

INCOMEANDCREDIT.NET

The Credit Info/Repair Kit

Your Key to Financial Freedom

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Everything you need to know about credit including obtaining and monitoring your credit reports for free! Information on proven ways to increase your credit rating and a “how-to” guide on disputing incorrect information on your credit files.

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Introduction

Within the past few years, the words, “free credit report” have been so misused that most people have been led to believe that there is no such thing as a [free credit report](#). They believe that if you want to view your free credit reports that you’ll first have to pay a fee to sign up for some kind of monthly or yearly service. Although most companies and businesses want to charge you a fee for getting to your credit reports you are actually entitled to receive a free copy of them from each of the major credit bureaus once every year.

This book is going to help you to not make the mistake of paying to see your own credit when you can do it yourself at no cost. You will also learn how to repair your credit by disputing incorrect information on your credit files which, in turn, should help to increase your credit score. Monitoring and fixing your credit reports is just one more example of a service that so many businesses want to charge you a fee for when you can do it yourself entirely free of charge, aside from the cost of a few envelopes and stamps. Combine your envelopes and stamps with a little bit of your time and you could soon be an expert at repairing your own credit.

1. About Me

The most important thing there is to understand about me is that everything that I do in life is for my family. I have a beautiful wife and two amazing children. So whether it's trying to better my career or improve my credit it's being done for them. Even writing this book is benefiting them by helping to increase the traffic to my website I created, www.incomeandcredit.net, which does help me to make some extra money on the side.

Over the past few years I have been working on recovering from a bankruptcy I had to file due to a major decrease in pay. I was working a sales job making over \$50K a year when I was laid off and had to accept a management position making only \$15K a year. During these past few years I have learned a lot about credit and how to avoid having to pay someone to fix your credit for you.

I am a banker by trade and I have to deal with other peoples' credit problems all day long sometimes. I used to work in the customer service department where I would answer general banking questions. Now I work in the sales department where I open new checking and savings accounts, and take credit applications for all types of lending products. If any of my potential

customers out there reads this information and learns from it my job may be just that much easier making the time and effort I put into this book well worth it.

2. Credit Basics

Having good or bad credit is one thing that will affect almost every person's life at one time or another. Understanding how to build and improve your credit score is a key factor to achieving financial success in life. There are a lot of people out there who think that just because they have their paycheck directly deposited into their checking account and are willing to have their loan payments directly withdrawn from that same checking account that it will be easy to get a loan at their local bank. While most banks will give you a lower rate or incentive to set up an auto-pay from your checking account they still are going to base the initial decision for the loan on your credit, not on your relationship with the bank.

Your ability to repay your debts and fulfill your financial obligations could end up saving you thousands upon thousands of dollars through-out your lifetime. It's very easy to explain why. If you have a lower credit score lenders will be hesitant to lend money to you because they know that you have had financial troubles in the past. Because of this you would be considered a high risk to

lenders and they will want to charge you more interest to offset that risk.

Whereas if your credit score is high lenders know their chances of collecting their money/ interest are high and are comfortable charging you a lower interest rate.

There are also other applications that your credit can affect aside from just [loan](#) or [credit card](#) applications. One of the most important of these is home and automobile insurance applications. Almost everyone at some point is going to need to have an auto insurance policy. Another more common application would be for either cellular service or for a satellite provider. Just always try to remember that banks are not the only institutions that require you to have good credit.

3. Credit Bureaus

There are three major credit bureaus that are responsible for keeping a financial blueprint of anyone who has a social security number. A very large misunderstanding is that the different credit bureaus are not each responsible for creating an individual's credit score. There are other companies that use the information on your credit reports to evaluate your worthiness to receive credit and determine what your credit score will be. The major credit bureaus are the

ones that lenders and banks inform when a borrower is making their payments on time or falling behind on their payments.

The three major credit bureaus are Transunion, Experian, and Equifax. They are all independently owned and offer other services for both your personal and business needs. They offer services like fraud protection, decisioning technology, and marketing tools. If you are looking to research each of these bureaus directly you will find their direct links at IncomeandCredit.net. Contacting these companies directly is the only way to correct or repair any mistakes that may be on your credit reports.

4. Establishing Credit

A lot of lending officers you talk to will tell you that getting a loan can be even more difficult having [no credit](#) than if you had damaged credit. This is because even if you have made some mistakes in the past as long as you have all of your bills current and nothing showing late on your credit than you have a chance of being approved for certain types of loans. While if you have absolutely no credit at all lenders do not have anything to base your ability to pay your bills on.

In my experience in working with a bank I have learned that there are only two good options as far as ways to start to establish some type of credit history if you have none at all. I'm sure that if you search long enough you may find a credit card company willing to approve you for an unsecured credit card with no credit. This is usually not a good idea because most usually start you out with a \$2-300 credit limit and charge you \$2-300 in start up costs. Then they have monthly and annual fees so even if you don't use the card you are at risk of going over your credit limit if you only make your minimum payments each month.

The first option to consider would be a secured credit card. Although these will not help you out in a rut they are a good way to start to build a good credit history. Most people don't like these because it's kind of like borrowing your own money but it is very effective. Not every loan or credit card you have will show on all three of your credit reports. Most secured credit card programs make sure that your payments are reports to all of the credit bureaus to ensure you are establishing your credit. Secured credit cards will often have some kind of small monthly or annual fees but nothing like those of most unsecured credit cards.

Your second option would be to check with local car dealerships who specialize in working with people that have no or bad credit. These places will usually be more than happy to work with you but you should always consider

more than just one dealer to make sure you are not being completely ripped off. Shop around and do some research before going out. If you go to a dealer looking for specific years and models of vehicles than you can find out how much they worth so you know that you are not paying too much for your car.

5. Rebuilding Damaged Credit

Almost anyone who has had to file for a [bankruptcy](#) in the past will tell you it was the worst mistake of their lives. The same goes for anyone who has allowed their vehicle to be repossessed or let a credit card be charged off. Once you make a major mistake like that on your credit it can come back to haunt you for years and years to come.

The only way to rebuild your credit once it has been damaged besides making you payments on time is to make sure everything on your credit report is being reported properly. I will go into further details on how to do this and take care of anything being reported incorrectly under the “Monitoring your credit and disputes.” If you feel you do not need the walk-through of how to get your free credit report and dispute inaccuracies than just visit Incomeandcredit.net and click on “free credit report” in the left menu on the homepage.

6. Maintaining Good Credit

Once you have established a good credit rating and you've had a solid credit history for over a few years many people tend to forget that it's not such a good thing to have a lot of credit out there. There is such a thing as too much credit and it can actually hurt your credit score if you are not careful. I've even had to decline applications for people with perfect credit scores just because they are clearly overextended.

A very important thing for someone with good credit not to do is to go crazy with credit cards. It is so tempting to open a different line of credit everywhere you go because most companies give you a discount or incentive to shop at *their* store using *their* line of credit. Another thing to watch for is taking advantage of no payment options. A lot of people will keep purchasing and charging new items forgetting they have a debt that still needs to be paid. If you do decide to take advantage of a store's credit card for a discount and then you pay it off you should consider closing it if you don't intend to use it again.

Another thing to remember about keeping your good credit is that it looks much better to have two lines of credit half-way borrowed against than having one of your lines of credit maxed out. Once you have established a good credit

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