



Welcome to our credit e-book. We want to congratulate you on taking the first step to achieving a higher credit score which can help put you on the path to financial success.

The information in this Credit e-Book will teach you how credit works and how to improve and maintain the best credit score possible which in turn can save you literally 10's of thousands of dollars. In fact, an MSN Report stated that a person with bad credit will spend an additional \$200,000 up to \$1 Million Dollars in interest charges, fee's, security deposits and other unnecessary charges over their lifetime.

As you go through the process of learning how to improve your credit score it will be important that you stay focused on achieving your goal. We have provided some additional resources (links) within this e-Book to help you while on your journey to great credit.

Improving your credit score will require patience, commitment and discipline! Remember, YOU can have great credit so DON'T GIVE UP!

[The Problem](#)

In today's economic climate, a growing number of Americans suffer from negative ratings in their credit file including delinquent payments, judgments, collections, foreclosures and bankruptcies. Not only do these items prevent consumers from obtaining new credit when they need it most, clients may also face additional penalties such as increased interest rates on credit cards, higher late fees and over-limit fees, shorter grace periods and lowered credit limits. Most people with bad credit are not typically, not irresponsible, nor are they unwilling to pay their obligations. In fact, if you're like most people, you probably maintained a good credit profile until an unforeseen circumstance like a layoff, medical problem, or divorce prevented you from making a few payments in a timely manner. The truth is that most people struggle long and hard to meet their obligations but the money coming in just doesn't meet the bills going out. If the circumstances become serious enough, many people have been forced into foreclosure or to file for bankruptcy protection. More today than ever before, our increasingly tight credit market demands a high credit score. Why? Over three quarters of all lenders use credit scores when approving loans or credit. The importance of your credit score doesn't end there.



Your credit score is also used to determine your interest rate, the amount of your down-payment and the variety of mortgage options available to you if you're buying a house, your ability to get a car loan, the premium on your auto or homeowner's insurance, and even your ability to get a job. For example, some insurers are using low credit scores as indicators to identify individuals they believe are more likely to make claims against their insurance policies. These insurance companies maintain that there is a correlation between poor credit and filing multiple insurance claims. Last, but not least, if your credit score is on the low side, you'll pay a higher interest rate on bank loans and credit cards, and may even see your credit limit decreased.

Recent government surveys indicate that less than a third of Americans have viewed their credit report within the past year. Many more do not know their current credit score even though financial experts constantly advise consumers to review their credit reports for accuracy. A recent survey revealed that nearly 80% of all consumer credit reports contain serious errors or mistakes of some kind.

A hand-drawn illustration of the number "80%" inside a red circle.

This prevents millions of Americans from being able to purchase homes or automobiles, or finance other goods or services they need. You, very likely, could be one of those people with inaccurate information. Additionally, many people are paying astronomical interest rates, or have been denied financing unnecessarily due to low credit scores. Because your financial health revolves around your credit score, it is important that the information your credit report contains be as accurate and up-to-date as possible. Millions of inaccurate items have been removed from consumers' credit reports since the Fair Credit Reporting Act was passed in 1971.

What is the solution? EDUCATION!

[So, what Is A Credit Score?](#)

Credit Score

- 
- A hand holding a green marker, pointing to the 'Excellent' option.
-  Excellent
 -  Average
 -  Poor

A credit score is a number that reflects your risk level, as an individual, to a lender. The higher the number, the lower the risk will be to the lender. As you apply for increased credit or attempt to make a purchase, the lender will check your ability to pay-back that loan. The more negative marks you have on your credit report, the less likely you will be granted the loan or purchase you requested.

[How Often Can My Credit Scores Change?](#)

Credit scores are not fixed; instead they reflect a consumer's current credit situation, based on the information in the credit report at the time the report is pulled.

[What Is A Credit Report And What Is It Used For?](#)

A credit report is a history of your use of credit and other personal information which gives lenders a snapshot of your credit history. Whether you are applying for a credit card, a car loan, a personal loan or a mortgage, lenders want to determine your credit risk level. In short, lenders want to know if they can rely on you to pay them back on time.

[There are three major credit reporting agencies?](#)

These agencies are Equifax, Experian and TransUnion, and they collect data and maintain records on millions of Americans and their bill payment histories. The reports tell lenders how much credit you've used, what types of credit you've used, how long you've had various accounts, and whether you pay your bills on time. Every year, billions of lending decisions are based upon the information in those reports. Your credit report and score strongly influences how much credit that will be made available to you and the terms you are offered by lenders. The speed you are approved for credit, the interest rates you get, and decisions about the amount of credit are all determined by the information found in your credit report.

[What's In My Credit Report?](#)

Although each credit reporting agency formats and reports this information differently, all credit reports contain basically the same categories of information. Your name, address, Social Security number, date of birth and employment information is used to identify you. These factors are not used in credit scoring. Updates to this information come from information you supply to lenders.

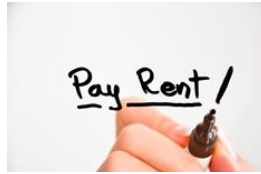
[What is a Trade-Line?](#)

These are your credit accounts. Lenders report on each account you have established with them. They report the type of account (bank card, auto loan, mortgage, etc.), the date you opened the account, your credit limit or loan amount, the account balance, and your payment history.



