

# **Discover The Secrets of Repairing Bad Credit and Maintaining Good Credit**

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## CHAPTER ONE

Credit - understanding genesis of bad credit.

It's very obvious that we now live in a credit world. There are lots of banking institutions offering different forms of credit from credit card to personal loans. The amount of people with credit cards is rising very fast. Apart from that, lots of people can hardly do without credit.

Because of lack of enough financial education and discipline on the part of most of these consumers they often find themselves in bad credit situations like court judgement, bankruptcy, and loan default which often make it difficult for them to get any credit at all in future. You may now want to ask – what exactly is credit?

Credit means that you are getting a service or cash grant to use for your own purpose. You are often bound with a contract or agreement to repay in future as agreed with lender or service provider. Credit exists in different forms like loan, mortgage, or credit card.

Before you can get credit from any financial institution or lending agency, they will first check your credit history. If you have default on loan before or have bad credit history you will find it almost difficult to get credit any time you apply for it.

However, it's possible for you to improve your credit history or build a new good credit history by repairing your credit, thus re-establishing your credit-worthiness. This process is called credit repair. It's the process in which consumers with unfavorable credit histories attempt to re-establish their credit-worthiness.

Though there are lots of credit repair companies nowadays that promises repairing your credit for you, if you can follow simple guide, it's very possible for you to do it yourself – afterall it's your credit.

If you repair your credit it will make it easy for you to get low interest credit, car or home loans. However, with poor credit rating you may not be able to get loan or be subjected to high interest rates and several other unnecessary conditions. So it's very important that you repair your credit if you have bad credit. You will get lots of tips on how to do this easily in this book.

## CHAPTER TWO

Credit rating: - how you are scored.

Getting approval for any type of loan depends on your credit rating. If you have average credit rating, you will find it almost impossible to get approved. It's possible to get good rating or even improve your credit rating. Most companies almost use same rating system and if you are able to know more about it you should be able to have better credit score.

Your age is the first factor which it's almost impossible to do anything about. Yes it's possible to lie, but don't because it will make things more difficult for you in future if the creditor gets to know. If you are between 24 to 64 years of age you will get one point. Any age below or above that will score you zero point.

If you are married you have chance of adding extra point to your score. If not, you still score zero as most creditors see you as a higher risk. Also if you have no dependant you will score zero. But if you have between one to three you will add to your points. Here is how it works – if you have no dependant creditors believe you can skip town and not pay off your credit.

Creditors will also want to know more about your root. They will want to know where you live. Owning a home with a big fat mortgage or even without mortgage will give you more points. How long you stay in your present or previous residence also adds more points to your score. If you've move so often you will score zero point. However, if you've stayed up to 5 years before moving, you will surely get more point. It shows you are a good risk to them.

Other factors that will add to your point are your years on job (the longer the better), kind of job, your monthly income, present debt status, previous credit history and your saving or checking account.

Your credit score is usually rate between 350 and 850. The lower your score the more difficult it will be to get loan. Scoring 800 or above should be goal of every consumer. Below is list of short tips on how to achieve 800 credit score or above.

Limit the number of credit card you sign up for at a time. The more card you carry the debt will have to live with. If one card is not enough for you make sure you don't sign up for more than three cards. Also make sure that you don't go out with more than one card in your pocket. That way you will limit your purchases when you are outside.

Make sure that you make your payment on time, if possible before the end of grace

period if it's part of the service. Late payment will affect your credit score adversely.

Whenever you want to apply for credit make sure that you don't apply for too much credit often. Credit reporting agency may score you low as it means that you can't live without credit.

Another thing that reporting agency consider in scoring you is outstanding balance on your credit account. If you are the type of consumer that often exceeds their limit you are risking your credit score. So make sure you don't exceed 30-35% of your available credit. It doesn't make sense financially to always spend all your credit at a time.

**Grab Your credit report here:**

**<http://debtredutionnow.info/freecreditreport.php>**

## CHAPTER THREE

Your credits score - how you can improve it.

Your credit score is a very important in any financial transaction that you make or intend making in future. So it's good you know what exactly your score is, understand its meaning and learn how you can improve it if it's not good enough.

If you have ever borrow money or utilized credit before it has a score that reflects how well you handle the credit giving to you in the past. The credit score is determine by amount of credit you have, how much money you owe and whether you made payments on time or not.

Your credit score serves as predictor of how likely you are to repay any credit giving to you to your would be creditor or lender. If you usually make payments on time you will surely have good credit history and it will make it easy for you to get loan from banks or credit unions.

Otherwise, you will find it difficult to get any institution for that matter to trust you. If that's your case – it don't have to be the end of the road. In this article you will learn about what you can do to improve your credit score.

Make sure you pay your bills on time. Failure to do this will have negative impact on your credit score.

Make sure you always meet up with the minimum monthly payment on your card if you can't always pay the balances of your credit card each month.

Make sure that you don't exceed your monthly limit. If you can keep to 50% of your limit or less it's better.

