this year, call your creditor as offer them 50 cents on the dollar for what's owed if you can pay them within a week. They will probably counter offer you another amount, but it will still be less than the full balance. Make sure you get the agreement in writing before you send any money in order to protect yourself. And make sure you get another letter stating the account is settled with no remaining balance after they process your payment. Keep these letters in a safe place for as least seven years to protect yourself from items popping back up on your credit report.

## **Guard Against Identity Theft**

Identify theft is the fastest growing white-collar crime in America. An identity thief is someone who obtains some piece of your sensitive information, like your social security number, date of birth, address, and phone number, and uses it without your knowledge to commit fraud or theft. Skilled identity thieves use a variety of methods to gain access to your personal information. For example, they may: get information from businesses or other institutions by stealing records or information while they're on the job, bribing an employee who has access to these records, hacking these records or conning information out of employees. Identity thieves have also been known to

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rummage through your trash, steal your credit or debit card numbers by capturing the information in a data storage device, steal your wallet, purse or mail; or they may even con you into giving them the information unknowingly.

Once identity thieves have your personal information, they may: go on spending sprees using your credit and debit card account numbers to buy "big-ticket" items like computers that they can easily sell, open a new credit card account or take out a loan using your name, date of birth, and Social Security number. When they don't pay the bills, the delinquent account is reported on your credit report. Identity thieves may also open a bank account in your name and write bad checks on that account, or give your name to the police during an arrest. If they are released and don't show up for their court date, an arrest warrant could be issued in your name.

### **10 Ways to Guard Against Identity Theft**

1. Keep an up-to-date list of all your credit card numbers and customer service phone numbers in one place so you can immediately cancel any account if your card is lost or stolen.
2. Check your accounts online regularly if your bank allows it. It's easier and quicker to catch something than waiting for the statement.
3. Buy a shredder to use at home. Shred all pre-approved credit offers before you discard them. Shred all statements when you are finished with them. It's important to guard against dumpster divers.

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4. Mail your bills and letters at the post office or by placing them in a US Postal service mail receptacle. Do not leave mail in your house mailbox with the flag up for the postman to pick up! There are a lot of thefts from mailboxes with the flags up.
5. Do not carry your social security card with you and be selective on when you give your number out.
6. Do not have your checks pre-printed with your social security number or your driver's license number.
7. Pay attention to sales clerks when using your credit cards in stores. Make sure they are not writing down your credit card number for use later.
8. Never give out personal information over the phone unless you initiated the call. Never give it to a telemarketer. If you are interested in their offer, get their phone number and call them back so you can verify the company they are calling from.
9. If you shop online, make sure the company is reputable, that the site is secure (<https://>) and that you completely log out of the site when finished.
10. Never respond to requests for personal information via e-mail. A technique called phishing makes an e-mail look like it came from a reputable company like your bank when it has come from an identity thief. No reputable company will ever ask you to verify personal information such as your social security number or passwords via e-mail.

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## What To Do If Your Identity's Been Stolen

If you suspect that your personal information has been used to commit fraud or theft, take the following four steps right away. Follow up all calls in writing; send your letter by certified mail, and request a return receipt, so you can document what the company received and when; and keep copies for your files.

- **Place a fraud alert on your credit reports and review your credit reports.** Contact one of the credit bureaus to place a fraud alert on your credit report. Fraud alerts can help prevent an identity thief from opening any more accounts in your name. The company you call is required to contact the other two, which will place an alert on their versions of your report, too.
- **Close the accounts that you know, or believe, have been tampered with or opened fraudulently.** Contact the security or fraud department of each company where you know, or believe, accounts have been tampered with or opened fraudulently. Follow up in writing, and include copies (NOT originals) of supporting documents. It's important to notify credit card companies and banks in writing. Send your letters by certified mail, return receipt requested, so you can document what the company received and when. Keep a file of your correspondence and enclosures.
- **File a report with your local police or the police in the community where the identity theft took place.** Get a copy of the police report or, at the very least, the number of the report. It can help you deal with creditors

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who need proof of the crime. If the police are reluctant to take your report, ask to file a "Miscellaneous Incidents" report, or try another jurisdiction, like your state police. You also can check with your state Attorney General's office to find out if state law requires the police to take reports for identity theft. Check the Blue Pages of your telephone directory for the phone number or check [www.naag.org](http://www.naag.org) for a list of state Attorneys General.

- **File a complaint with the Federal Trade Commission.** By sharing your identity theft complaint with the FTC, you will provide important information that can help law enforcement officials across the nation track down identity thieves and stop them. The FTC also can refer your complaint to other government agencies and companies for further action, as well as investigate companies for violations of laws that the FTC enforces. You can file a complaint online at [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft). If you don't have Internet access, call the FTC's Identity Theft Hotline, toll-free: 1-877-IDTHEFT (438-4338); TTY: 1-866-653-4261; or write: Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

For more information, see ID Theft: What's It All About or Take Charge: Fighting Back Against Identity Theft at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft).

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## The Laws That Protect You

The Federal Trade Commission (FTC) enforces a number of credit laws and has free information about them: The Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of the nation's credit bureaus. The FTC enforces the FCRA with respect to credit bureaus. The FCRA also gives you the right to learn what information is being distributed about you by credit reporting companies.

The Equal Credit Opportunity Act prohibits the denial of credit because of your sex, race, marital status, religion, national origin, age, or because you receive public assistance. The Truth in Lending Act requires lenders to give you written disclosures of the cost of credit and terms of repayment before you enter into a credit transaction. The Fair Credit Billing Act establishes procedures for resolving billing errors on your credit card accounts. The Fair Debt Collection Practices Act prohibits debt collectors from using unfair or deceptive practices to collect overdue bills that your creditor has forwarded for collection.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit [www.ftc.gov](http://www.ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357).

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## Sample Dispute Letters

Letter Sample #1

Date

Your Name

Your Address  
City, State, Zip Code

Complaint Department

Name of Company  
Address  
City, State, Zip Code

To Whom It May Concern:

I am writing to dispute the following information in my file. I have circled the items I dispute on the attached copy of the report I received.

This item (identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.) is (inaccurate or incomplete) because (describe what is inaccurate or incomplete and why). I am requesting that the item be removed (or request another specific change) to correct the information.

Enclosed are copies of (use this sentence if applicable and describe any enclosed documentation, such as payment records, court documents) supporting my position. Please reinvestigate this (these) matter(s) and (delete or correct) the disputed item(s) as soon as possible.

Sincerely,  
Your name

Enclosures: (List what you are enclosing.)

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Letter Sample #2

Date

Your Name

Address

City, State, Zip Code

Complaint Department

Name of Credit Reporting Agency

Address

City, State, Zip Code

To Whom It May Concern:

I recently obtained a copy of my credit report and am concerned about some inaccurate information being report by your agency. Based on the Fair Credit Reporting Act, it is my understanding that you must investigate and respond to my dispute within 30 days after notification.

Please consider this letter as my written dispute of the information listed below. I am requesting that these items be removed from my credit report immediately.

**Creditor**

**Reason For Dispute**

(List each creditor and the exact nature of your dispute)

I have enclosed documentation (enclose copies NOT originals) to support each of these items. Thank you for your assistance in correcting these items.

Sincerely,

Your Name

Enclosures (List of items enclosed)

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