[Why are rental payments or rental history *not* included on my credit report?](#)

Good question! Because there are many thousands of landlords scattered across the country it would be impossible for the credit bureaus to track all these landlords, payments and information. So this very important credit trade-line flies under the radar and is not reported and therefore does not impact the credit scores.



However, we do see landlords reporting past-due amounts or collections against tenants who have not paid on time, but no one is reporting *positive* payment history...until now!



[Rock The Score](#) is a data reporting company that takes positive rental payments and reports them to selected credit bureaus impacting credit profiles and credit scores. Rock The Score can even report the past 24-Months of historical payments for an immediate boost to your credit score(s).

Watch this short [1-min video](#) to learn more about reporting your rent!

The Rental tradeline is used in different scoring models, such as FICO 9 score and VantageScore, and is also accepted by Fannie Mae and Freddie Mac for mortgage decisions. So this is important information that could really impact your credit profile and help your credit score.

[What's a Credit Inquiry?](#)

When you apply for a loan, you authorize your lender to ask for a copy of your credit report. This is how inquiries appear on your credit report. The inquiries section contains a list of everyone who accessed your credit report within the last two years. The report you see lists both "voluntary" inquiries, initiated by your own requests for credit, and "involuntary" inquiries, such as when lenders order your report so as to make you a pre-approved credit offer in the mail.

[Public Record and Collection Items](#)

Credit reporting agencies also collect public record information from state and county courts, and information on overdue debt from collection agencies. Public record information includes bankruptcies, foreclosures, law suits, wage attachments, liens and judgments.

How Is My Credit Score Calculated?



Are "Credit Bureaus" Government Agencies?

No. Credit reporting companies are just that - companies. They are in business to make money, and they generate their income by selling credit reports to creditors.

How Long Do Negative Items Stay On a Credit Report?

Negative credit accounts, or trade lines, can remain on your credit report for up to 7-years, and bankruptcies and other public records for up to 10-years. Inquiries on your credit report may remain for 2-years. These are the maximum times that are permitted by federal law for reporting agencies to show negative items; however, these times are not mandatory. At any time, a creditor or credit bureau may remove a derogatory remark from your credit report if the consumer requests an investigation into remarks that they feel are incorrect.

Is There Anything That Cannot Be Removed From A Credit Report?

No, all information reported by the credit bureaus are subject to the same laws and criteria.

Why Should I Care What Is In My Credit File?

It is your credit report that creditors use to determine if they will extend credit to you. If you have inaccurate information on your report, you may be turned down for the loan you need or pay unnecessary high interest rates.

Why Do the Credit Bureaus Have Separate Reports for Husband and Wife?

The credit bureaus collect information based on individual Social Security numbers.

[Do All Three Credit Bureaus Report The Same Information?](#)

Depending on which lender you go through will determine which credit bureau the item will appear on. It could be one, two or all three bureaus.

[Who Has Permissible Purpose To Access My Credit File?](#)

Under the Fair Credit Reporting Act, a credit reporting company may only disclose your credit report if someone is:

- Granting credit, reviewing your account, or collecting on your account
- Reviewing you for employment purposes
- Reviewing your application for insurance
- Reviewing your eligibility for a license or government-related benefits
- Providing information for a business transaction, such as renting an apartment
- Has a court order
- Has an IRS subpoena
- Someone to whom you have given written permission

[How Do Mistakes Get On My Credit Report?](#)

It is estimated that as many as 80% of credit files have errors. If your credit report contains errors, it is often because the report is incomplete, or contains information about someone else. This typically happens because:

- You applied for credit under different names (for example, Margaret Jones versus Margaret Jones-Smith)
- Someone made a clerical error in reading or entering name or address information from a hand-written application
- You gave an inaccurate Social Security number or the number was misread
- Loan or credit card information was inadvertently applied to the wrong account

[Who Can Remove Items From My Credit Report?](#)

Only the credit bureaus have the power to remove items from your credit report. But, as required by law, the credit bureaus must delete inaccurate, unverifiable, or outdated information.

[Is Credit Restoration Legal?](#)

ABSOLUTLY! The Fair Credit Reporting Act allows anyone to dispute inaccurate items on their credit reports. There's nothing we do that you cannot do yourself when it comes to fixing your credit situation. Individuals can restore their credit on their own but this can take time and a lot of knowledge when it comes to the credit laws.



Now that you understand the importance of having GREAT CREDIT and more importantly how credit works, you can begin to start to implement these strategies to help you improve your credit over time.

There are no “Quick Fixes” only consistent disciplined behaviors.

Now if you find yourself in a more serious situation regarding your credit, there are many credit restoration programs which can help you get a fresh start. Remember, YOU HAVE RIGHTS under the Fair Credit Reporting Act.

You can remove erroneous, inaccurate, obsolete and unverifiable information from your credit report.

Things like:

- Late Payments
- Collections
- Charge-Offs
- Foreclosures
- Judgments
- Repossessions
- Bankruptcies



By removing erroneous, obsolete or unverifiable information and by implementing the strategies in this e-Book, you can shorten the time frame to achieving great credit and your financial goals.

Additional Resources

- Federal Trade Commission
- Fair Credit Reporting Act
- Fair Debt Collections Practices Act

