

The Attorney's Guide To Credit Repair

A Complete Reference Guide For
Restoring Your Credit Rating



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Introduction

Have you ever felt like you are the only person you know who has credit problems? Have you ever thought, "My credit is so bad, I'll never get out of this!"

Do you feel hopeless and full of despair? Well, in fact you are not alone! Personal credit problems have been affecting individuals in record numbers. In fact, it is estimated that almost 60% of Americans have experienced past or present credit problems.

Millions of honest, hard-working people are having trouble paying their bills, especially in a timely fashion. Amazingly, over one million people file for bankruptcy each year!

Even if you have experienced major financial reverses or severe personal circumstances affecting your credit, it is still possible to qualify for credit again and to improve your credit status.

Most creditors are willing to offer credit to individuals who have demonstrated that they have made significant efforts to turn their financial status around, even if they don't have the most perfect credit reports.

In the following pages, we will take you through a step-by-step process that will help you:

- ✓ Clearly understand your present credit situation.
- ✓ Develop an effective strategy to improve your credit status.
- ✓ Confront and assert yourself in relationship to your creditors and credit reporting agencies.
- ✓ Understand your legal rights.
- ✓ Actually re-establish credit!
- ✓ Will it take some work and persistence? Absolutely!
- ✓ Will it be worth it? Absolutely!

Getting Started

Before you read any further in this manual, you must build a foundation for your credit repair efforts.

This foundation is based on:

- ✓ Preparation
- ✓ A solid understanding of where you stand
- ✓ Clear information from credit reporting agencies
- ✓ Most importantly, an organized system of putting your papers and files together so that you can more easily document inconsistencies, errors, and misstatements that may appear on your credit report

Where do I begin?

- ✓ You can start by taking whatever time is required to carefully sort through your bills, organize them by type and company, and put them in chronological order, from oldest to most recent.
- ✓ Take a look at the pattern of payments you have been making. See if this pattern is consistent with different companies, or if it only applies to particular ones.
- ✓ Check out the due dates and understand the time frame that you have been using to pay your bills.
- ✓ It would be most helpful to create a chart listing the companies, the payment due dates, and the actual dates that you made payments. Sometimes a shift by just a few days can have an extremely positive effect on your credit status.

A GOOD IDEA!

It is helpful in the early stages of credit repair to take a look at your income and expenses – real expenses and not just mortgage and car payments. Keep a daily log for several weeks to get a better handle on where your income actually is going.

Calculate fixed monthly payments, such as rent or mortgage, electric, auto, insurance, telephone, cable TV, other utilities, etc. and compare these to the total monthly household income after taxes.

It is imperative that you clearly understand your flow of income and expenses, so that you are in a position to turn your financial problems around.
How do I get organized?

In outline form, here is a summary of the initial preparation steps:

1. Sort all of your bills.
2. Organize your bills in chronological order.
3. Examine your payment pattern.
4. Thoroughly review your checkbook.
5. Make a flow chart to show where your money is going.
6. List all of your monthly recurring payments.

Keep in mind

- ✓ Work from a position of strength.
- ✓ Clearly understand your position.
- ✓ Develop strategies to make positive changes.
- ✓ Always remember that repairing your credit is possible, but it can be a battle. You need to be armed, ready, fully prepared, and informed in order to win.

That's what this comprehensive guide is all about.

Terms You Should Know

What is credit and how does it work?

Credit is defined in *Webster's Dictionary* as "the favorable reputation derived from the confidence of others, honor; good opinion founded on the belief of a man's veracity; integrity, abilities and virtue." In short, credit is based on trust.

A lender "*trusts*" that a borrower will honor the debt, and pay it back in accordance with their prior agreement. In essence, a creditor is someone who is willing to place his/her faith in you. The word "*creditor*" is derived from the Latin word "*credere*" which means to put faith or trust in.

Although credit in today's world is still based on trust, it has been depersonalized by credit cards. An agreement between two individuals, concluded by the traditional shaking of hands, is almost something of the past. Still, the debtor's responsibilities for repayment and the expectations of the lender are basically the same.

Credit has assumed a greatly expanded role in the lives of most Americans, and buying on credit can be both a blessing and a curse for many individuals.

Unfortunately, for many people, living beyond their means is accepted as a way of life. Many people tend not only to spend next month's earnings before they earn it, but even next year's!

Most people just aren't willing to wait until they have the cash to buy the necessities of life. When a person buys on credit, the added cost of having what they want, and having it now, is called interest charges.

This is even more apparent when purchasing a home, car, appliances, and other high-ticket items. Initially, the convenience of having what we desire seems to outweigh the inconvenience of the principal debt, plus the interest, at the time of a purchase.

But, when a person finally realizes that they have dangerously extended him/herself, it's often too late to place good judgment over credit convenience.

It's easy to know when a person has overextended themselves. Everything looks good and feels great as he/she merrily purchases gifts, clothing, meals, and miscellaneous high-ticket items.

But when he/she also starts using credit cards to pay the rent and groceries or, worse yet, pay off other credit cards, then the writing is on the wall.

If you are one of those people, don't feel alone! There are millions of people who are in credit trouble because they have abused their credit. As you shall see, a bad credit rating isn't always the borrower's fault!

However, when it knowingly is, there is no one else to blame. Not the banks, the retail stores, service stations, or the credit card companies. The ultimate responsibility lies with the person who signed the bottom line.

Incredibly, most Americans feel totally helpless when they finally discover or admit they are in financial trouble, or that something is wrong with their credit rating.

Most Americans seem to have only the vaguest idea about the mechanics and procedures required in obtaining, maintaining, and re-establishing a good credit standing.

What is a credit history?

A credit history is a record of the credit you have been granted in the past and how well you have met your obligation to pay your debts. Your credit history includes both whether you have paid your debts and whether you have paid them *on time*.

What is a credit rating?

A credit rating is an assessment of your ability to pay off debt based on your credit history.

What is a credit reporting agency?

A credit reporting agency (or CRA), also known as a *credit bureau*, is a company that gathers information about your credit history and sells that information to other companies that extend credit.

What is consumer debt?

Consumer debt is monies owed as the result of obtaining goods or services for personal or household use.

What is the Fair Credit Reporting Act?

The Fair Credit Reporting Act, also known as the FCRA, is a set of US government rules that requires the information supplied by CRAs about your credit history to be complete and accurate and available to you on request.

What is the Fair Debt Collection Practices Act?

The Fair Debt Collection Practices ACT, or FDCPA, is enforced by the Federal Trade Commission to prevent debt collectors from using abuse, deception, and harassment when attempting to collect debts from consumers. Improper collection practices under the FDCPA include:

- Telephoning the consumer's workplace
- Revealing the debt to people or companies other than the person responsible for paying the debt
- Threatening or harassing the person who owes the debt

- Continuing to contact the consumer after he/she has asked for contact to cease
- Demanding a payment in excess of that which is owed or which the law permits
- Continuing collection efforts when a consumer disputes a debt without first verifying the debt in writing

What is refinancing?

Refinancing is the payment of debt by borrowing additional monies. Be careful when refinancing, though – There are many unscrupulous companies that will add huge sums to your existing debt with hidden costs and high fees.

Also some companies, such as utilities, will set up a flexible repayment plan to enable you to pay off your debt, so that refinancing is unnecessary. **Do not let a debt collection agency pressure you into refinancing!**

What is a debit card?

A debit card takes money directly out of your bank account as soon as you use it. By contrast, when you use a credit card, you receive a bill within a designated time period for the credit that has been extended to you. You are responsible for paying the charges on the credit card bill.

What is bankruptcy?

Bankruptcy is a legal procedure through which people and businesses who cannot pay off their debts arrange to either have the debts “discharged” (erased) or paid off over time during the bankruptcy proceedings.

Did you know that every year, almost one million Americans file for bankruptcy? That translates into almost one out of every one hundred households.

DID YOU KNOW

- ✓ Chapter 7 bankruptcies stay on your credit record for 10 years.
- ✓ All bankruptcy claims are filed in federal courts.
- ✓ There are serious disadvantages to consider when filing for bankruptcy. For instance, you may have more difficulty renting a home once you have filed for bankruptcy. If filing for bankruptcy does not wipe out at least half your debt, it probably makes sense to meet your obligations in some other way.
- ✓ For consumers, there are two main types of bankruptcy: Chapter 7 bankruptcy and Chapter 13 bankruptcy.

What is Chapter 7 bankruptcy?

Chapter 7 bankruptcy, which is the most common form of bankruptcy, enables you to wipe out most consumer debts. These would include credit card debt, merchant card debt, medical bills, car loans, utility and phone bills, back rent, etc.

In return, however, it may be necessary for you to surrender property, such as a second car, a vacation home, or valuable electronic equipment.

These items will be sold to pay off the debts of the person who has filed Chapter 7. Most debts left over after this sale of personal assets will be erased. Types of debts that cannot be removed by Chapter 7 bankruptcy proceedings include child support and taxes.

What is Chapter 13 bankruptcy?

Chapter 13 bankruptcy, also known as *reorganization*, is usually filed by people who plan to pay off their debts within a three- to five-year period. People who elect to file Chapter 13 generally:

- Have property that they wish to keep.
- Have regular income that will cover both their living expenses plus the amount that is needed to pay off their debt.

The person who files for Chapter 13 will list all of his or her assets and liabilities and also submits a plan for repayment.

For more information about credit, credit counseling, and bankruptcy, visit these websites:

<u>WEBSITE</u>	<u>ORGANIZATION</u>
www.abiworld.org	The American Bankruptcy Institute
nacba.com	National Association of Consumer Bankruptcy Attorneys
www.nacm.org	National Association of Credit Management
www.consumerlaw.org	National Consumer Law Center
www.ncua.gov	National Credit Union Administration
www.nfcc.org	National Foundation for Credit Counseling
www.aiccca.org	The Association of Independent Consumer Credit Counseling Agencies (AICCCA)

Establishing Or Re-establishing Good Credit

It is very unusual to have no credit history at all. The only way to do this is to pay cash for everything. This is a society based on the credit system. Getting ahead in this credit society is hard for those who have been denied access to this credit system.

If you apply for a loan and have no credit history, the lender has to trust you enough to believe that you will pay it back. He has no references that support your creditworthiness.

The lender is taking a bigger risk in this kind of a situation, and will act accordingly. If you are over 25 years of age and have no previous credit history, then red flags will fly in the lender's mind.

Why hasn't someone trusted you before? What could you be hiding? These unanswered questions will be the demise of your possible loan.

If you have had a bad credit history, then you must now prove to the lender that you have changed your ways, or that your bad credit is/was due to circumstances beyond your control.

Steps to Establish Or Re-establish Your Credit:

- (1) Open a checking account. Assuming you keep your account correctly, you can use this account as a credit reference. After a few months, ask for a bank card line of credit.
- (2) Check about getting a loan with your savings account used for security. If you don't

have a savings account, borrow the money (a small amount, say \$200) from a friend or relative. Then pay them back as soon as you get the loan. Pay off this small note on a short (three month) term. Then repeat the process.

- (3) Apply for a credit line at a local retailer. This will be easier to get than a bank loan or travel card. Start by asking for a small credit limit. After you have proven your creditworthiness, increase your credit limit.
- (4) Apply for a department store or oil company credit card. These are the easiest to qualify for.
- (5) Get a secured credit card. After keeping your account current for a year, ask them to refund your deposit.
- (6) You might have good credit that you've forgotten about. Think back, and dig out past creditors that reflect good paying habits.
- (7) Go to an appliance or department store and make a large purchase. Pay 50 percent up front, and ask them to carry the balance for a specific amount of time.
- (8) If you are refused credit, find out why. It could be an easily corrected mistake. Fix it, and apply again.

How Banks Analyze Your Creditworthiness

The first thing your loan officer will scrutinize is your *ability to repay a loan*. To do this, he looks at your FICO Score, employment, the length of time of that employment, and the stability of that employment.

Is your occupation stable, or are there lay-offs? Is it seasonal work? This is the first thing the lender will find out. He/she will want to know that income has previously been spent.

Do you have previous obligations, such as alimony or child support? If your present living expense is in excess of 40 percent of your gross monthly income, then, in all probability, your loan will be denied.

The next thing your lender will look at is your personal character. The fact that you have the ability to pay, does not guarantee you have the character to pay.

Some indications of a stable character are credit checks through credit bureaus, length of time in the community, etc. Most lenders will make a personal judgment of your character during your personal contact. Do everything you can to make a good impression.

Then the lender will want to *protect himself* if he has been misled on your ability to pay or misjudged your character. This is security or collateral. Your lender will not lend you \$1,000 for a new couch that's worth \$500. If you would not repay, the **collateral** needs to cover the amount of unpaid balance.

