

## **CREDIT MD CREDIT REPAIR MANUAL**

[CreditMD.com](http://CreditMD.com) has created this credit repair manual to assist you in repairing your credit. For those with the time and patience, this manual will help you to gain the knowledge and tools required. It is important that you read this manual in full so that you will understand your rights and learn the proper procedures involved in repairing your credit. With this knowledge, and some effort on your part, you will be able to quickly and effectively repair your credit and begin enjoying the many financial opportunities available. If after reading this manual you feel the need for professional assistance, please visit [CreditMD.com](http://CreditMD.com).

### **The Basics**

#### **What is credit?**

Fundamentally, credit is your financial standing with the bank. Your credit is in direct proportion with the amount of money that banks, credit card companies, suppliers, etc. will lend you. This amount is based on information about your ability to pay that money back within an agreed upon timeframe at a specified interest rate. Your *credit history* is a historical account of your relationship with past creditors. Your credit history, along with your current income and debt, is used by potential new creditors to determine how much credit they will extend to you.

#### **How does my credit become “bad”?**

Your credit can be impacted by a number of factors, only some of which are within your control. Here are a few factors which may impact your credit report:

- Late payments
- Adverse legal judgments
- Bankruptcies
- Mistakes on the part of merchants or lenders
- Mistakes on the part of credit reporting agencies
- Identity theft

Whatever the root cause, a consumer’s credit is harmed when one of the major credit reporting agencies becomes aware of a negative factor and starts compiling it into your credit history. Potential lenders request this information to decide whether or not to extend credit.

#### **How do I know where I stand?**

Most people find out that they have bad credit only when they get turned down for a loan. Not only is this embarrassing, but it can delay or even ruin plans for major advances in your life, such as buying a home or getting married. The only sure way to learn about our credit standing is by requesting a credit report from one of the major credit bureaus. Credit monitoring services are also available. Learn more on those topics below. Take control! The people with the least credit problems are those who monitor and manage their credit.

#### **What will happen if I have bad credit?**

The answer to this question is that it depends upon your particular situation. In some cases, you can set up a credit repair strategy that will get you back on track as soon as possible. This can include restructuring your debt with a [debt consolidation plan](#). A plan like this will increase your awareness and help in paying off debts as well as correct errors on your credit report. Negative credit can result in you being denied loans, or being charged a higher interest rate. On the purchase of a home or a car, or during the life of the

balance of a credit card, these higher rates can cost you many thousands of dollars. In some cases, bad credit can result in your being denied employment or promotion. Credit can affect every aspect of your life. That's why it's critical to be proactive about your credit. Even if you have had credit trouble in the past, by monitoring your credit and having a repair strategy in place you can mitigate the impact of your past credit problems.

### **Who can help me if I have bad credit?**

[Debt counselors](#) can help you identify a good route for you. A professional debt consolidation or [debt settlement company](#) may be able to help you restructure your debt. But more importantly, you can help yourself. You can be proactive about your credit, monitor your report, and make sure that you don't further harm your credit. If you do have errors on your credit report, they can be rectified and this will result in an instant jump in your credit. The tools you need are available to you, which is why we have created this manual. But there are also times when you may need outside help. If you need professional assistance repairing your credit visit [CreditMD.com](http://CreditMD.com) today.

### **Basic Credit Repair Facts**

There is no way to remove correct information from your credit report. If a company claims they can, beware! One cannot legally remove accurate and timely negative information from a credit report. But the law does allow you to request a reinvestigation of information in your file that you dispute as inaccurate or incomplete. There is no charge for this, but you must be prepared to spend the time and effort to learn how to read your credit report, draft correspondence, and persist in the removal of inaccurate information from your credit report.

The first step, of course, is that you must obtain copies of your credit reports from the three credit major credit bureaus. Some people are reluctant to order their reports because they know they are bad. Don't be deterred! This is the first step toward building better credit! Correcting even one error on your report can make a big difference.

### **About Credit Bureaus**

#### **Who are the credit bureaus and what do they do?**

There are three major credit bureaus: TransUnion, Equifax, and Experian. Sometimes they are referred to as "Credit Reporting Agencies" or "CRAs". The credit bureaus maintain a database of information about consumers' credit histories. The credit bureaus collect and keep records of information about your payment records from lenders such as banks, credit unions, finance companies, or retailers. This information is sold to lenders so that they may analyze your credit history in order to decide whether to grant you credit.

