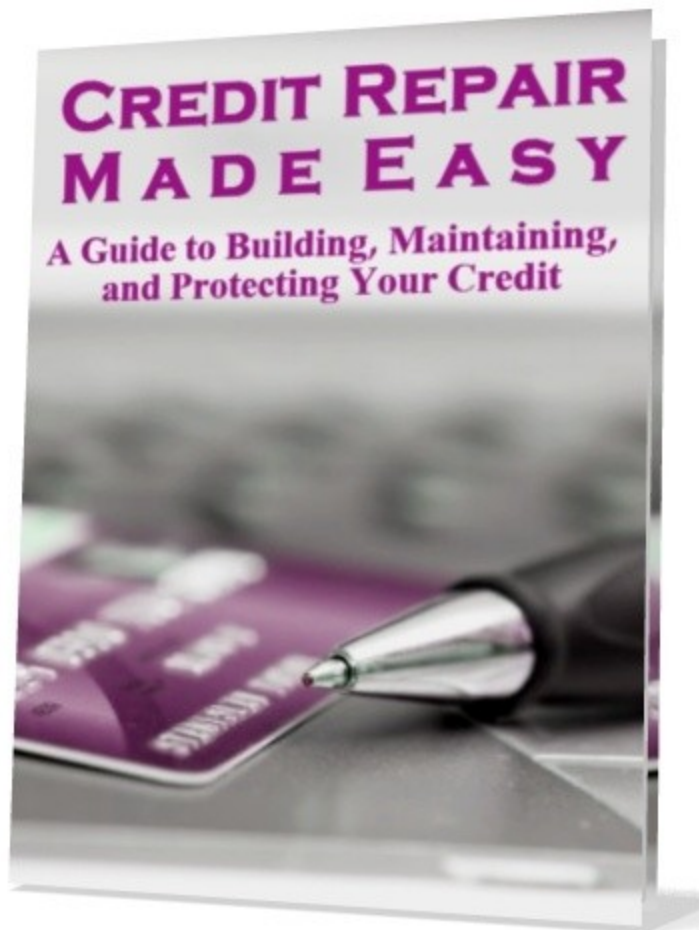


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# CREDIT REPAIR MADE EASY

**A Guide to Building, Maintaining,  
and Protecting Your Credit**



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## INTRODUCTION

We are a country in debt. Not only is our government in debt, but we, as Americans, are in debt ourselves, and the problem is just getting worse. Recent studies have shown that ninety percent of Americans have at least one credit card – and they are using that card – A LOT.

The average family carries a balance of between \$7,000 and \$10,000 on all their credit cards. Over \$1,000 per family goes on interest every year. And that's just the average – some people owe much more.

Overall, Americans spend over \$1 trillion every year on their credit cards, and owe more than \$500 billion of it. If debt continues at the current rate, then one family in a hundred will be forced into bankruptcy. Over 90% of Americans' disposable incomes are spent paying back debts.

When you add credit card debt to the regular bills we have to pay each month, you dent your disposable income even further. As a result, some bills go unpaid while others get paid late.

Both of these occurrences can damage your credit, sometimes so much that you think there's no way you'll ever be able to get out of debt and get credit for something important like a home or a car.

The truth is that you can get out of debt and repair your credit nearly to what it was before you had credit problems. It takes time and a little work on your part, but it is possible.

Loan approvals and such depend on your credit score. That number is what determines if you can get credit, what your interest rate will be, and how much money potential lenders will give you. A good median score is 750, but the higher your score is, the more financially sound you are.

While it's always a good idea to try and stay away from credit, not everyone has a hundred thousand dollars lying around to buy a home or twenty thousand to buy a car. Heck, for some people, scraping together five thousand dollars for a good used car is difficult. That's why we need credit. So we can buy that which we cannot afford.

Where the trouble comes in is when people begin to buy everyday items such as groceries and clothing on credit. Then those bills begin to get bigger and bigger until pretty soon, they're paying the minimum amount due which will take forever to pay off. Plus, a lot of people just continue charging things even when they have a large balance on their account.