The FICO SCORE

Most banks, finance companies, and other lenders are now using a credit scoring system created by Fair Isaac and Company, when analyzing a potential loan approval. Known as the FICO score, this new system is often the deciding factor in loan approval and interest rate. The following is an example of the components that comprise the FICO score:

Past Payment History

- Account payment information on specific types of accounts (credit cards, retail accounts, installment loans, finance company accounts, mortgage, etc.)
- Presence of adverse public records (bankruptcy, judgments, suits, liens, wage attachments, etc.), collection items, and/or delinquency (past due items)
- Severity of delinquency (how long past due)
- Amount past due on delinquent accounts or collection items
- Time since (recency of) past due items (delinquency), adverse public records (if any), or collection items (if any)
- Number of past due items on file
- Number of accounts paid as agreed

Amount Of Credit Owed

- Amount owing on accounts
- Amount owing on specific types of accounts
- Lack of a specific type of balance, in some cases
- Number of accounts with balances
- Proportion of credit lines used (proportion of balances to total credit limits on certain types of revolving accounts)
- Proportion of installment loan amounts still owing (proportion of balance to original loan amount on certain types of installment loans)

Length Of Time Credit Established

- Time since accounts opened
- Time since accounts opened, by specific type of account
- Time since account activity

Search For and Acquisition Of New Credit

- Number of recently opened accounts, and proportion of accounts that are recently opened, by type of account
- Number of recent credit inquiries
- Time since recent account opening(s), by type of account
- Time since credit inquiry(s)
- Re-establishment of positive credit history following past payment problems

Types Of Credit Established

- Number of (presence, prevalence, and recent information on) various types of accounts (credit cards, retail accounts, installment loans, mortgage, consumer finance accounts, etc.)

The FICO score is virtually used by all banks and is a considerable factor in credit approval and or denial.

Applying For A Loan

Talk to the loan officer at the lending institution you plan on using. Find out:

- What credit bureau they use and if the FICO scoring system will be used.
- Who is the decision maker-who grants or denies the loan.
- Debt-income ratio on approved loans (as mentioned before, most lenders will deny loans to persons whose outgoing indebtedness is 40 percent or more of their income).
- What the lender is looking for in length of employment, and length of time at present residence.
- The type of loan frequently granted from this lending institution.

Lenders are required, by the Truth in Lending Act, to disclose to you the following:

- Interest rate on loan
- Total cost of loan
- Amount of monthly payments
- Date payments are due

Most loan contracts have parts, or all, of the Truth in Lending Act printed on the back.

Get your credit report from the bureau which the lender subscribes to. Make sure it is in agreement with your credit application.

If there is anything on the report that needs explaining, write the explanation and submit it with your loan application.

Get two copies of your loan application. Do your figuring on your first copy. If you need to, you can always get another.

The copy you submit needs to be written neatly and clearly, in block letters. Do not scratch out or change numbers.

This raises questions. Most lenders do not verify the income amount unless the amount seems questionable.

Take your credit application to your loan officer in person by appointment. Try to make a positive impression by your way of dress, body language, and personal mannerisms.

The loan officer will be able to give you his personal opinion as to whether the loan seems favorable or unfavorable. Explain things he/she doesn't understand. A personal reference from your employer is another point for your side.

If your loan is denied, ask why. See if you can talk to the person in charge. Maybe there is something you could explain that would change his mind. Maybe you can personally convince him to take a chance in trusting you.

Don't stop there. Go to another lender. There may be one lender out there who is willing to take a chance on you. See if you can find him.

Don't give up too easily. Apply with only one lender at a time. After you have received this new line of credit, make sure you keep all your payments current, proving your trustworthiness.

Credit Unions

As a member of a credit union, your chances of getting a loan there are better than at other lending institutions.

Your monthly payments are usually made by payroll deduction' reducing the risk of nonpayment. Because of this, your work history and income-debt ratio are looked at more carefully than your credit history.

Credit unions also offer lower interest rates than banks or finance companies. If your company has a credit union, join-it's a fringe benefit most people do not take advantage of. Use it.

Credit Cards and Loans

Generally, when the average person thinks of credit cards, Visa and MasterCard come to mind. They are relatively easy to get, by either applying direct or through your local banking institution.

The most widely-known charge cards are American Express, Diners Club, and Carte Blanche. They also are thought of as the travel-and-entertainment credit cards, and are used extensively by business executives.

Businesses that accept credit cards are airlines, hotels, restaurants, retailers, and many other businesses that cater to travelers. These credit companies also offer services including traveler's checks, travel insurance, hotel and airline reservations, emergency cash, check cashing and subscriptions to travel and entertainment magazines.

Many businesses offer credit cards exclusive to their business. The purpose is to attract buyers to their establishments in an effort to attract consumers away from their competition.

This type of credit card is offered by airlines, car rental agencies, motels, oil companies, telephone companies, department stores, and other retail outlets.

Generally, there is no charge, unless payment is not promptly received within ten days or so after receipt of the billing. In that event, an interest charge is applied.

Credit Cards

The history of credit cards began in the early part of the twentieth century. The original credit card was to preferred customers of some exclusive hotels. Now credit cards are offered and used by almost everyone.

If you have used "plastic money" before, and found yourself sinking into debt, please be wary before using it again. You should use a credit card carefully. Interest rates on plastic money are much higher than on conventional loans.

Keep your balance paid as quickly as possible and try to avoid excess finance charges. Be aware of how much the convenience of your plastic money is costing you.

Applying For A Credit Card

Apply at a local retailer. These merchants seem to judge more by face value than credit history.

Find out the requirements that will qualify you. This can be done by phone.

Take care in filling out the application. Ask for two forms--one to use as a worksheet, the other to submit. Write neatly and be complete with all required information.

A secured credit card is a good way to establish, or re-establish, a line of credit. A secured card is one that uses a savings account, or C.D. account, as collateral.

This eliminates the credit card company's risk. Chances are if you have a negative credit history, or no credit history, this will be the only kind of plastic money available to you.

Remember, credit cards can tempt you to overspend. You should use a credit card wisely, and for convenience only. Exercise good judgment, and prove your creditworthiness.

The Equal Credit Opportunity Act applies to credit card applications as well. Use your rights for equal opportunities.

Consumer Credit Loans

There are basically two types of loans—Secured and Unsecured. A secured loan normally requires that some type of real property is pledged as collateral.

In the event of a default, the real property can be sold to recover a loss. Real property may include securities, an automobile, real estate, a boat, jewelry, or anything else of value.

An unsecured loan is one that requires no real property, or other security, for support. The granting of this type of loan is approved on the basis of a person's reputation, past payment record, and known ability to repay.

When there is no credit history, or if a borrower doesn't have a strong credit history or property that can be used as collateral, a co-signer with good credit can secure a loan for the person who needs money. The problem with this arrangement is that if the borrower defaults, the lender will expect the co-signer to pay the debt.

Payment Methods and Interest

Installment payments are payments that are made over a period of time (usually monthly) to reduce a loan.

The borrower normally doesn't have full use of the money during the life of the loan, and interest charges can involve complicated formulas.

When a lender borrows money, he must provide interest-charge information before a transaction.

Single-payment loans involve borrowing money for a specified period. At the end of that period, which may be from 30 days to one year or more, the loan, plus the interest, must be paid back in a single payment.

Determining the interest on a single-payment loan is fairly easy to do. You simply divide the interest charge by the principal.

Divide that amount by the months of the loan. Multiply that amount by 12 to determine the yearly interest rate.

For example: A person borrows \$500 for a period of six months from a banking institution that uses the simple-interest methods. The finance charge is \$35.

To compute: \$35 divided by \$500 equals .07; .07 divided by six months, equals .0117. Multiply .0117 by 12 months and your answer is 14 percent.

The borrower is paying 14 percent for the use of the \$500 loan.

Specific Loans That Can Create A Good Credit Rating

In order to generate the sale of automobiles, major car manufacturers have established their own loan-payment programs. Millions of Americans now bypass lending institutions altogether, and go directly to car dealerships, which are often much more liberal with loan applications.

After all, they are in the business of selling cars, trucks, vans, etc., not denying loan applications. Also, a vehicle, plus a modest down payment, serves as collateral in the event that a borrower defaults.

The vehicle would simply be repossessed, and sold again to cover any loss. Purchasing a new or used vehicle directly from a car dealer is an easy way to establish, or re-establish, good credit.

Debt-consolidation loans are another way of getting back on track. This type of loan will allow you to pay off all of your creditors by making one single, monthly payment to a lending institution.

The payments are almost always far less than the various payments you were paying when added together. Consolidation is a great way of maintaining, or re-establishing, an AI credit rating.

Overdraft loans have become increasingly popular, and can protect your credit rating by avoiding the embarrassment of having checks bounce. An overdraft loan is a type of loan that has been approved before a need for the money has occurred.

When you need the cash, you simply write a check. When your account is overdrawn, the bank then lends the money automatically up to your approved loan limit. Usually, you will be expected to pay it back in monthly installments, much the same as a credit card account.

Check loans are another way of establishing good credit. This loan plan involves the issuance of a special set of check blanks.

When you want to borrow money, you write an amount on the check and receive an instant loan. The following month, you will automatically receive your installment payment coupons.

If you have a savings account, but haven't established credit, you can establish credit with a banking institution by borrowing from yourself!

Thrift accounts, or passbook loans, allow you to make a loan up to the amount that you have in your savings. Because the banking institution is taking no risk, a loan can be approved quickly.

Credit Sources Commonly Used To Establish Good Credit

COMMERCIAL BANKS offer a wide variety of loans, including personal loans, auto, business, overdraft, student, credit card, thrift, single and installment loans, and secured or unsecured loans.

CREDIT UNIONS AND FINANCE COMPANIES offer auto loans, second mortgages on real estate, personal and debt consolidation loans, installment and single-payment loans, secured and unsecured.

LIFE INSURANCE COMPANIES will loan you money against the value of a life insurance policy for any purpose. These amounts, plus interest, will be deducted from the face value of an eventual claim if the loan is not paid back.

STOCK BROKERS may arrange loans for clients to purchase stocks, etc., or secure loans against the value of stocks already owned.

SALES FINANCE COMPANIES lend money for the purpose of marketing a product that is often a high-ticket item. After the item is sold, the dealer may then sell the contract to a bank or finance company.

SAVINGS AND LOANS offer all types of mortgages, home improvement, overdraft, credit card, student, installment, secured, single payment, and car loans.

LOANS BY MAIL can get you a personal loan through the mail from executive finance companies if you have a good credit record and substantial income. However, the finance charges are usually high.

SECOND MORTGAGE COMPANIES specialize in second mortgage loans on your home. The total finance costs, including interest charges, can be very high when you tap into a second

FEDERAL GOVERNMENT LOAN PROGRAMS offer many loan programs to those who qualify. With a government loan guarantee, you can get a loan approved at your local bank that might have otherwise been denied, because the government "guarantees" that the loan will be repaid by them if you default.

The bank has nothing to lose! Examples of government guaranteed loans are student loans, farm loans, business loans, VA, FHA, and SBA loans.

PAWN SHOPS are a last resort for many people. A pawnshop will accept just about anything as collateral on a single-payment loan.

The problem with this type of loan is that the borrower can receive as little as 10 percent of the actual resale value of an item.

Also, if the loan is not paid back in a certain period of time, the pawnshop dealer can sell the item to recover his money, and make a good profit besides.

Women and Credit

Projections from the U.S. Census Bureau state that of 100 typical American women now 21 years old, six will never marry. Ninety-four of them will marry, and 33 of them will see that marriage end in divorce. Out of the remaining 61 who stay married, 46 will outlive their husbands. Thus, 85 out of 100 women will be on their own at some time within their lives.

Of the 61 who stay married, what percentage of them married men with a bad credit history? Of the 33 who divorce, how many of them come out of the marriage with their own personal, positive credit history?

How many women know how much their net worth is? What their husband's life insurance policy is worth? Every woman-married, single, or divorced should be able to answer these questions, but how many can?

Financial planning is an abstract concept that has no meaning until it is used in our everyday life. Women deserve credit. A good credit history is as important to a woman as it is to a man.

A woman should use the steps in this manual to find out what her credit history is. If she has none, she should work at establishing some.

If it is a negative history, she should take the necessary steps to fix it, and work at re-establishing good credit. This should be done in her own name, not as Mrs. "John Doe."

Remember the Equal Credit Opportunity Act. Again, exercise your right to equal opportunities. A lender cannot deny you credit because of sex or marital status.

Consumer Protection Laws – The Fair Credit Reporting Act

You can protect your credit by being aware of legal facts regarding your consumer credit protection rights. All too often, consumers have their credit damaged unjustly as a result of misinformation being placed in their credit file.

The Fair Credit Reporting Act (FCRA) is a United States federal law that regulates the collection, dissemination, and use of consumer information, including consumer credit information.

Under the (FCRA) you have the right to dispute any information listed on your credit report that you feel is not 100% accurate. This law is the basis for allowing you to dispute negative information on your credit report and get it removed.