#### **Are all three credit bureaus important?**

Yes. Each of the major credit bureaus is a separate entity and your credit information may differ among the bureaus. Many financial companies will check the reports of all three credit bureaus when reviewing your credit. And even if they choose only one, they can always go with the bureau of their choice. Therefore, it is very important to verify that the information on your credit report is correct at each of the major credit bureaus.

#### **When should I review my credit report?**

Fixing credit errors can be a timely process. At a minimum, it is suggested that you view your credit reports from the major three bureaus at least every 6 - 12 months. Do not wait until you are trying to buy a house or apply for a credit card to check your credit. Not knowing and understanding what is on your credit reports can cost you thousands in high finance charges or cause you to be denied loans and lines of credit. Also, with the growing threat of identity theft, it's important to make sure that your credit is monitored regularly.

#### **Should I use "credit monitoring"?**

[CreditMD.com](http://CreditMD.com) suggests that everyone make use of a credit monitoring service, especially once their credit report is satisfactorily “cleaned up”. Today, credit report monitoring is affordable and extremely convenient and user friendly. There are a variety of such services, but the best ones alert you each time anyone accesses your credit report or when there are any changes to your credit report. In an age where identity theft is rampant, such reports enable you to keep more timely tabs on what is happening with your credit so that you can stop misuse or incorrect reporting before too much damage is done.

### **Where can I obtain my credit reports?**

Many sources online offer the purchase of credit reports. This is probably the best way to go, because you can view the results instantly, keep an online record of them, and print them out easily. The easiest and fastest way to obtain your credit reports is in the form of a tri-merge report. A tri-merge report contains an easy to read listing of your credit history from the three major credit bureaus in one document. If you have applied for credit within the past 60 days and were denied credit due to your credit information, you are entitled to a free copy of that report. To obtain a free copy of your credit report you must mail the credit bureau that was used by the company that denied you for credit. Enclose the following information plus any fees that are applicable and mail your request to the proper credit bureau at the address listed below.

- Full name (first, middle and last name) Junior or Senior, II or III if applicable.
- Social security number
- Current address (include zip code)
- Former address (include zip code)
- Daytime phone - night time phone
- Date of birth (mmddy)
- A recent statement from either a major credit card or a utility company showing and current address.
- Signature

## **Understanding FICO Scores**

### **What is a FICO score?**

Also known as a credit score, your FICO score is the numeric representation of your financial responsibility based on your credit history. Each credit bureau creates its own FICO score for you on a scale of 300 –850 based on your credit information. The three FICO scores are the measure that most lenders look to when evaluating whether to approve you for credit. Your FICO score is created from the information that each individual credit bureau reports, so your score may be higher or lower at each of the three major credit bureaus depending upon their information. As your credit information changes your FICO score will go up or down depending on the information that has changed. Raising your FICO score a couple of points can result savings of thousands of dollars due to the lowering of your interest rates on new loans and can make the difference in whether you are approved in the first place. FICO scores provide information to the lender that allows them to evaluate the future risk of lending to you. Many lenders use the FICO score as a baseline and have their own strategy when making the final lending decision. There is no single "cutoff score" used by all lenders, basically, the higher your FICO score the better chance you have of being approved. Also, while lenders may approve a variety of credit types, a higher FICO score will enable you to get better interest rates and loan products.

## **Your Rights**

You are protected by laws regarding your credit. A federal law, The Fair Credit Reporting Act (FCRA) was enacted to protect your rights in the area of credit reporting.

The Federal Trade Commission enforces the Act. If you wish to view the full text of the Fair Credit Reporting Act [click here](#).

