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DIY CREDIT REPAIR GUIDE & CHECKLIST

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ASSESS YOUR CREDIT SITUATION

- **Introduction:** Understand why your credit scores dropped.
- **Check Your Credit Scores:** Access free credit scores through your credit card company or online services.
- **Examine Your Credit Reports:** Obtain free annual credit reports from Equifax®, Experian™, and TransUnion® via AnnualCreditReport.com.
  - *Look for errors, fraud, late payments, and over-limit accounts.*
- **Create a Plan of Action:** Identify areas needing improvement. Consider seeking help from a credit counselor if needed.

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DISPUTE INACCURATE INFORMATION

- **Initiate Disputes:** If you find inaccuracies in your credit reports, dispute them with the relevant credit bureau.
- **609 Dispute Letters:** Utilize section 609 of the Fair Credit Reporting Act to dispute items. Send certified letters to each credit agency for verification.
  - *Use the template letter on the next page as your guide. Send these to creditors where you believe you have found an inaccuracy.*
- **Response and Further Steps:** Await bureau responses and follow up as necessary. Consider additional actions like contacting the Consumer Financial Protection Bureau or a consumer protection attorney for unresolved disputes.

[Your name]
[Your return address]
[Date]

Complaint Department
[Company Name]
[Street Address]
[City, State, Zip Code]

Dear Sir or Madam:

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 and 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]
[Phone number]

Enclosures:

[List what you are enclosing.]

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- **Importance of Debt Reduction:** Reducing debt significantly impacts your credit score.
  - ***Snowball Method:*** *pay off debts from smallest to largest, gaining momentum as each smaller debt is cleared.*

- **Strategies:** Pay a little more than the minimum on credit cards, consider debt consolidation for high-interest debts, and keep old credit card accounts open.

- **Negotiate with Lenders:** If struggling, negotiate for manageable repayment plans or settlements with your creditors.

- **Handling Collection Accounts:** Exercise caution with old collection accounts to avoid reactivating them. It's usually best to wait until you have the entire amount that's due. Collection accounts are deleted from credit reports 7 years after the date of default.

PAY DOWN DEBTS

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LEARN RESPONSIBLE FINANCIAL HABITS

- **On-Time Payments:** Never miss loan or credit card payments. Set up autopay to avoid late payments.
- **Minimize Interest:** Aim to pay the entire balance on credit cards monthly to avoid added interest.
- **Monitoring:** Regularly check your accounts to confirm payments and track your credit health.
  - ***Credit Karma*** *is a FREE app that will keep you up to date on your credit!*
  - ***Rocket Money*** *is an app designed to manage finances by tracking spending, canceling unwanted subscriptions, and negotiating bills to save money.*

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- **Become an Authorized User:** Ask a family member or friend with good credit to add you as an authorized user on their credit card. This can help improve your credit based on their payment history, although not all card issuers report to credit bureaus.

- **Open a Secured Credit Card:** Take a look at opening secured credit card where you make a refundable deposit to set your credit limit. Use it responsibly and it can help rebuild your credit, despite the initial impact of a hard credit inquiry.

- **Credit Builder Loans:** These loans involve making fixed payments and receiving the loan amount at the end; they are designed to help build your credit and work well alongside secured credit cards to diversify your credit profile.

BUILD NEW CREDIT

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- **Assess Your Credit Situation:** Begin by understanding why your credit score is low and review your credit reports for any discrepancies.
- **Dispute Inaccurate Information:** Challenge any errors found in your credit reports to ensure accuracy.
- **Pay Down Debts:** Work on reducing your overall debt, prioritizing high-interest debts first.
- **Learn Responsible Financial Habits:** Consistently make on-time payments and monitor your credit and financial accounts regularly.
- **Build New Credit:** Consider becoming an authorized user on a reliable person's credit card, open a secured credit card, or try a credit builder loan to improve your credit mix.

Patience and Persistence:

Credit repair is a journey that requires time and patience. The effects of your efforts to manage debts, correct inaccuracies, and build new credit will gradually become evident in your credit reports. This process can take anywhere from a few months to several years, depending on the complexity of your credit issues.

Remember...

Consistent and dedicated effort is key to repairing bad credit. There are no quick fixes, but with commitment and the right strategies, you can steadily improve your credit score. Don't hesitate to reach out to us for help or revisit this guide whenever needed to stay on track.

CREDIT REPAIR GUIDE SUMMARY

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CREDIT REPAIR CHECKLIST

The next page outlines what you'll need to do in order to start the credit repair process

If you have any trouble, our credit repair specialist can help!

CREDIT REPAIR CHECKLIST

Request Copies Of Reports

- [ ] 1. Go to *annualcreditreport.com* and request a FREE credit report from each of the reporting agencies - Equifax, TransUnion, and Experian (you can get 1 free copy every 12 months)
- [ ] 2. Review your reports carefully and take note of any errors
- [ ] 3. File disputes for any errors with each agency online:
    a. equifax.com
    b. transunion.com
    c. experian.com
- [ ] 4. File disputes for any errors with each information provider (each bank or credit card company)

Pay Bills On Time

- [ ] 1. Make at least the very bare minimum payment on all accounts (paying a few dollars more than the minimum can have a more positive impact on your credit than the bare minimum).
- [ ] 2. If you have any delinquent accounts, work to get those current ASAP.

Pay Down Credit Cards

- [ ] 1. List all of your accounts with balances, interest rates, and monthly minimums in a spreadsheet. Then organize by outstanding balance from the smallest to largest.
- [ ] 2. Determine how much money you can put toward paying down debt monthly.
- [ ] 3. Put any extra money toward paying off the account with the lowest balance and make minimum payments on all other accounts.
- [ ] 4. Once the lowest is paid off, work to pay off the account with the next lowest balance in the same way.
- [ ] 5. Continue this strategy for all creditors.
- [ ] 6. Try not to use your credit cards unless it's an emergency to prevent further debt pile up.

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