It was originally passed in 1970 and is enforced by the US Federal Trade Commission and private litigants.

Under The Fair Credit Reporting Act You Have The Right:

- (1) To know the name and address of the credit reporting agency that prepared the credit profile which was used by the subscriber to deny you credit.
- (2) To receive information from a credit reporting agency pertaining to the nature, substance, and the sources (not including investigative sources) regarding the information collected about you.
- (3) To have an attorney, credit consultant, or anyone of your choice, accompany you when visiting the office of the credit reporting agency.
- (4) To know who has received a report on you in the past six months, or within the preceding two years, if the report was pulled for employment purposes.
- (5) To find out all information held on you, without any charge, in the event you have been denied credit or employment in the past 90 days.
- (6) To have information pertaining to you, that you disagree with, and, therefore, dispute, reinvestigated, and corrected or removed if inaccurate or unverified.
- (7) To place a statement in the credit reporting agency's files if you continue to dispute the accuracy of any items after a reinvestigation.
- (8) To have an updated report sent to those credit grantors who have received a report pertaining to you within the last 3 months.
- (9) To request that the credit reporting agency send your side of the dispute to your potential credit grantors.
- (10) To sue a credit agency if it willfully or negligently violates the law in reference to possible damages resulting from such an act.
- (11) To have a credit report kept from anyone who, under the law, does not have a legitimate business need to receive that information.
- (12) Not to have adverse information pertaining to you over seven years, or bankruptcies for ten years, on file or reported.
- (13) To be notified by a business that ordered an investigative report for information about the nature and extent of the investigation.
- (14) To be notified by a business asking for information about you that would constitute the equivalent of an investigative consumer report.
- (15) To discover the nature and substance (but not the source) of the information that was collected for an investigative consumer report.

The Fair Credit Billing Act

Have you ever received a bill and didn't know what it was for? Billing errors can damage your credit standing, even if they didn't belong to you! The Fair Credit Billing Act was enacted in 1975 to protect consumers from billing errors, so that they can be resolved expeditiously and in a fair manner.

This Law Protects You From The Following Errors:

- 1) Charges for goods or services that were not accepted or delivered as agreed.
- 2) Charges which are incorrectly identified in terms of amounts or dates.
- 3) Charges not made by the person, or persons, authorized to use the account.
- 4) Failure to reflect payments, returns, or other credits.
- 5) Bills that were delivered to the incorrect address (even though you made a change of address notification in a timely manner).
- 6) Charges for which a written proof of purchase had been requested.

The law also provides that a creditor may not report an account delinquent to a credit reporting agency while there is a dispute that has been filed by the borrower or party involved.

Dealing With Collection Agencies

Third-party collection agencies are regulated by the Fair Debt Collection Practices Act. This Act outlines what a debt collector cannot do in collecting a debt for others.

They are not allowed to:

- (1) Contact you at inconvenient or unusual times or places, such as before 8:00AM or after 9:00PM, unless you agree.
- (2) Contact you at your place of employment if your employer doesn't approve.
- (3) Contact you after you send written notice to an agency to stop, except to state that there will be no further contact, or to notify you that specific action will be taken if that specific action is usually taken by the collector. In that event, your account will probably be referred to an attorney immediately.
- (4) Contact anyone but your attorney if you have one. Otherwise, a collector may contact other people only to determine where you work or live.
- (5) Tell people that you owe money, except you or your attorney.
- (6) Advertise your debt or publish a list of non-payers, except to credit bureaus.

- (7) Harass, oppress, or abuse any person, such as use of threats of violence or harm to property or reputation, use of obscene or profane language, repeated use of the telephone to annoy someone, or telephone without identifying themselves.
- (8) Make false statements when collecting a debt, such as falsely imply that they are an attorney or government representative, falsely imply that you have committed a crime, falsely imply that they work for a credit bureau, misrepresent the amount of debt, indicate papers are legal when they are not.
- (9) Fail to give you written notice within five days after contacting you, tell you the amount owed, the name of the creditor, and what to do if you feel you do not owe the money.
- (10) Contact you about the debt if you deny owing the debt within 30 days after being contacted, unless you are sent proof of the debt.
- (11) Imply or say that you will be arrested for nonpayment.
- (12) Say that they will take legal action unless the creditor intends to do so, and that it is legal.
- (13) Give false credit information about you to anyone.
- (14) Send you official-looking documents that appear like the documents a court or agency of any United States government body might send.
- (15) Use any false name.
- (16) Deposit a postdated check before the date of the check.
- (17) Make you pay for communications, such as collect calls or telegrams.
- (18) Contact you by postcard that could advertise your debt.
- (19) Put anything on an envelope that shows the communication is about the collection of a debt. For example, Midwest Collections is not an acceptable return address.
- (20) Fail to apply amounts to the specific debts you choose.

All About Credit Bureaus and Credit Repair

What is a credit bureau?

Credit bureaus, also called repositories or credit reporting agencies, are central clearing houses for credit-related information. Credit bureaus gather information about your consumer credit history, maintain this information, and actually sell it in the form of a credit report.

Clearly, credit bureaus are “for profit” businesses that make money by selling information about your credit and the credit of others. Credit bureaus are used by prospective

lenders to determine whether a particular individual is a good risk for either a credit line or a loan.

How do credit bureaus work?

Credit bureaus store virtually all of your payment histories and habits in computer databases. This information is analyzed, scored, and then sold to various lending institutions, credit card companies, etc.

Credit bureaus do not actually make any lending decisions – These are made by the actual lending institution with which you are involved: for instance, banks, stores, and so on.

What if a credit bureau has incorrect information about my credit history?

Credit Reporting agencies do not make any money correcting inaccurate information, but fortunately they are legally obligated to do so. (We will refer later to the Fair Credit Reporting Act (FCRA), federal regulations designed to give consumers fair protection and certain rights related to their credit.) It's up to you, though, to get the process started.

Begin by requesting a current copy of your credit report from each of the three major credit bureaus: Trans Union, Equifax, and Experian. You do not need a complicated document to request your credit report. Just request a copy and include your:

- Full name
- Current address and any previous addresses
- Social security number
- Date of birth (including year)
- A photocopy of your driver's license or a statement with your name and address clearly marked.

Is there a form that I can use to request my credit report?

Yes. To request your report, you may use a form like the one on the following page:

CREDIT REPORT REQUEST FORM

Date:

To Whom It May Concern:

I am requesting a copy of my credit report. My personal information is as follows.

Full Name: _____

Current Address: _____

Previous Address: _____

Date of Birth: _____

Social Security Number: _____

Telephone Number: _____

Special Circumstances:

(CHECK only if these apply)

I was denied credit on _____ (date) by _____. Attached is a copy of the denial letter.

I certify that I believe there are inaccuracies or erroneous information on my credit report due to fraud.

I am requesting my free annual credit report.

I have not been denied credit within the preceding 60 days. Enclosed is a copy of a document (i.e., driver's license) identifying me by my name and address, along with a check for

\$_____.

Thank you for your prompt attention to my request.

Sincerely,

(your signature)

How Do I Contact The Credit Bureaus?

You can call or telephone these credit bureaus at the locations below.
You may also learn more about these agencies and contact them via their websites.

Trans Union

P.O. Box 390
Springfield, PA 19064
PHONE: 312-408-1400
WEBSITE: www.transunion.com

Equifax

P.O. Box 740193
Atlanta, GA 30374
PHONE: 800-685-1111
WEBSITE: www.equifax.com

Experian

P.O. Box 2104
Allen, TX 75013
PHONE: 800-583-4080
WEBSITE: www.experian.com

Remember, it is important to order copies of your credit reports from all three of the reporting agencies noted above since there may be inaccuracies or incomplete information that may only appear on one or two of the reports.

How much does a credit report cost?

If you do not qualify for a free credit report, the fee typically is \$8.00. According to TransUnion, most state residents will be charged \$8.50 for a credit report. The fee for California residents is \$8.00; Connecticut residents, \$5.00; Maine residents, \$2.00; Minnesota residents, \$3.00; and Virgin Island residents, \$1.00.

Can I qualify for a free credit report?

Yes. There are certain situations that will enable you to get a free copy of your credit report. Do any of the following apply to you?

1. You have been denied credit by a credit card company or other lending institution within the last sixty days. A creditor that has denied you credit will inform you of the name and address of the credit reporting agency that has reported information that has resulted in your credit denial. Remember: your request for a copy must be made within 60 days of the denial.
2. Your report contains inaccuracies due to fraud. You will need to provide a sworn statement to this effect. An example might be that you believe someone else used your credit card or your social security number.
3. You receive public assistance. You will need to provide a sworn statement to this effect, as well as a copy of your most recent public assistance check.
4. You are unemployed and intend to apply for a job within the 60 days following your request for your credit file. Again, you must provide a sworn statement to this effect, plus documentation that proves you are unemployed or a copy of your recent unemployment check.

Certain states require the credit reporting agencies to provide one free copy per year of their credit report. Presently, these states include Colorado, Georgia, Maryland, Massachusetts, New Jersey, and Vermont.

Additionally, the federal government offers a free program where you may obtain your credit report once a year. AnnualCreditReport.com is the ONLY authorized source for the free annual credit report that's yours by law.

The Fair Credit Reporting Act guarantees you access to your credit report for free from each of the three nationwide credit reporting companies — Experian, Equifax, and TransUnion — every 12 months.

The Federal Trade Commission has received complaints from consumers who thought they were ordering their free annual credit report, and yet couldn't get it without paying fees or buying other services. TV ads, email offers, or online search results may tout "free" credit reports, but there is only one authorized source for a truly free credit report.

WARNING!

There are many scams on the Internet that appear to offer free credit reports that require you to sign up for another program – with a fee that you will have to pay – in order for you to receive your “free” credit report. *Steer clear of these free offers! They sound too good to be true, and they are!*

How long will it take to receive my credit report?

Typically, the credit reporting agencies will send you a copy within ten days to two weeks.

What can I expect to find out from my credit report?

Here is the type of information that you will find in your credit report:

1. Personal Identification Information

A typical credit file will usually include your name, present address, social security number, date of birth, and your employment history. Some reports will list your driver's license number, as well. Your salary is also typically included. The credit report will also include any former names, and previous addresses.

2. Public Record Information

This section will include public record items that are obtained from local, state, and federal courts. Public records are maintained by various government agencies, and are available to anyone. The following items, if applicable, would appear in this section of the credit report:

- Lawsuits (including a divorce)

- Judgments, including the defendant, plaintiff, amount of judgment, and whether this has been satisfied, and the date of judgment being satisfied.
- Judgment liens, including the date, amount, and whether satisfied, or not.
- Foreclosures
- Bankruptcy filings, including date filed, the district court information, the liabilities, and whether discharged or not, and the date.
- Tax liens, mechanic's liens.
- Criminal arrests and convictions.
- Child support delinquencies of \$1000 or more

3. Collection Agency Account Information

Certain businesses will provide information to credit reporting agencies only when an account is past due or the account against you has been turned over to a collection agency.

There will be an indication of the date the collection process was initiated, as well as any payments or actions taken since that date.

It will show the delinquency status:

- If an account is 60, 90, or 120 days late.
- Whether a suit was initiated.
- Whether it was discharged in a bankruptcy.

4. Credit Account Information

This section of your credit report contains both open and closed accounts. It makes up the largest part of your credit file, and shows monthly reports from your creditors. In differing formats depending on the credit reporting agency, you will find :

- The name of the company granting credit
- The account number of the company granting credit
- An explanation of who is responsible for the account and the type of participation you have with this particular account.
- For example, an account could be joint, individual, undesignated, authorized user, terminated, maker, co-maker/co-signer, on behalf of another, or shared.

- The month and year that the account was opened/
- The number of months that credit information has been reported on the account.
- The date of last payment, last charge, or occurrence.
- The highest amount charged or the credit limit on the account.
- The number of installments or the monthly payment.
- The amount owed as of the reporting date.
- The past due amount as of the reporting date.
- The status of the account
- Open (entire balance due each month)
- Revolving (the monthly payment amount is variable) or Installment (this represents a fixed number of payments over a given period of time). The timeliness of payments is also represented here. The following framework is utilized:

0 = Approved not used; too new to rate

1 = Paid as agreed

2 = 30+ days past due

3 = 60+ days past due

4 = 90+ days past due

5 = Pays or paid 120+ days past the due date; or account is in collections

7 = Making regular payments under wage earner plan or similar arrangements

8 = Repossession

9 = Charged off to bad debt

0 = Approved not used; too new to rate

I. The date of the last update to your account

In general, the credit granting companies that provide monthly reports to the credit reporting agencies include:

- Any banks that you have done business with

- Savings and loans
- Credit unions
- Finance companies
- Commercial lenders
- Credit card companies
- Mortgage companies
- Auto leasing or auto lenders
- Student loan companies
- Personal loans companies

Additionally, the major credit card issuers that are not bank-affiliated, such as American Express, Discover, Diner's Club, etc. report regularly.