### **What is the Fair Credit Reporting Act?**

In 1972, based on pressure from various consumer groups and the growing use of credit reports, Congress passed the Fair Credit Reporting Act (“FCRA”) to regulate the relationship between consumers, creditors, and the credit bureaus (currently Equifax, TransUnion, and Experian). One of the most important provisions of the FCRA for the consumer is that it allows you to challenge inaccurate, obsolete, and misleading items as they appear on a credit report. The FCRA requires credit reporting agencies to remove all obsolete, inaccurate, irrelevant, outdated, misidentifying, incomplete, incorrect, erroneous, and misleading information from credit reports. You may dispute any item that you believe to be incorrectly reported on your credit report. The credit bureau then has 30 days to re-investigate the item, free of charge, and record the current status of the disputed information. If they can not provide current information within the 30-day period they must delete the item from your credit report. If an item is found to be inaccurate or incomplete or cannot be verified, the credit bureau must delete or modify the item and notify you of the change within five business days of the completion of the investigation. The credit bureaus must also provide you, upon request, with a description of the procedure used to determine the accuracy of the disputed item. This includes the business name, address, and telephone number of any furnisher of information used in investigating the dispute. They must provide you with this information within 15 days of your request.

### **Make Sure Your Credit Report is Correct**

The best way to avoid being a victim of reporting errors and identity theft is to be an aware consumer. According to a 1998 study by the Public Interest Research Group, out of the credit reports surveyed, 29% contained serious errors that could result in the denial of credit. Over 70% contained mistakes or errors of some kind, 41% contained incorrect personal demographic identifying information, 20% were missing major credit cards, loans, mortgages, or other accounts that are critical in demonstrating consumer credit worthiness.

Other past studies found that more than three out of five consumers have negative information in their credit report, and nearly half of the studied reports contained errors. Some of the errors were serious enough to prevent the individual from qualifying for credit. As you can see, it is very important that you check your credit reports on a regular basis to ensure that the information reported about your credit history is correct. When looking over your credit reports, make sure to take your time and study every item carefully, verifying that all of your information is correct.

- Make sure your name, address, and employer are accurate and up-to-date.
- Watch out for incorrect addresses—this may be a sign that an identity thief has redirected your mail to a false address.
- Make sure your monthly payments are correct.
- Make sure your total balances are correct.
- Make sure your maximum limits are correct.
- Have you ever had any late payments? Make sure payments you made on time are reported correctly.
- Make sure all of the information is accurate and up-to-date.
- Watch out for accounts that are not familiar— You could be a victim of ID Theft and these could be accounts that were opened fraudulently in your name.
- Watch out for names of companies that are not familiar—if you haven't authorized the inquiry, it may be a sign of fraud.

### **Do You Need Professional Help?**

Now that you have gone through the information regarding credit repair, you should have a more thorough understanding of the procedures involved. Many people feel that professional credit repair help proves more effective and efficient than battling the credit bureaus on their own. If you need professional assistance in repairing your credit, Credit MD can help you! Credit MD's credit repair services can help improve your credit so you can have the financial freedom you have always desired. You won't be gouged by ridiculously high interest rates any longer. You could buy a home or car without wondering if you will be approved. Let a Credit MD credit repair specialist help you down the road to financial freedom at an affordable cost. We can also help you with various other financial solutions, including bad credit loans, debt consolidation programs, and more.

Visit [CreditMD.com](http://CreditMD.com) and get started with your credit restoration process today!

### **Credit Services FAQ's:**

#### **What is debt consolidation?**

[Debt consolidation](#) is probably the most effective way to reduce and restructure your debt. You may wonder how another loan can possibly reduce your debt - but the way a debt consolidation loan works is different. Your debt consolidation plan will pay off all of your current debt. This will immediately help your credit by showing all of your creditors paid in full. Now, instead of having many small loans, you will have a single loan with one monthly payment. The new loan will be at a lower interest rate than the combined rates you were paying previously - thereby saving you hundreds or even thousands of dollars. It also streamlines your debt into a much more manageable payment. There are many affordable payment plans available to fit your budget. [Click Here](#) for a free quote!

#### **What is debt settlement?**

[Debt settlement](#) can prevent bankruptcy. It is an ideal financial solution for those who are deeply in debt and their accounts are delinquent or charged off. While debt settlement can dramatically reduce your monthly payments and amount of debt, it is not recommended unless you are really facing few alternatives short of bankruptcy. The reason for this is that your debt settlement case workers will negotiate with your creditors to reduce your balances as much as possible. While your credit report will reflect these accounts as legally paid off, they will reflect that the original amount was not paid, and this will hurt your credit to some extent. However, this damage is far less than that of a bankruptcy, and will make it easy for you to repair your credit again. Once your debt has been negotiated to a minimum, you will be given a new loan that will pay off all your current creditors. You will then have one loan and one monthly payment. [Click Here](#) for a free quote!