Make sure you do away with account you don't use most especially accounts with high annual fees and high interest rates.

## CHAPTER FOUR

Credit report – its effect on your personal credit

Lots of people have been denied loan, credit card or other form of credit because of wrong information the lenders find in their credit report. Before banks or any other financial institution grant your application for loan they will first find out about your credit history from bureau by requesting for your credit report.

Credit report is a compilation of your credit history, past financial transactions and personal information possible. This report is usually compiled by accredited agencies known as credit reporting agency.

Credit reporting agencies are organizations that help credit card companies, loan companies, banks, and departmental stores in the country to ascertain the credit worthiness of their would be clients. They provide these companies information about those who are good credit risk and those who are not.

They receive most information about consumers from loan companies, credit card companies, banks, credit and lending sources. In this report you will their will be information on your occupation, place of employment, residence record, court and arrest records, income status, details on payment of your past and present bills and loans.

Once they have detail information from these sources, they give it to any organizations in need of it when requested. Though they keep on file information concerning you and your credit, they don't make final judgments as to your credit worthiness. The decision is up to the credit card companies or any lender which you are dealing with.

The credit score is used by banks, credit card companies, loan lenders and other financial companies to determine your credit worthiness. As a matter of fact, most lenders often based their charges on information in your credit report. Also, some employers often consider few information in your credit report before they employ you. If you have severe financial problems some will find it difficult to employ you.

Whenever you apply for new credit card, loan or any form of credit from any sources lenders will base their acceptance or rejection of your application on your personal credit report. If your credit report shows you've been reliable in the past, then you will most likely get the credit card or loan you apply for.

However, if you have in one way or the other defaulted on particular account or you were constantly late in making payments, it will likely be impossible for you to get the credit you applied for.

While compiling your report the agency or financial institution that's giving them the information may make mistake and give inaccurate information about your credit. If you did not dispute this error and demand necessary changes, they will leave it in your report. You can imagine the possible effects on your life in future. Because of this, it's very important that you check your report at least once a year

In other to be able to check your report for possible inaccurate information you have to request for a copy of your report. You can get a copy of this report from credit bureau because it's your personal credit file and you have absolute right to know what is in it.

You have right to know exact information they are giving out concerning your name and credit worthiness. If the report is not good enough or you can proof to yourself that it's all about your past, you can change it. You can build your new credit worthiness. It's possible.

**Grab Your credit report here:**

**<http://debtredutionnow.info/freecreditreport.php>**

CHAPTER FIVE

Your personal credit report: - how you can correct errors.

People that compile your personal credit reports are human be like me and you, they can make mistake while compiling your reports from various sources. Thus, requesting for a copy of your report often is very important. It will allow you to know what they compile about you. You will be able to discover unfavorable information, request for corrections before they started spreading non-accurate information about you.

When you get a copy of your personal report, determine the status of your credit file. Study the information in it very well and attempt to remove all unfavorable information in it. All your credit history may not be contained in one file from a firm. So if possible get from other firms too. Some information may be duplicated, or not included in the other file.

You need to note of your full name, social security number, current and previous addresses, spouse's name, and date of birth and make sure that they are correct because they are points used in identifying you. Also, make sure that merchants name, credit account number, date opened, date closed, high credit limit, highest amount of credit used, and repayment history are correct, current and accurate.

After studying the file carefully if you notice any error, write out exact error and the way you think it should be listed. You will find a space on the right-hand side of your report where you may protest any item in your report that you feel incorrect. You will have to attach photocopies along with pertinent information to proof your claim and send it to bureau by mail. When the bureau gets your message they will investigate and send you result of their investigation. You will have to exercise patience during this period because it may take bureau some time to complete their investigation.

The fact that the agency that compiles or can compile information about you is not one will make it almost impossible for you not to encounter problem in future. When you apply for credit in bank, stores or any lending company you may be denied. This does not mean the agency you filed errors on your reports with haven't make changes, it's likely that the bank or store you are trying to deal with have another report about you, possibly from another agency.

So anytime that you are denied credit, you have the right to know why you were turned down! If the bank or stores used a credit report agency, they must provide you with the name and address of the agency that supplied them with the report.

Once you have the contact information of the agency involved, you should make an appointment to visit the credit agency, so that you can review your report, find out

information that is causing you to be denied credit, and make corrections if you have enough evidence to proof.

When you are visiting the agency make sure that you present yourself very well. You must dress modestly as your appearance will surely tell the agency staff more about you. If possible take a friend along with you to be a witness to whatever it's said. You have to be very careful when you get to be bureau, don't let the representative of the credit bureau confuse you with unnecessary terms or even upset you in any way. If there is anything you don't understand, ask to have it explained again.

Don't be afraid to demand explanation where you feel the agency is wrong. If there is any information in the report that is not true, point it out, and have it investigated by the agency. Once the agency correct the error you have right to demand that the bureau send correct copies of your report to all creditors who have received the incorrect reports before.

## CHAPTER SIX

Credit Repair Company: - a blessing or a course.

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