Also, the major department stores that issue credit cards, such as JC Penney, Macy's, Sears, etc. report regularly.

If you use a credit card from a gas company such as Mobil or Exxon, you will see the reports here, as well.

Any other creditors that receive monthly installment payments will be listed here as well.

5. Companies That Requested Your Credit File - Inquiries

This section includes a list of businesses that have received your credit file within the past two years.

Some of the inquiries listed will be associated with certain abbreviations, such as PRM, AM, and AR.

- **PRM** indicates that the inquiry was initiated for promotional purposes, such as a screening to see if you are pre-approved for a credit card or other credit offer.
- **AM** indicates that a periodic review of our credit history has been initiated by one of your creditors. AM stands for account monitoring.
- **AR** stands for account review.

Sometimes this information is used to determine whether an increase in a credit line should be granted, or perhaps even to have your card cancelled.

It is important to note that the FCRA has made it a requirement that credit bureaus list the full name, not an abbreviation, of anyone who reviews your credit report for any reason!

Additionally, you have the right to ask a credit reporting agency to provide you with the address and telephone number of the businesses or individuals who are indicated on your report as having made an inquiry.

DID YOU KNOW ...

This section of your credit report is actually very important and has a significant effect on your ability to get credit.

Most lenders look at the number of credit-related inquiries you have on your report and use this as an indicator of how much credit you are trying to obtain.

They may assume that you are applying for too much credit based on the number of inquiries and therefore may not be a responsible user of credit.

If this is the case, they may deny your credit request.

How do I manage all of this?

By this time, after carefully reading your credit report for the first time, you may be feeling quite overwhelmed, or even frightened. This may be the first time you have actually viewed your credit report.

It is helpful to take a little time for the information to digest. Review it again over the next day or two, and then reread the mental preparation section of this handbook.

Take things one step at a time. Remember, persistence, organization, and the right mental attitude will help you to much more effectively deal with the credit reporting bureaus.

Take things one step at a time, but be persistent, follow up, be organized, and conscientious.

You will begin to see the results of your efforts in a relatively short period of time.

DID YOU KNOW ...

There are many companies that specialize in helping individuals with problem credit to obtain an auto loan. Typically, they work with a nationwide network of auto dealers representing various types of cars, new and used. For more information, contact:

www.1800DRIVETODAY.com
www.1800AUTOYES.com
www.AUTO-LOANS.com

Getting Your FICO Score

Utilizing the Internet, consumers can now gain almost immediate access to their **FICO score**. This is a measure of credit worthiness that is used by almost all of the major lenders.

In fact, the score is utilized by more than 75% of mortgage lenders in making their credit decisions.

This credit scoring system was developed by a company called Fair, Isaac & Company, a California based company that was a major factor in the development of credit scoring profiles for consumer use.

Generally, the FICO score was not made available to consumers, unless it was revealed to them by their lender.

By logging on to the website www.myFICO.com, consumers can obtain their FICO score, along with an accompanying analysis for a modest fee.

FICO scores typically range from 300 to 850, with higher scores indicating better creditworthiness.

The analysis will also indicate the top four reasons that a consumer did not obtain a higher score, ranked in order of importance.

This can be extremely helpful in targeting your work towards contacting the credit reporting agencies, and focusing on particular accounts in order to begin your letter writing campaign.

This additional information can provide valuable insights and lead to more effective credit decisions for you as you attempt to improve or restore your credit rating.

Correcting Errors On Your Credit Report

Can a credit bureau be wrong about my credit history?

Let's start with a very basic fact. **Credit bureaus do make mistakes!** And, the creditors and other information providers who give regular information to the credit reporting agencies sometimes provide inaccurate information!

It has been reported that more than 2 billion pieces of credit-related information are transferred each month, and more than 600 million credit reports are generated each year. The numbers are staggering, so it is easy to see how mistakes can happen.

What kind of errors might I find?

Let's take a look at some of the common problems that you will find:

- Your name may be misspelled.
- Your social security number is wrong.
- Your address is incorrect.
- Your information may be mixed with someone else who has a name similar or identical to yours.
- Duplicate accounts may be present.
- A former spouse's name might appear on your credit report.
- You may notice outdated information.

DID YOU KNOW ...

By law, credit reporting agencies may maintain and report negative information for seven years. Bankruptcies may be reported for up to ten years.

You may notice unauthorized inquiries. A lien that has been paid off may not show as having been released.

Account information may not indicate current activity accurately. For example, although you may have been late on payments in the past year, but have been current for six months, the more recent activity is not properly reflected. Information on the accounts reported does not relate to you at all.

Regardless of which Credit Reporting Agency (CRA) you are dealing with, the manner in which they respond to correction requests is always the same, according to the guidelines of the Fair Credit Reporting Act.

What are my rights under the Fair Credit Reporting Act?

One of the major reporting agencies, Trans Union, has nicely abstracted the key points presented in the Fair Credit Reporting Act. We draw from that information here.

The FCRA was implemented to promote fairness, accurate information, and privacy of information in the files that appear in every consumer reporting agency (CRA).

As noted previously, most CRAs are credit bureaus, such as Experian, Trans Union, and Equifax.

They collect information about you and your use of credit and sell this information to creditors, employers, landlords, credit card companies, and others.

The FCRA gives you, the consumer, specific rights, which are protected by law. You may also have additional rights as provided by local or state laws.

You can contact a state or local consumer protection agency or the state attorney general for your state to find out more about your rights within your specific locale.

- **If information in your file has been used against you, you must be informed of this action.** Anyone or any company who uses information from a CRA to take action against you, such as denying your application for credit or denying employment or insurance, must provide you with the name, address, and phone number of the CRA that provided the credit report.
- **You are permitted to find out what is in your file.** Once you have requested the information in your file and provided the appropriate identifying information, the CRA must give you the most recent information in your file and a list of all individuals or companies who have made inquiries within the past two years.
- You may not be charged for this report if an action was taken against you as a result of the report and you have filed this request within 60 days of your receipt of notice.

Additionally, you may receive a free report every 12 months if you can certify that any of the following are true:

- You are unemployed and plan to seek employment within the next 60 days.
- You are on public assistance
- There are inaccurate statements on your report due to fraud.

Otherwise, there will be a charge of up to \$8.50 for a report.

- **You have the right to dispute information in your report that is inaccurate.** If you indicate to a credit reporting agency that your credit file contains information that is inaccurate, the credit reporting agency must investigate these items (usually within 30 days) by presenting your relevant information to the credit reporting source.
 - The source must examine and review your evidence, and report back to the CRA with its findings.
 - It must also advise the national CRAs of any errors.
 - The reporting agency must give you a written report of the results of the investigation and a copy of your new report if there is a change to be made.
 - If the investigation does not result in a dispute being resolved, you have the right to add a brief statement to your file. This item should be included in subsequent reports of your credit file.
 - If there has been a change made whereby an item has been deleted or corrected, you can request that any recent inquiries be notified of the change to your report.

The credit reporting agency must correct or delete inaccurate information.

A CRA must delete or correct unverified or inaccurate information from its files, usually within a 30-day period from the time that you dispute the accuracy of information in your report.

- The credit reporting agency is not required to remove accurate information unless it is outdated or cannot be verified.
- If your dispute of the information in your report results in a change to your report, the CRA cannot put that disputed information back in to your report unless the source of the information is able to verify the accuracy and completeness of its report.
- Additionally, the CRA must give you written notice indicating that it has reinserted the item. The notice has to include the name, address, and telephone number of the information source.

An individual can dispute false or inaccurate items directly with the source of the information. For example, if you dispute an item with a creditor who reports to the CRA, they must indicate your dispute to CRA when they report back to the CRA. This is called a *notice of dispute*.

- Once you have notified the source of the information about its error, it may not continue to report the information if, in fact, it is an error.

The information in your report has a time limit. In most instances, a credit reporting agency may not report negative information that is more than seven years old. The limit is ten years for bankruptcies.

There is limited or restricted access to your credit file. A credit reporting agency may provide information about you and your credit file only to people or companies that have a need that is recognized by the FCRA. In most cases, this is to consider an application with a creditor, insurer, employer, landlord, or other business, such as an auto lease.

You must consent for reports that are released to employers or reports that contain medical information. A CRA may not release information about you to an employer or potential employer without your written authorization. A CRA may not report any medical information about you to creditors, insurers, or employers without your full authorization.

An individual may choose to have their name excluded from lists that CRAs maintain for unsolicited offers from credit and insurance companies. Often, creditors and insurance companies may use CRA file information to make unsolicited offers for various credit card, mortgage, leasing, and insurance products. These offers must now include a toll-free number for you to call to remove your name from such a list.

- If you make this request, your name and address must be kept off the list for at least two years. You can be taken off these lists indefinitely if you request a CRA form, complete it, and return it to the CRA.

You may be entitled to seek damages from violators of the FCRA. If a credit reporting agency, a user, or a provider of CRA data violates the provisions of the FCRA, you may be entitled to sue them in state or federal court.

How do I proceed if a credit reporting agency violates my rights?

There are agencies with authority to enforce the Fair Credit Reporting Act who can assist you.

Agencies With The Authority To Enforce The FCRA

Federal Trade Commission

Consumer Response Center- FCRA

Washington, D.C. 20580

Telephone: 202-326-3761

For: Concerns regarding credit reporting agencies, creditors, and others not listed below.

Office of the Comptroller of the Currency

Compliance Management

Mail Stop 6-6

Washington, D.C. 20219

800-613-6743

For: Concerns regarding nation banks (N.A.), federal branches and agencies of foreign banks.

Federal Reserve Board

Division of Consumer & Community Affairs

Washington, D.C. 20551

Telephone: 202-452-3693

For: Concerns regarding the Federal Reserve System member banks.

Office of Thrift Supervision

Consumer Programs

Washington, D.C. 20552

Telephone: 800-842-6929

For: Concerns regarding savings associations and federally chartered savings banks (FSB)

National Credit Union Administration

1775 Duke St.

Alexandria, VA 22314

Telephone: 703-518-6360

For: Concerns regarding federal credit unions.

Federal Deposit Insurance Corporation

Division of Compliance & Consumer Affairs

Washington, D.C. 20429

Telephone: 800-934-FDIC

For: Concerns regarding state-chartered banks that are not members of the Federal Reserve System

Department of Transportation

Office of Financial Management

Washington, D. C. 20590

Telephone: 202-366-1306

For: Concerns regarding air, surface, or rail common carriers.

Department of Agriculture

Office of Deputy Administrator- GIPSA

Washington, D.C. 20250

Telephone: 202-720-7051

For: Concerns regarding activities subject to the Packers and Stockyards Act, 1921.

DID YOU KNOW ...

You can review the Fair Credit Reporting Act in its entirety.

Go to: <http://www.ftc.gov/os/statutes/fcra.htm>.

Remember, as a consumer, you have the right to challenge the statements made in your credit report at any time if you believe them to be inaccurate.

- You may submit a consumer statement to any of the credit reporting agencies, stating your position on the problem in your report. Your written statement should be no more than 100 words and should explain why you believe the information in your credit report is inaccurate.
- The Fair Credit Reporting Act requires that a staff person from a credit reporting agency assist you if you require assistance in writing your statement.
- The law requires that your statement become a permanent part of your credit report, available to anyone who reviews your credit file.
- If it is determined that your statement was correct and accurate as verified by the creditor, the credit reporting agency is then mandated to include your statement of dispute, at your request, in your credit report.

How can I make sure that the CRA answers my letter promptly?

Many consumers have reported that their letters are not responded to in a timely way by the credit reporting agencies. Sometimes, they have even reported their letters to be ignored!

One of the best ways to guard against this happening to you is to send your dispute letter by certified return receipt mail. This will greatly increase your chances of getting a timely response. Keep accurate records of when you have sent letters to the credit reporting agencies.

REMEMBER!

Information that is inaccurate must be removed within 30 days.

How To Remove All Negative Items From Your Credit Report

After the Fair Credit Reporting Act was passed into law, credit counselors started setting up offices, claiming they could clear up credit records. The system they used, and continue to use, does work.

It can clear up damaging negative items listed on credit reports years before they would have been eliminated by Federal time-limit laws. The good news is that you don't have to pay a credit counselor to do the very same thing for yourself! You can achieve the very same results, and save yourself a few hundred dollars or more in the process!

This is the secret! First of all, credit counselors know something the average person doesn't. They won't tell you, and the credit bureaus won't tell you!

That is that each item on a credit report must be proven to remain on the report. What does this mean? Simply, that if a credit bureau is challenged, but can't prove an item, it must be removed from your file report whether it's true or not.

This Is How It Works!

Credit repair companies know that a negative entry can be challenged, and denied by their clients at any time. When challenged, the credit bureau must investigate. If a challenged item cannot be verified as correct within a reasonable period, it is automatically removed from the report.