#### **What is the difference between debt consolidation and debt settlement?**

[Debt settlement](#) and [debt consolidation](#) are similar in that they both pay off your current creditors and streamline your unsecured debt into one monthly payment.

The key difference is that debt consolidation pays off your current debt in full. Your main savings can be realized with an improved interest rate, and you can benefit from a more affordable payment plan. With debt settlement, creditors are negotiated with to get a lower balance. This is effective for severely delinquent or charged off accounts. While these will also be legally paid off, they reflect differently on your credit report because they were not paid for the original amount. If you can afford it, [debt consolidation](#) is a much better financial option for your credit. But if you are facing bankruptcy and are severely delinquent already, [debt settlement](#) is a more drastic measure that can help you prevent bankruptcy and improve your financial situation.

### **What does a credit repair company do?**

A credit repair company can quickly and effectively negotiate negative, incorrect items on your credit report. A common misconception about credit repair companies is that you can pay them to remove anything negative from your credit report. In reality, no company can legally remove any credit items that are accurately reported. If a creditor fails to provide proof or verification of the reporting, it can be removed, otherwise, it stays. Statistics show that an alarming amount of people have inaccurate information on their credit report - errors that can be costly and prevent all kinds of credit options. These can take months to dispute on your own and many people lack the know how. Credit repair companies can battle errors in your credit report in a manner that is timely and efficient.

### **Can I fix my own credit?**

You always have the option to dispute your own credit report. This requires sending documentation, writing dispute letters, and a good understanding of the errors to the three main credit bureaus. This can be done simply with the assistance of a credit repair kit, which contains instructions and preformatted letters to send to the bureaus. Some companies sell these kits, at Credit MD you can request one free!

### **Where can I get a copy of my credit report?**

The easiest way to get a credit report is to purchase one online. This way, you can get reports from all three main credit bureaus—Equifax, Experian and TransUnion side by side, and you get it instantly. Your credit report will show you what each creditor and credit bureau is reporting about you, and provide your credit score. There will usually be a charge for this. If you have recently been denied credit, you can also send a letter of denial to the credit bureau the company used and ask that they mail you a copy of your credit report.

### **How can I prevent credit fraud and identity theft?**

Identity theft and credit fraud are real, and they are becoming an increasingly common problem in the U.S. today. People can have their financial lives destroyed because of fraud committed in their names. The best way to prevent this is to sign up for a credit monitoring service. For a low monthly fee, they will

alert you of any suspicious activity on your account, let you view all recent activity on your credit report, and allow you to stay on top of what is being reported about you. If you do not want to sign up for a credit monitoring service, you can also regularly order copies of your credit report to make sure all of the information on it is indeed accurate.

### **Can I get a loan with bad credit?**

The financial world is definitely changing to meet the needs of all credit types. Today a variety of credit options are available, even to those with bad credit. There are personal loan programs that specialize in bad credit. A good way to check before applying is to call the company and ask them about their minimum credit requirements. You can check your credit score online. There are also many home loan programs that can help those with bad credit get various loan programs at pretty good interest rates.

### **What is a home equity loan?**

The equity in your home is a valuable asset you may not be aware of. Your home has a particular value. This could be what you bought it for, but in most instances it will be higher because home values rise. Your home could have appreciated tens of thousands of dollars within just a few years! If you have no mortgage or liens on your house, the full value of your home is its equity. But in most cases, people will have a mortgage on their home. So their equity is the value of the home minus the amount owed on their mortgage. Each time they make their mortgage payment, they gain a little more equity in their home. You can get a cash loan against the equity in your home. Since this is considered a secured loan, you can get excellent interest rates that are better than those of personal loan programs. Home equity loans can be used for anything, from home improvements to taking a vacation.

### **What kind of home loan options are there?**

As a homeowner, you have a valuable asset that enables you to gain many different types of financial products and home loan options. The most common home loan is obviously a mortgage. But even if you already have one, you can qualify for other programs. You can get a second mortgage or home equity loan at a low interest rate and free up extra cash that way. Often, you will get a lower interest rates just for being a homeowner.