Your credit score defines who you are to businesses and you want it to be as high as it can be. It doesn't matter how bad your credit is now. There are ways that you can raise your credit score no matter how low it is now. Don't despair; just get started – right away.

## CHAPTER 1 - FIRST THINGS FIRST - YOUR CREDIT REPORT

The very first step you need to take when trying to raise your credit score is to find out what your score is and what it means. Legislation called the FACT Act was passed that allows all Americans to get one free copy of their credit report every year. This report lists all of your debts you've had and your payment history on those debts.

It will tell you where you owe money, how much you owe, and how you pay (on time, 30 days late, etc...). All of that information is compiled together and then analyzed.

After the analysis, a number is assigned to you as to what your credit fitness level is. Potential creditors then look at your credit score and decide if you are going to be able to pay back the amount of money you are requesting to borrow.

That's the short version. Actually, there is much, much more involved in determining your credit score. However, what should be important to you is to know how to read your credit report and how to raise that score so that you are able to get the things you need. Remember that – the things you **NEED**, not the things you **WANT**.

Let's start with how to get your credit report in the first place. There are three major credit reporting agencies that will offer you the one free credit report you get each year. They are Experian, TransUnion, and Equifax. You can contact each of them directly in the following ways:

- **Equifax** – Online, you can find them at [www.equifax.com](http://www.equifax.com). You can also order your free credit report by mail. However, they only offer this option for free to residents in the states of Colorado, Georgia, Maine, Maryland, Massachusetts, New Jersey, and Vermont. All other states are required to pay a \$10 fee.

- If you do want to do this by mail, send your request to Equifax Information Services, LLC; Disclosure Department; P.O. Box 740241; Atlanta, GA 30374. You can also call them at 1-800-685-1111.
- **TransUnion** – Their web address is [www.transunion.com](http://www.transunion.com). As with Equifax, you can also make your request via mail by getting a copy of their mail request form online and sending it to the address provided. You can also call them at 1-877-322-8228.
- **Experian** – [www.experian.com](http://www.experian.com) is where you can make a request for a credit report from this credit reporting agency. As with TransUnion, you will need to download a form from their website if you wish to request your credit report by mail. By phone you can call 888 397 3742.

There are also a myriad of websites that will allow you to download your free credit report from their websites, but they ultimately will just be forwarding you to one of the above websites anyway. However, they are worth checking out for the information that you can find with them. Here are a few:

- [www.annualcreditreport.com](http://www.annualcreditreport.com)
- [www.freecreditreport.com](http://www.freecreditreport.com)
- [www.creditreport.com](http://www.creditreport.com)
- [www.freecreditreportinstantly.com](http://www.freecreditreportinstantly.com)

The main reason you will want to get your free credit report is to find out where you stand and how far you have to go to repair your credit. Most of the time when you download your credit report, you will be able to view and save it instantly. Save it to your computer's "My Documents" file if you can. That way you'll be able to print it out and refer to it as much as you need.

Also, some of these sites offer low-cost memberships that will alert you if a new item comes onto your credit report. Their services will offer many different things, but purchasing a membership is strictly voluntary and probably not necessary if you want the straight truth.

Even though you get one free credit report each year, experts suggest that if you are serious about improving your credit score, you need to examine a report from each of the three major credit reporting agencies. This will, however cost you a small fee from the other two, so keep that in mind.

Why do they suggest you have all three? Creditors can pick and choose which credit reporting agency they want to report to. Some will report to all three, but many won't. You may find that what is included on one report isn't on another. The reports will have different information because it's a voluntary system, and creditors subscribe to whichever agency they want -- if any at all.

Once you get a copy of your credit report, it's important to know how to read it. There are going to be an awful lot of numbers, abbreviations and terms you've never seen before. Trade lines, charge-offs, account review inquiries - how do you read this thing?

A credit report is basically divided into four sections: identifying information, credit history, public records and inquiries.

Identifying information is just that -- information to identify you. 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. That's usually because someone reported the information that way. The variations will stay on your credit report. If it's reported wrong, leave it because it might mess up the link. Don't be concerned about variations.

Other information in this section might include