A credit counselor will ask you to send a letter to any credit bureaus holding your file denying all of the negative entries in your credit report. You would be asked to indicate in your letter that the negative entries are not correct, that it is not your account, and that you have absolutely no recollection of any late payments, etc.

Once the credit bureau receives your letter, they must verify the information you have presented. The negative items will begin to disappear from your file for several reasons!

Remember, the credit bureau must verify your new information. If they are too busy to verify the information, or if the creditor who is contacted doesn't respond in a certain time frame, the negative items will be removed from your record.

Many creditors will not respond to a credit bureau inquiry simply because it is a bother. Also, if any past problems have been corrected, a creditor will show less interest in keeping a negative item on your credit record, and also will not bother to respond to a written inquiry.

Generally, creditors will only maintain credit-account information for two years. Credit counselors know that if you challenge an account that is more than two years old, chances are the records won't be available for verification.

When you receive your new updated credit report, you will note that many, if not all, of the negative items have been removed. After a few months have passed, a credit counselor will have you repeat the process by once again challenging the credit bureau's information with denials.

This process is usually repeated until all negative items are removed. When a creditor receives a second or third inquiry in a short time span, he may think it is just a follow-up of one received earlier.

That, however, is not the case, and if he doesn't respond to each one, your report has one more item removed. This procedure can place you years ahead in re-establishing your credit.

Things To Look For In Your Report

Understanding your credit report is very important. Every bureau uses different codes and abbreviations, so don't be afraid to ask questions.

After you have received your report and have decoded the information, review it carefully-are there any:

- Errors and/or inaccuracies
- Misleading information
- Incomplete information
- Outdated derogatory reports

NOTE: All derogatory information should be removed after a given amount of time. Seven years for late payments, liens, judgments, charge-offs, repossessions, etc. Bankruptcy should be removed after ten years.

Disputing Information On Your Your Credit Report

Now that you know what information you want removed from your report, your next step will be to write a dispute letter. In it explain what you want removed in a simple, direct way without going into great detail.

Enclose any documentation you have that will support your claim(s). It is best to make copies of such documentation and keep the original yourself. Use words like detrimental or damaging, and stress how the information could jeopardize your future creditworthiness. This is very effective if used correctly.

Send your dispute letter by certified mail. Keep a copy of your letter, along with copies of documentation, and your mail receipt.

Keep detailed notes on all phone conversations. Always get the name(s) of person(s) you've talked with. An added bonus to this is the change of attitude(s) once you have that person's name.

A credit bureau should respond within a short time. If after two to three weeks you have not received a response, you should send a second letter (again via certified mail and keep a copy). Inquire as to the delay in getting a response. You can do this by phone, but be sure to take notes.

It will not help your case if you become angry or argumentative. Stay calm, and present yourself in a pleasant way. Refrain from using foul language, as this will only hurt your case.

After You Get Your Updated Report

According to the Fair Credit Report Act, a credit reporting bureau does not have to investigate a disputed report if they feel your request is "frivolous or irrelevant." They are advised against using this as an excuse, unless they have reasons that would stand up in court. This is why they rarely turn down a request to investigate disputed information.

After receiving and reviewing your updated report, you may see a big difference. Some credit-repair professionals make claim to 50 percent to 100 percent success rates in removing detrimental information.

Keep in mind, however, that the percentage removed depends on the number disputed. If you've only disputed one item on your credit report and that one item has been removed, you have scored 100 percent.

If, on the other hand, you disputed nine items and had three removed, you've only scored 33 percent.

These numbers can be deceiving. If you have only removed one item, chances are it was the one item that affected your report the most, so consider it a success.

If, after getting your updated report, you find a disputed item remains and you are convinced of its error and still are willing to dispute it again, write another letter to the credit bureau and request a reinvestigation.

Many professional credit repair services dispute every detrimental item on reports (whether valid or not), and then bombard credit bureaus with reinvestigation letters, until the credit bureau fails to respond, and items then must be removed by default.

How Time Can Erase A Bad Credit Report

What millions of Americans do not realize is that if they took no action at all to remove negative reports from their credit files, in time they would be automatically erased anyway!

Why? Because the Fair Credit Reporting Act has set limits on the number of years that reports can remain on your record. In effect, the passing of time can wipe your slate clean!

All adverse information must be erased from your file after a period of seven years. This includes any and all information collected that might have had a negative effect in obtaining credit. There are, however, a few exceptions to this ruling:

A credit bureau may keep a separate file on an individual indefinitely and release that information if there is a credit transaction involving \$50,000 or more; if life insurance which exceeds \$50,000 or more is applied for; or if a prospective employer is requesting a report that may result in an employment position that pays \$20,000 or more a year.

Work Closely With Creditors To Eliminate Negative Reports

Including legal information, such as money judgments, that is obtained from public records, the information in your credit bureau record has come from creditors that you have either done business with, or currently have an account with.

These are the sources that have reported, or are reporting, how well or badly you are doing on those accounts.

Keep in mind that if the negative information is true, there is little a credit bureau can do to eliminate the reports from your record.

However, the original creditor that provided the information can! They reported the negative information, and they can change it! And time after time, people have been surprised to discover that they will if it is in their best interest!

Often, by appealing to a creditor's sense of fairness, you will be able to negotiate a deal that is in your best interest also.

For example, if you owe a creditor money, but can't borrow funds to pay off the bills because the creditor has damaged your ability to get further credit, you can negotiate for them to remove the negative report or have it reduced to a less serious, non-evaluating status, which would allow you the opportunity to get enough money to pay your debt. If the creditor agrees, and it happens all the time, you'll both be winners!

Negotiating

Negotiation(s) with the subscriber(s) who holds your outstanding account(s) is permissible and probably more ethical than the above mentioned procedure. Contact this person(s) and set up a personal appointment.

Try to solve the situation with him/her. If it is a legitimate debt, offer to pay it off in ways you are sure you are capable of handling. Don't make promises you know you can't keep. Keep negotiating until everyone involved feels sure that an acceptable agreement has been reached.

After you have shown your willingness to stand up to your agreement (this could take two or three months to prove your worthiness), then ask him/her NOT to respond to a reinvestigation. This negative item would then automatically be removed from your credit report.

Bankruptcies

Sometimes bankruptcies are easier to remove than other items on your credit report.

Why?

- (1) Bankruptcy files hold an incredible amount of information, so the profitability of mistakes is high.

- (2) Bankruptcy is reported to credit bureaus by the court, often by overworked, unpaid clerks with little or no interest in your particular file.

Working with a government office is quite different than working with private subscribers. Getting the government to cooperate will make it hard for the credit bureau to respond to your dispute letter within the allotted time.

The government's incompetence can affect your fixed credit report. Remember to send your letter of dispute to the credit bureau, NOT the court that holds the bankruptcy file.

The bureau must also correct any inaccuracy within a reasonable amount of time or remove it (the bankruptcy) from your credit record. It is very easy to find some kind of inaccurate information in a bankruptcy file. Use this to your advantage.

Judgments

Sometimes you will find judgments in your file that you are not even aware of. A judgment can be filed against you by anyone who feels you owe them money. If, once filed, the court decides you are at default, then you must pay the full amount.

The court will set up monthly installments if you cannot pay the full amount at one time. The court also can order your wages garnished, or put liens on your bank accounts, real estate, or vehicles.

Try to avoid a judgment on your record by solving the matter with whoever is suing you. If you don't have the money to clear up the debt owed, try to work out weekly or monthly payments.

A judgment against you which has been paid will show on your credit report as a "judgment satisfied." Yet on numerous occasions, a judgment will show "judgment unsatisfied" long after it has been paid.

Also, the amount of the judgment is often in error. Thus, you may have good reasons to dispute the judgments on your credit record. Use the same steps in disputing a judgment as you would for disputing any other derogatory item on your credit record.

How To Remove File Variations and Inquiries

File Variations

File variations can appear on credit reports when a credit bureau receives conflicting information. This type of error should be corrected as soon as possible, because when a bureau receives incorrect information from a creditor, they also then have the wrong information in your file.

When you discover discrepancies of this type, correct the errors immediately by contacting your creditor and the credit bureau. Why is it important? Because, for example, social security numbers are important in identifying who you are!

An incorrect social security number, employer's name, or address can make the difference between approval or denial of a credit application.

Make certain that everyone who submits a report to a credit bureau has the correct information. When you discover an error, write to the credit bureau explaining that the information they have on file is incorrect, and provide them with the right information. They will then investigate the item in question and remove any variations.

'Variations' in information can work against you because they send a signal to creditors that you may be attempting to deceive or mislead them. Variations in information are a negative force, so don't discount them as unimportant.

Inquiries

Inquiries are not rated on your credit bureau report, but, nonetheless, may be a negative sign to any creditor reading your credit report. If you have more than a couple of inquiries without a subsequent account being opened, this sends a negative message.

Most retailers will ask for a credit report before allowing you to take a purchase home. This will appear on your credit record as an inquiry. They also can give your loan application to several other lenders, and the other lenders will run their own credit check.

For one purchase, you could conceivably have several inquiries turn up on your credit record. In most states, an inquiry will remain on your credit record for one year. It is not good for your credit report to show too many inquiries. This often raises questions in lenders' minds (i.e., why does this person need so much credit all of a sudden?).

A subscriber must have your permission in order to run an inquiry into your credit report. After you see your report, and notice there are inquiries that you were not aware of, you should send a letter to those subscribers.

Explain to them that you did not authorize them to check your credit. Remind them that they are in direct violation of the Fair Credit Reporting Act. Suggest that they immediately contact the credit bureau involved and remove the unauthorized inquiry.

Inquiries may stay on a credit report for up to one year, and should then be removed. If you don't plan on applying for credit before the inquiries are removed, there is probably nothing to worry about, provided they are, in fact, removed.

However, if you will be applying for credit, and want to eliminate this type of negative entry, there are two approaches you can take:

- (1) You can dispute the inquiries listed that have not resulted in a positive conclusion. Simply write a letter to the credit bureau stating that you have no recollection of ever applying for credit with the creditor who made the inquiry, and ask them to remove the listing from your records.
- (2) Write to the credit bureau and tell them that you believe you have been denied credit because of the previous inquiries, and would appreciate their removal from your files. Tell them you are willing to pay for processing charges if there are any.

How To Put Positive Items On Your Credit Record

Millions of Americans have A-1 credit accounts that never show up on a credit report because not all creditors will share your credit history with a credit bureau.

The Federal Trade Commission (FTC) has advised credit bureaus that when a report has created a negative action against a debtor, that person may add a creditor's name and positive credit information that will show a favorable credit history.

As a result, most credit bureaus will contact any creditor you name, and then add that information to your file. There may be a small fee, but any positive credit information you can add would generally be well worth the small costs.

How To Begin Building A Good Credit Report

Start by listing creditors that have not reported your personal credit history to a credit bureau. List only those with which you have a good relationship and flawless payment record.

Let these creditors know that the credit bureau will be contacting them, and ask them to release your account information to the caller.

Once a creditor has been contacted, call the credit bureau and ask them to contact the list of creditors you will provide. Also ask them to add this information to your report as soon as the information has been verified.

Once you have cleared as many negative items as possible from your credit file and added more positive reports, your credit rating will improve dramatically.

Adding Positive Information To Your Credit Report

As stated earlier, not all your credit history will be in your credit report. If you have some detrimental information showing on your report, you can try to balance that out by adding information that shows good credit history.

Write a letter to the credit bureau. Give them:

- Name of lender
- Account number
- All other information concerning the account

The credit bureau may charge you a small fee for adding this information. The counter-balance effect is well worth a small fee.

Your side of the story, when it comes to why some of your credit history is negative, also can be added to your credit report. Many lenders analyze applications at board

meetings. If they run a credit check and find a derogatory item, they may deny your loan request or ask you for a written explanation.

If you have already put this explanation into your credit report, it will save a lot of time and trouble.

If you have a good reason for a bad report, use your rights and send your statement to the credit bureau. It can only help improve your credit report.

Can A Credit Reporting Agency Be Sued For Noncompliance?

Yes, it can! As a consumer protected under the Federal Fair Credit Reporting Act, you have the right to challenge or sue any credit reporting agency in the same manner that you could bring suit against any other business.

If a credit bureau violates the rules regarding:

- (1) Who may have access to your credit records, or
- (2) Fails to correct errors in your credit file even after they have been made aware of them, you are entitled to actual damages and punitive damages, as the court may allow, if the violation is proved to have been intentional.

If you are successful, you will be awarded court costs and attorney's fees. Further, note that an unauthorized person who secures a credit report, or employee of a credit reporting agency who supplies a credit report, to any unauthorized person, or persons, may be fined \$5,000, or imprisoned for no more than one year, or both!

Is there anything else I can do to move things along?