### **I have bad credit. What can I do?**

The longer you wait, the more dire the situation becomes. When you act early, there are more options available. If you have bad credit because of too much debt, a [debt consolidation](#) may be advisable. It can make your payments more affordable, and reduce hundreds of dollars in interest. Check your credit report for errors, which statistics have revealed to be present in more than half of the studied reports. By disputing these errors yourself, or through a credit repair company, you can dramatically improve your credit. The best thing you can do for yourself is to start building good credit. You can do this by paying your bills on

time. If you have recently had a bankruptcy, have no debt, and cannot get approved for anything new, try a secured credit card. Pick one that reports to all three credit bureaus every month.

### **I have no credit. Where do I start?**

Getting that first credit card can sometimes be tough. There are various student credit card programs available. If you are not a student, you can try your luck at a small store in the mall. If you still have no luck, the best option is to apply for a secured credit card. Good ones will report to all three credit bureaus each month—make sure you check to see if it does. This will allow you to build credit every month, even though it's more like having a debit card than a credit card. Once you have built a little credit, you will start getting offers and approvals for unsecured products as well.

### **What is a cash advance or payday loan?**

This is the quickest way to get some emergency cash when you need it fast. It is probably also your best option for a small loan amount. Even if you have very bad or no credit, you can be approved because there is often no credit check involved! You will need stable credit history and a check stub to apply. You will be given somewhere between a pay period and a month to repay the loan. You can also get the money in as little as 72 hours. This is a great way to get extra cash for emergencies or unexpected situations until your next payday. [Click here](#) to get a payday loan now!

### **I need cash. What are my options?**

*Select cash amount:*

#### [\\$50-\\$1000](#)

For such a small amount of money, there are two options that would fit you best. If you need the money in a hurry and can pay it back very quickly, then a payday loan or cash advance is a good choice. You can get the money within 48 hours and it is deposited right into your bank account. There is no credit check, you just need stable job history to be approved. The downside is that you have to be able to pay it back within a couple of weeks. For a more long term financing solution, you should try to get a small personal loan. Some companies may have a minimum of \$3000 or more. You can always borrow the additional amount and pay it back if you don't need it. If you need the cash for a specific purpose, you can consider getting a credit card and financing the purchase that way. [Click here](#) to apply for a cash advance now!

#### [\\$1000-\\$10000](#)

For this amount of money, you have a few options. The most popular one is probably a personal loan. These are unsecured loans that are obtained on credit alone. But don't let this discourage you if you have bad credit - today there are a lot of bad credit personal loan programs too. The rates on these are higher than on a secured loan, but they generally have no pre payment penalty, are fast and

easy to obtain, and can be used for anything. If you want a lower rate and you are a home owner, you can probably qualify for a secured home loan program also. Home equity lines are a very popular way of getting some extra cash. You can even use a high limit credit card for specific purposes. These are similar to personal loans in their payment plans and benefits.

### [10,000 or more](#)

A personal loan is still an option for you if you need a large sum of money, but getting approved becomes more difficult, especially if you don't have the best credit. Your best option is probably a secured loan-and for this you will need to be a homeowner. There are excellent home loan programs that can free up large amounts of extra cash at great interest rates. Even if you think you don't have equity in your home, you may be surprised-often home values appreciate more than you realize. [Click here](#) to apply now!

### **Can I get an unsecured business loan?**

The simple answer is yes. Not so long ago, getting a [business loan](#) without collateral was a very difficult process. Today, prospective business owners have many more options. They can get business financing even if no collateral is involved. Many online finance companies offer special programs for business owners. [Click here](#) to apply online!

### **My business is in trouble. What can I do?**

If your business is undergoing a slow time, paying bills and overhead can get costly and even put you behind. Fortunately, you can avoid business bankruptcy with professional help. The sooner you do this, the more likely it will be that you can get out of business debt. Businesses can qualify for debt consolidation programs that lower interest rates, lower monthly payments, and restructure debt to make an affordable monthly payment that can help your business survive. [Click here](#) for a free consultation!

**Click on the below links to go directly to the program that is right for you:**

[Credit Repair](#)

[Debt Settlement](#)

[Personal Loan - \\$15000 or more](#)

[Payday Loan](#)

[Avoid Business Bankruptcy](#)