It is useful to set up a simple system of attempts to contact the credit reporting agencies to help monitor the status of your requests. It is also useful to organize materials related to the credit reporting problem that you are addressing.

- It is important to make and keep copies of all letters and other correspondence that you send on your behalf.
- Keep a log of telephone contacts related to the credit problem. Be sure to record the name of the person with whom you spoke, as well as their number and extension. Record a summary of the conversation, as well as the intended action as a result of the phone call.

Good record keeping is essential. It may come in handy and provide some proof of your attempts to resolve your dispute with a credit reporting agency, should you need to pursue legal action at some point in the future or file a complaint with the Federal Trade Commission.

What If The CRA Refuses My Request?

Upon investigation, it is possible that a credit reporting agency will find that the information you are challenging is correct. At this point there are several options that you may pursue.

- **You may attempt to locate new or additional information that will verify your assertions of inaccurate information.** Send this information to the CRA by certified mail with a request for a return receipt.
- **Don't forget to add positive information related to your use of credit.** Some companies, including major commercial lenders such as auto loan companies and mortgage companies, do not report to the three major credit reporting agencies.
- You may choose to send the credit reporting agencies account information for accounts that you pay on time. You can include a copy of a recent statement of account, along with copies of cancelled checks demonstrating a pattern of timely payment.
- Ask the credit bureaus to add this information to your credit file. This process can add valuable positive information to your credit history!
- **You may contact the creditor who is providing the information to the CRA – for example, an auto loan company – and request that it correct the problem in reporting.** Send the creditor a letter similar to the one you sent to the credit reporting agencies, and include documentation wherever possible.
- Ask the creditor send your corrected file to all of the credit reporting agencies to which that they report with instructions to correct your file. Also request that the company send the corrected copy of the file to you, along with the correction letter that they have sent to the credit reporting agency.

Budgeting

This manuscript would be incomplete if it did not include something on budgeting. We are all individuals, and the way we spend, save, or budget our money, is just one of the ways we express ourselves. There are few rights or wrongs.

What is right for you may be wrong for someone else. Rather than set up rules (rules are made to be broken), it is better to understand the logic of your own personal spending habits. If you are married, this must be done together, each being willing to understand the other's logic, and both must be willing to make compromises.

Money may not be able to buy happiness, but the lack of it when it is needed can surely create some unhappiness. Making sure money is available when it is needed means planning. That is why it is essential to create some kind of budget that will fit your individual needs.

Budgeting is easy if you have enough income to meet all the outgo. Before you can even begin to budget, you must have enough money available to meet your necessary expenses.

Necessary outgoing expenses should include:

- (1) Housing
Mortgage or rent
Taxes and insurance
Utilities
Improvement and maintenance
- (2) Food
- (3) Transportation
Car payments
Gas and oil
Insurance, taxes, and tags
Repairs
Bus and taxi fares
- (4) Health care
Insurance
Doctor and dental bills
Medications

If, after tallying these up, there is still more income than outgo, other things that can be added are:

- Savings (this is #1 for a good reason: be prepared for the unexpected; pay yourself first)
- Gifts (start planning for Christmas in January)
- Charities
- Recreation (this should include vacation expenses)
- I would really like a (new couch) or I've always wanted a (horse)--note: This item should be at the bottom of your list

Why budget? Everyone needs to budget in order to:

- Establish financial priorities
- Keep track of and adjust spending to achieve those priorities
- Keep track of your overall financial growth (net worth)

Organization—The Key To Successful Budgeting

No special skills are needed, just a basic knowledge of simple arithmetic (or an inexpensive calculator), and good old common sense. To take the hassle out of paperwork, you can:

- (1) Find a quiet place to work. Keep it free from distractions and clutter.
- (2) Have a storage place for receipts and records. This can be as simple as a metal file box. Keep this next to your work area.
- (3) Devote two hours per month, and develop a system for paying bills.
- (4) Keep a ledger on what you have done, and what you plan to do.

I find it easiest to budget one month at a time, keeping an overview of the entire year. Our house and car insurance is semi-annual, so August and February must be planned accordingly. In December, I can go stark raving mad at Christmas if not kept in check by someone other than myself. All these things need to be dealt with in your budget. Find out what works best for you, and then stick to it.

The Attorney Credit Repair Guide Portfolio Of Credit Repair Letters

In this section you will find a huge assortment of credit repair letters. These letters were created to handle virtually every credit problem you are likely to encounter.

A few may not be of use to you in your particular situation. We put together different letters for different needs.

All you have to do is adapt them to your own particular credit situation.

To obtain the best results the letters were written in a simple manner, so they do not sound like they were created by a credit repair consultant. ***To get the very best results, you should write all of your letters by hand.***

The credit bureaus will often show resistance or even reject a dispute letter if it is done by a professional credit repair company. Many credit-repair consultants now have all of their letters written for them by hand in the very same simple format as the letters here. Why pay someone \$700 or more when you can do it all yourself?

Requesting the Removal of Inaccurate Information

The following is a sample letter requesting the removal of inaccurate information from a credit report. With this letter, always include any copies of proof you may have (i.e., cancelled checks showing timely payments, paid off accounts, loans) that demonstrate that indeed the information is incorrect.

It never hurts to include the consequences that have resulted from this wrongful information as well. The credit agencies give the most immediate attention to seriously wronged consumers. Remember the agencies are bombarded with 10,000 letters every day. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234
(Current address for the last 5 years)
SSN XXX-XX-XXXX
DOB: 1/1/00

Credit Bureau
Credit Bureau Address
Some City, Any State 56789

Date:

To Whom it May Concern:

Dear Credit Bureau:

This letter is a formal complaint that you are reporting inaccurate credit information on my credit report.

I am very distressed that you have included the information noted below in my credit profile due to its damaging effects on my good credit standing. As you no doubt are aware, credit reporting laws ensure that bureaus report only accurate credit information.

No doubt the inclusion of this inaccurate information is a mistake on either your or the reporting creditor's part. Because of the mistakes on my credit report, I have been wrongfully denied credit recently for a *<insert credit type for which you were denied here>*, which was highly embarrassing and has negatively impacted my lifestyle.

(Optional) With the proof I'm attaching to this letter, I'm sure you'll agree that the inaccurate information is harmful to me and, thus, needs to be removed ASAP.

The following information, therefore, needs to be verified and deleted from the report as soon as possible:

CREDITOR AGENCY, acct. XXXX-XXX-XXXX-XXXX

Sincerely,

Your Signature
Your Name

Requesting the Removal of Inaccurate Information 2

The following is a second sample letter requesting the removal of inaccurate information from a credit report. With this letter, always include any copies of proof you may have (i.e., cancelled checks showing timely payments, paid off accounts, loans) that demonstrate that indeed the information is incorrect.

It never hurts to include the consequences that have resulted from this wrongful information as well. The credit agencies give the most immediate attention to seriously wronged consumers. Remember the agencies are bombarded with 10,000 letters every day. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234
(Current address for the last 5 years)
SSN XXX-XX-XXXX
DOB: 1/1/00

Credit Bureau
Credit Bureau Address
Some City, Any State 56789

Date:

To Whom it May Concern:

I've just reviewed my credit report and noticed there are several inaccurate items on my report as follows:

Chase VISA Acct: XXXXX-XXXXX-XXXX-XXX:
This account is listed as being 30 days late. I have never been late on this account.

Sears Acct: XXXXX-XXXXX-XXXX-XXX:
This account is listed as being 30 days late. I have never been late on this account.

Universal Acct: XXXXX-XXXXX-XXXX-XXX:
This account is listed as being 30 days late. I have never been late on this account.

In addition, there are a number of credit accounts that have been inactive for more than seven years. As you know, the FCRA states that all credit older than seven years should be removed from my report. Therefore, the following accounts should be removed:

Diner's Club Acct: XXXXX-XXXXX-XXXX-XXX
GE Consumer Card Acct: XXXXX-XXXXX-XXXX-XXX
Macy's Acct: XXXXX-XXXXX-XXXX-XXX

I have enclosed a copy of my driver's license as proof of identity.

Sincerely,

Your Signature
Your Name

enclosure

Requesting the Removal of Inaccurate Information 3

The following is a third sample letter requesting the removal of inaccurate information from a credit report. With this letter, always include any copies of proof you may have (i.e., cancelled checks showing timely payments, paid off accounts, loans) that demonstrate that indeed the information is incorrect.

It never hurts to include the consequences that have resulted from this wrongful information as well. The credit agencies give the most immediate attention to seriously wronged consumers. Remember the agencies are bombarded with 10,000 letters every day. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234
(Current address for the last 5 years)
SSN XXX-XX-XXXX
DOB: 1/1/00

Credit Bureau
Credit Bureau Address
Some City, Any State 56789

Date:

To Whom it May Concern:

I've just reviewed my credit report and noticed there are several old items on my report. Per the Fair Credit Reporting Act, all items older than 7 years must be removed. The 7-year clock starts from the date of the first delinquency.

1. Chase VISA Acct: XXXXX-XXXXX-XXXX-XXX:

This account was charged off in 1995, clearly more than 7 years ago. In addition, the following collection accounts are associated with this account and also need to be removed under the FCRA.

- a) ACME Collections Account # XXXXXXXXXXX
- b) ABC Collections Account #XXXXXXXX

2. Sears Acct: XXXXX-XXXXX-XXXX-XXX:

This account was charged off in 1996, clearly more than 7 years ago. In addition, the following collection accounts are associated with this account and also need to be removed under the FCRA.

I have enclosed a copy of my driver's license as proof of identity.

Sincerely,

Your Signature
Your Name

enclosure

Requesting the Removal of Inaccurate Information 4

The following is a fourth sample letter requesting the removal of inaccurate information from a credit report. With this letter, always include any copies of proof you may have (i.e., cancelled checks showing timely payments, paid off accounts, loans) that demonstrate that indeed the information is incorrect.

It never hurts to include the consequences that have resulted from this wrongful information as well. The credit agencies give the most immediate attention to seriously wronged consumers. Remember the agencies are bombarded with 10,000 letters every day. Keep a copy for your files and send the letter registered mail.

<Your Name>
<Your Address>
SSN: <Your SSN>

Equifax Information Services LLC
P.O. Box 740256
Atlanta, GA 30374
Date 1/25/05

To Whom it May Concern:

I recently pulled a copy of my credit report and noticed the following information are in error:

Inquires

The FCRA states that the only permissible purpose for pulling someone's credit report is a) firm offer of credit b) insurance c) employment or d) a court order.

The following inquiries are related to none of the aforementioned permissible purposes.

- 1. MBNA**
2. Tri-City Credit
3. Factual Data
4. FDC
5. Chase Credit Research

Please remove these inquiries from my credit report. I have enclosed a copy of my driver's license as proof of identity.

Sincerely,

<Your Name>

Follow-up after the Initial Contact to the Bureau Contact

Use the following letter if your initial attempts to gain a response from the credit reporting agency prove fruitless. In this letter, and all succeeding correspondence with the credit reporting agency, you need to get increasingly threatening. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234
SSN

Credit Bureau
Credit Bureau Address
Some City, Any State 56789

Date:

RE: Dispute Letter of *<Date you sent in first or previous requests>*

Dear Credit Bureau:

This letter is formal notice that you have failed to respond to my dispute letter of *<date>*. I sent the initial letter registered mail and have enclosed a copy of the return receipt that you signed on *<date>*.

As you are well aware, federal law requires you to respond within 30 days. It has now been over that period since your receipt of my letter. As you no doubt are aware, failure to comply with federal regulations by credit reporting agencies is a serious violation of the Fair Credit Reporting Act and may be investigated by the FTC. Obviously, I am maintaining detailed records of all my correspondence with you.

I am aware that you may have misplaced my letters or have failed to respond to my letter because of an oversight due to the high volume of the requests you receive daily. If this is the case, I'm sure you'll want to handle this matter as soon as possible. For this purpose, I have included a copy of my original request, the dated receipt of your reception of the original letter, and a copy of the proof verifying the incorrectness of the credit item you have mistakenly placed on my records.

The following information, therefore, needs to be verified and deleted from my credit report as soon as possible:

CREDITOR AGENCY, acct. XXXX-XXXX-XXXX-XXXX

Sincerely,

Your Signature
Your Name

enclosure

Removal Of Inquiries

Use the following letter to remove inquiries from your credit report.

<Your Name>
<Your Address>
SSN: <Your SSN>

Equifax Information Services LLC
P.O. Box 740256
Atlanta, GA 30374
Date 1/25/05

To Whom it May Concern:

I recently pulled a copy of my credit report and noticed the following information are in error:

Inquires

The FCRA states that the only permissible purpose for pulling someone's credit report is a) firm offer of credit b) insurance c) employment or d) a court order.

The following inquiries are related to none of the aforementioned permissible purposes.

- 1. MBNA**
2. Tri-City Credit
3. Factual Data
4. FDC
5. Chase Credit Research

Please remove these inquiries from my credit report. I have enclosed a copy of my driver's license as proof of identity.

Sincerely,

<Your Name>

Demanding A Credit Bureau To Investigate

Use the following letter to motivate the credit bureaus to continue investigating your disputes if they are refusing to.

Your Name
123 Your Street Address
Your City, ST 01234

Credit Bureau
Credit Bureau Address
Some City, Any State 56789

To Whom It May Concern:

I recently submitted a request for investigation of an Acct Number# XXXX-XXX-XXXX, which you refused. I submitted enough information for you to carry out a reasonable investigation of my dispute, since you obviously did not investigate this account thoroughly enough the last time I submitted one.

If you had investigated properly, rather than use your e-Oscar system, you would have known, that not only I have never been late on this account, but that I am not sure that the account is even mine – though your company claims to have “verified” this.

It is at this time that I will point out that in Cushman v TransUnion, Stevenson v. TRW (Experian), and Richardson v. Fleet, Equifax, et al, the courts ruled each and every time that the CRA couldn't merely "parrot" information from the creditors and collection agencies...that they have to conduct an independent REASONABLE investigation to ensure the validity of the debt and the honesty/integrity of the creditor/CA in question. Sending out a generic form through the e-Oscar system that does not even contain my reasons for the dispute **is not** reasonable.

If you do not initiate an investigation regarding my dispute, as is my right under the Fair Credit Reporting Act, I will have to take legal action to protect my credit rating and myself. As I'm sure you are aware, each violation of the Fair Credit Reporting Act allows damages of \$1000 should this matter end up in court.

I look forward to an expedient resolution of this matter,

<Signature>
<Your Name>

Credit Bureau Verification Procedure Request

This letter should be sent to the credit bureaus should they come back with a “verified” response to you when you dispute a negative mark. Credit bureaus will not take the time or trouble to send you this information unless you ask, but it is your right to know it under the FCRA. Many times you can use this information as ammunition for your credit disputes.

Your Name
Address1
Address2
City, State Zip

Company
Address1
Address2
City, State Zip

Date

To Whom It May Concern:

This letter is a formal request for the description of the procedures used to determine the accuracy and completeness of the disputed information, including the business name, address, and telephone number of any furnisher of information contacted in connection with this reinvestigation, in compliance with the The Fair Credit Reporting Act, Section 611, part B, subsection (iii)

§ 611. Procedure in case of disputed accuracy [15 U.S.C. § 1681i]

(6)

(B) Contents. As part of, or in addition to, the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing before the expiration of the 5-day period referred to in subparagraph (A)

(i) a statement that the reinvestigation is completed;

(ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

(iii) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the business name and address of any furnisher of information contacted in connection with such information and the telephone number of such furnisher, if reasonably available;

I am disappointed that you have failed to maintain reasonable procedures to assure complete accuracy in the information you publish, and insist you comply with the law by providing the requested information within the 15 days allowed.

As a matter of convenience to you and to expedite my request, I am resubmitting my request to correct my credit report.

Name of Creditor/Agency, Account # _____

<List your reasons for disputing this negative mark here, inaccurate account information, dates wrong, etc.>

As already stated, the listed item is inaccurate and incomplete, and is a very serious error in reporting.

Sincerely,

Signature
Your Name
Your SSN

Account Reinsertion Letter

Use this letter when a negative account, previously removed, has been reinstated on your credit report

March 10, 2004

Experian
P.O. Box 9595
Allen, Texas 75013

Re: Account(s): #XXXX-XXXX-XXX
My Social Security number is:123-45-6789
My date of Birth is 1900-01-01

Dear Sir or Madam;

I disputed the referenced accounts above on March 2003. The credit report of May 19, 2003 and your report #shows results these items was deleted from the credit file. Now I notice these items have been reinserted on my credit report.

In accordance with the requirements of the FCRA as shown below,I am hereby requesting your complete compliance with any and all of the provisions:

FCRA § 611, Procedure in case of disputed accuracy [15 U.S.C. § 1681i]

Requirements relating to reinsertion of previously deleted material.

Certification of accuracy of information. If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies the information is complete and accurate.

If any information that has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing not later than 5 business days after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency. Additional information. As part of, or in addition to, the notice under clause (ii), a consumer reporting agency shall provide to a consumer in writing no later than 5 business days after the reinsertion date.

(I) a statement that the disputed information has been reinserted;

(II) the business name and address of any furnisher of information contacted and the telephone number of such furnisher, if reasonably available, or of any furnisher of information that contacted the consumer reporting agency, in connection with the reinsertion of such information; and

(III) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.

I received no such notification. This is a serious violation of the FCRA, and I reserve the right to pursue further action. Your agency may avoid such action by immediately deleting this listing from my credit report.

Thank you,
Your Name

Debt Validation Letter For Collection Agency

You don't have to go quoting a bunch of laws and regulations the first time you request debt validation from a collection agency. Really! Merely requesting it is sufficient to start the ball rolling under the FDCPA.

<Name>
<Address>

<Collection Agency>
<Collection Agency Address>

<Date>

Re: Acct XXX-XX-XXXXX

I just received your letter stating that you are collecting a debt on behalf of the <list company>. I have no idea what this debt is, and under my rights under the FDCPA, I request that you validate this debt.

Sincerely,
<Name>

Debt Validation Letter 2

Use this letter to escalate the previous debt validation letter if the collection agency fails to respond

June 13, 2001

Your Name
123 Your Street Address
Your City, ST 01234

ABC Collections
123 NotOnYourLife Ave
Chicago, IL

Date

Re: Acct # XXXX-XXXX-XXXX-XXXX

To Whom It May Concern:

This letter is being sent to you in response to a notice sent to me on September 30, 2002). Be advised that this is not a refusal to pay, but a notice sent pursuant to the Fair Debt Collection Practices Act, 15 USC 1692g Sec. 809 (b) that your claim is disputed and validation is requested.

This is NOT a request for "verification" or proof of my mailing address, but a request for VALIDATION made pursuant to the above named Title and Section. I respectfully request that your offices provide me with competent evidence that I have any legal obligation to pay you.

Please provide me with the following:

- What the money you say I owe is for;
- Explain and show me how you calculated what you say I owe;
- Provide me with copies of any papers that show I agreed to pay what you say I owe;
- Provide a verification or copy of any judgment if applicable;
- Identify the original creditor;
- Prove the Statute of Limitations has not expired on this account
- Show me that you are licensed to collect in my state
- Provide me with your license numbers and Registered Agent

At this time I will also inform you that if your offices have reported invalidated information to any of the 3 major Credit Bureau's (Equifax, Experian or TransUnion) this action might constitute fraud under both Federal and State Laws. Due to this fact, if any negative mark is found on any of my credit reports by your company or the company that you represent I will not hesitate in bringing legal action against you for the following:

- Violation of the Fair Credit Reporting Act
- Violation of the Fair Debt Collection Practices Act
- Defamation of Character
- If your offices are able to provide the proper documentation as requested in the following Declaration, I will require at least 30 days to investigate this information and during such time all collection activity must cease and desist.

Also during this validation period, if any action is taken which could be considered detrimental to any of my credit reports, I will consult with my legal counsel for suit. This includes any listing any information to a credit reporting repository that could be inaccurate or invalidated or verifying an account as accurate when in fact there is no provided proof that it is.

If your offices fail to respond to this validation request within 30 days from the date of your receipt, all references to this account must be deleted and completely removed from my credit file and a copy of such deletion request shall be sent to me immediately.

I would also like to request, in writing, that no telephone contact be made by your offices to my home or to my place of employment. If your offices attempt telephone communication with me, including but not limited to computer generated calls and calls or correspondence sent to or with any third parties, it will be considered harassment and I will have no choice but to file suit. All future communications with me **MUST** be done in writing and sent to the address noted in this letter by USPS.

It would be advisable that you assure that your records are in order before I am forced to take legal action. This is an attempt to correct your records, any information obtained shall be used for that purpose.

Best Regards,

Your Signature

Your Name

If The Collection Agency Fails To Validate Your Debt Send The Following Letter To The Credit Bureaus.

Assuming you have contacted the collection agency using our debt validation methods, and they have failed to send you adequate proof of your legal obligation to pay a debt, this is the letter you need to write to the credit bureaus.

Company
Address1
Address2
City, State Zip

Date

RE: Account XXXXX-XXXX-XXXXX

Dear Sir/Madame:

I am writing to dispute the account referenced above. I have disputed this account information as inaccurate with you, and you have come back to me and stated you were able to verify this debt. How is this possible? Under the laws of the FDCPA, I have contacted the collection agency myself and have been unable to get them to verify that this is indeed my debt.

I enclose copies of my requests to the collection agency, asking them to validate my debts, and the receipts showing that I sent these letter certified signature request. This debt is not mine and I was given no evidence of my obligation to pay this debt to this collection agency.

The FCRA requires you to verify the validity of the item within 30 days. If the validity can not be verified, you are obligated by law to remove the item. There is a clear case of unverified debt here, and I urge you to remove this item before I am forced to take legal action.

In the event that you can not verify the item pursuant to the FCRA, and you continue to list the disputed item on my credit report I will find it necessary to sue you for actual damages and declaratory relief under the FCRA. According to this regulation, I may sue you in any qualified state or federal court, including small claims court in my area.

While I prefer not to litigate, I will use the courts as needed to enforce my rights under the FCRA.

I look forward to an uneventful resolution of this matter.

Sincerely,

Signature
Your Name
Your Address
City, State Zip

enclosures

Debt Validation Including Offer of Settlement

Under the FDCPA, you are allowed to challenge the validity of a debt that a collection agency states you owe to them. This validation letter incorporates a debt settlement offer that might encourage the agency to pay closer attention to your letter. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234

Cheatem Collections
123 Fagetaboutit Ave
Chicago, IL

Date

Re: Acct # XXXX-XXXX-XXXX-XXXX

To Whom It May Concern:

It has come to my attention through the credit bureaus that you claim I owe a debt to your agency. While I have yet to have the debt verified to me as legitimate through my right of the mini-Miranda, I can however save us both some effort and time by "settling the debt out."

Below is my offer. It is not a renewed promise to pay nor does it constitute any agreement unless you sign and return it. Note, I have not agreed yet that this debt is mine and have the option to seek further proof from your agency of this debt. It also has come to my attention that your agency regularly purchases debts in the course of doing business.

Suffice to say, you hold all the rights to report the debt to the credit bureaus as you see fit and you can change that listing at any time as the source reporting the debt.

I am sure you are aware of my right to dispute this debt and request full proof of the obligation. Paying this unverified debt to you means little to me if we cannot mutually agree that you will report the debt as mentioned below.

While I realize that your purpose is to collect debts as a collection agent, I am also aware of what a paid collection would represent for me, which is not favorable. That being said, I have concurred through the bureaus that you have the absolute right to report this debt as you see fit or not report it at all.

Please do not quote to me that you are unable to change the listing or I will be forced to cease and desist our communication and request full lengthy verification of the debt.

My goal is to arrange a term acceptable to both us since this debt is questionable.

I will pay your company the amount of \$XX.xx as payment in full for the full satisfaction of this account. Upon receipt of the above payment, your company has agreed to change the entry on my credit reports to "Paid, no lates." You further agree to remove all previous notation of delinquency.

If you concur with these terms please acknowledge with your signature and return it to me. You agree the terms herein are confidential and that you have the authority to make such decisions. No payment will be made without written confirmation.

Upon receipt of this signed acknowledgment, I will immediately mail you funds via priority mail. This is not a renewed promise to pay but rather a restricted offer only. If no terms can be met, no new arrangements will be made and the offer will be void.

Name of Creditor: _____

Signature of Company Officer: _____

Date: _____

Sincerely,

Your Signature
Your Name

Follow up letters To The Collection Agencies

If you do not hear back from the collection agency within the 30 days, you can send them the following letters in succession.

Your Name
123 Your Street Address
Your City, ST 01234

ABC Collections
123 NotOnYourLife Ave
Chicago, IL

Date:

Re: Acct # XXXX-XXXX-XXXX-XXXX

To Whom It May Concern:

I have previously sent you a request to validate my debt, account number XXX-XXX-XXX on February 15, 2002.

Under the Fair Debt Collections Practices Act (FDCPA), I have the right to request validation of the debt you say I owe you. I have given you 30 days to remedy the situation, which is a very reasonable period. I have received no reply from you, though I did receive confirmation via mail that you did receive my letter on February 20, 2002.

Since you are still reporting this account on my credit report, you are now in violation of the FCPDA, and are now subject to fines of \$1000, which I may collect from you by filing a claim in small claims court. I intend to follow through with the suit if I do not hear back from you within 15 days.

You should also be aware that reporting such invalidated information to major credit bureaus might constitute defamation of character, as the negative marks on my credit report harm my credit and prevent me from enjoying all the benefits of good credit. I'm sure your legal staff will agree that non-compliance with this request could put your company in serious legal trouble with the FTC and other state or federal agencies.

I look forward to hearing from you,

Jane Doe.

Your Name
Your Address
City, State Zip

Non-cooperative Collection Agency
1 E. IWantToBeSued
Colorado Springs, CO 80901-1120

Date: Nov 1, 2002

Re: Acct#'s 212487, 5904602, 5904602, 5903026, 10010019

To Whom It May Concern:

I have previously sent you a request to validate my debt under the Fair Debt Collection Practices Act and all I received was an itemized list of the alleged charges you claim I owe you. This does not meet the Federal Trade Commissions guidelines of what constitutes proper debt validation. I am attaching an opinion letter from the FTC, (the Lefevre-Wollman) letter, specifically addressing the kind of "documentation" you have sent me.

In addition, in the case of Spears Vs. Brennan (IN THE COURT OF APPEALS OF INDIANA, No. 49A02-0003-CV-169), the court ruled that:

15 U.S.C. § 1692g(b) (emphasis added). On November 12, 1996, nineteen days after the date of Brennan's debt collection letter, Spears' counsel Shepard sent Brennan a letter declaring that Spears "disputes your debt collection-related allegations, denies the same, and demands strict proof and verification thereof." Record at 21. As such, Brennan should have ceased his debt collection efforts immediately upon receiving that letter. Instead, Brennan proceeded to obtain a default judgment against Spears on the debt collection claim before he had mailed Spears the necessary verification and, thus, violated 15 U.S.C. § 1692g(b).

Brennan maintains, however, that there was no violation of the FDCPA because he "sent adequate verification of the debt [to Spears] in the October 30, 1996 notice of claim." Brief of Appellee at 13. Specifically, Brennan claims that a copy of the consumer credit contract between Spears and American General attached to the notice of claim provided sufficient verification of the debt within the meaning of 15 U.S.C. § 1692g(b). We cannot agree.

The contract in no way provides sufficient verification of the debt. A review of the document reveals that it identifies only the terms of Spears' loan, including a 17.99% annual interest rate and the original loan amount of \$2,561.59. The loan agreement contains no accounting of any payments made by Spears, the dates on which those payments were made, the interest which had accrued, or any late fees which had been assessed once Spears stopped making the required payments. Indeed, the existing unpaid contract balance at the time Brennan sent the debt collection notice was at least \$350.00 more than the original loan amount. Therefore, Brennan violated 15 U.S.C. § 1692g(b) when he failed to cease collection of the debt by obtaining a default judgment against Spears after

Spears had notified Brennan in writing that he was disputing the debt but before Brennan had mailed verification of the debt to Spears. We reverse the trial court's entry of summary judgment in favor of Brennan on this issue.

I notice that you are still reporting this collection on my credit report, which is considered to be a collection activity. You are now in violation of the FCPDA, and are now subject to fines of \$1000, plus actual damages and attorney's fees, which I may collect from you by filing a claim in small claims court. These collections on my credit report are causing me severe problems in trying to purchase a home and the damage could lead into the \$1000's. I am also attaching an opinion letter from the FTC on the illegal practice of continuing to report these collections on my credit report without proper validation (Lefevre-Cass letter).

You should also be aware that reporting such invalidated information to major credit bureaus might constitute defamation of character, as the negative marks on my credit report harm my credit and prevent me from enjoying all the benefits of good credit. In addition, the Fair Credit Reporting Act (FCRA) does not allow the inaccurate reporting of information on my credit report and under this act. Therefore, if you do not immediately remove this account from my credit report, you are subject to another \$1000 fine, plus punitive damages. I'm sure your legal staff will agree that non-compliance with this request could put your company in serious legal trouble with the FTC and other state or federal agencies.

In addition, according to Arizona Statutes 32-1024, collection agencies must be licensed in the state of Arizona. I have checked to see if you have a registered agency here in the state of Arizona and you have not, so you are practicing illegally in the state of Arizona.

I intend to follow through with the suit if I do not hear back from you within 15 days.

I look forward to hearing from you,

Your Name
Enclosures

<The documents you are attaching can be found at:
<http://www.ftc.gov/os/statutes/fdcpa/letters/wollman.htm>
<http://www.ftc.gov/os/statutes/fdcpa/letters/cass.htm>>

<Your Name>
<Your Address>

ABC Collections
1 E. Main
Anytown, USA

Date: Jan 6, 2003

Re: Acct # XXXXXX_XXXXX

To Whom It May Concern:

I have previously sent you a request to validate my debt on Dec 10, 2002 under the Fair Debt Collection Practices Act and I have yet to hear from you regarding this matter. I feel as though I have given your organization ample time to resolve this questionable debt which you insist is mine.

I notice that you are still reporting this collection on my credit report, which is considered to be a continuation of collection activity after a request for debt validation. Under section 809(b) of the FDCPA, following a request for debt validation, collection agencies must cease collection activities. I am attaching an opinion letter from the FTC on the illegal practice of continuing to report these collections on my credit report without proper validation (Lefevre-Cass letter).

You are now in violation of the FCPDA, and are now subject to fines of \$1000, plus actual damages and attorney's fees, which I may collect from you by filing a claim in small claims court. These collections on my credit report are causing me severe problems in trying to purchase a home and the damage could lead into the \$1000's.

You should also be aware that reporting such invalidated information to major credit bureaus might constitute defamation of character, as the negative marks on my credit report harm my credit and prevent me from enjoying all the benefits of good credit. In addition, the Fair Credit Reporting Act (FCRA) does not allow the inaccurate reporting of information on my credit report and under this act. Therefore, if you do not immediately remove this account from my credit report, you are subject to another \$1000 fine, plus punitive damages. I'm sure your legal staff will agree that non-compliance with this request could put your company in serious legal trouble with the FTC and other state or federal agencies.

I intend to follow through with the suit if I do not hear back from you within 15 days.

I look forward to hearing from you,

<your name>
enclosure: Levre-Cass letter

Cease and Desist to a Collection Agency

Under the Fair Debt Collection Act, you have the right to ask the collection agencies to stop contacting you—and they must comply with this request. Here is a letter you might use as a guide. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234

Cheatem Collections
123 Fagetaboutit Ave
Chicago, IL 00001

Date

RE: Account XXXX-XXXX-XXXX-XXXX

Dear Sir or Madam:

I request that you CEASE and DESIST in your efforts to collect on the above referenced account (see letter attached). It is my personal policy not to deal with collection agencies and I will only deal with the original creditor of this account.

You are hereby instructed to cease collection efforts immediately or face legal sanctions under applicable federal and state law.

GIVE THIS LETTER THE IMMEDIATE ATTENTION IT DESERVES.

Cordially,

Your Signature
Your Name

Notice Of Harassment Letter

Use this letter to STOP collection agency harassment

October 13, 2002

Creditor

Creditor Address

Certified mail number: XXXXXXXXXXXXXXXX

RE: ACCOUNT NO.: XXXXXXXXXXXXXXXX for XXXXXXXXX

AMOUNT IN DISPUTE: \$XXXX.XX

NOTICE OF HARRASSMENT

Dear XXXX:

On October 4, 2002, you received via Certified Mail #XXXXXXXXXXXXX, a NOTICE OF DISPUTE from me regarding the above account. According to 15 USC § 1666 you are to cease collection of the disputed amount until verification and validation have been done. What has happened, instead, is an increase of phone calls to this residence, sometimes up to four calls a day. I consider this to be harassment.

This is your NOTICE that you are to limit all future communication with me in writing ONLY. If I receive any phone calls from your company, I will consider them to constitute HARRASSMENT. Please be advised that unwanted phone calls are a Class 1 Misdemeanor in this state and I will file a complaint against the caller with the Attorney General's office. I maintain a telephone log of each phone call and in some cases, make an audio recording when necessary. I permanently record all messages left on voice mail. I have evidence of over 20 calls from you since you received my NOTICE OF DISPUTE on October 4, 2002. Beware and be wise.

Be advised that you have the right to remain silent. If you ignore this NOTICE OF HARRASSMENT and contact me by telephone, you and your employees agree to allow me to make an audio recording of our conversation and you and your employees agree to allow the recording and any other information obtained to be used against you and your employees in a court of law. I will accept only your written communication. Your failure to honor this request may constitute a violation of 15 USC § 1666 and may result in legal action against you. Govern yourself accordingly.

You should also be aware that making unsubstantiated demands for payment over the phone may, in this case, be a form of wire fraud. Further, that sending unsubstantiated demands for payment through the United States Mail System might constitute mail fraud under federal and state laws. You may wish to consult with a competent legal advisor before your next communication with me.

Sincerely,

XXXX

Debt Settlement Letter

Use the following letter to settle your debts with a creditor or collection agency

Associates Inc, referred to as COLLECTION AGENCY and Paul Gray, referred to as CONSUMER, agree to resolved the matter of the alleged debt, originally held by the _____ Company hereafter referred to as the CLIENT.

COLLECTION AGENCY, hereby agrees to settle this alleged debt claimed by COLLECTION AGENCY on the following terms and conditions:

The COLLECTION AGENCY certifies that it is legally authorized to act in behalf of its CLIENT and that any agreement that the COLLECTION AGENCY makes on behalf of Client is legally binding on the Client.

The COLLECTION AGENCY and the CONSUMER agree that the present debt due is \$38,000.00 (one thousand thirty-eight thousand & 00/100 dollars). The parties agree that the COLLECTION AGENCY shall accept the sum of \$9500 (nine thousand five hundred dollars & no/100 dollars) as full payment on the debt. The acceptance of the payment will serve as a complete discharge of all monies due, and the COLLECTION AGENCY agrees to consider the debt paid in full and agrees to not take further action to collect on the alleged debt. The payment shall be made in the form of a cashier's check.

Upon payment of the \$9500, the COLLECTION AGENCY agrees to remove any listing or information that the CLIENT may have placed on the CONSUMER'S credit report. The COLLECTION AGENCY agrees to never at any time in the future place any information on the CONSUMERS credit report.

The CONSUMER feels that the negative information on CONSUMER's credit report is damaging and while the exact estimation of the damage is not currently known, the CONSUMER estimates it to be \$10,000. Should the COLLECTION AGENCY fail to remove the listing or reinsert it at a later date, the COLLECTION AGENCY agrees to award liquidated damages of \$10,000 to CONSUMER.

This compromise is expressly conditioned upon the payment being received by <date>. If the CONSUMER fails to pay the compromised amount by <date>, the original amount owed by the CONSUMER will be reinstated in full, and immediately due.

The person signing this agreement, _____, hereby declares that he/she is authorized to act as an agent of the COLLECTION AGENCY.

This Agreement shall be binding upon and inure to the benefit of the parties, their successors, and assignees.

Dated: _____

Signature: _____

Legal Representative of the Associates

Signature: _____

Paul Gray
CONSUMER

Good Will Letter

An approach towards erasing previous old late pays by appealing to the credit card company based good recent paying history.

Your Name
123 Your Street Address
Your City, ST 01234

Cheatem Collections
123 Fagetaboutit Ave
Chicago, IL 00001

Date

RE: Account XXXX-XXXX-XXXX-XXXX

Dear Sir or Madam:

I have been an MBNA customer since 1995 and during that time, I have enjoyed my experience with MBNA greatly. I am writing to see if you would be willing to make a "goodwill" adjustment to your reporting to the three credit agencies.

I have a few late payments on the above referenced accounts that date back to 2005 and 2006. All but 1 of the late payments are 30 day lates. Since that time I have been an exceptional customer paying early every month and have been rewarded by MBNA with ever increasing limits and lower APRs.

Because of my exceptional payment history over the last 3 years, I would like you to consider removing the negative payments from my credit report. At the time of those late payments, I was a full time college student without a job.

I say that not to justify why the payments were late, but rather to show that the late payments are not a good indicator of my actual credit worthiness. I hope that MBNA is willing to work with me on erasing these marks from my credit reports.

I have been a very happy customer in the past and hope to continue a long relationship with MBNA. With today's credit industry so competitive, I know how important it is to maintain good relationships with customers.

MBNA has been exceptional in my book so far and I highly recommend it to all my friends and relatives. I hope that you will deeply consider my request and prove once again, why MBNA is heads above the rest. I look forward to your reply.

Your Name

Good Will Letter 2

Many people open new credit cards to rebuild credit, transfer balances, etc. If you have opened many new accounts over the last couple of years, your credit score could drop.

However, you may consider asking the companies to help regain your credit scores by deleting the perfectly good, but FICO harming, new account tradelines. We hope this gives rise to other ideas for the "Good Will Approach."

Your Name
123 Your Street Address
Your City, ST 01234

Cheatem Collections
123 Fagetaboutit Ave
Chicago, IL 00001

Date

RE: Account XXXX-XXXX-XXXX-XXXX

Dear Sir or Madam:

I am writing to express how much I enjoy shopping at [store]. I have a question pertaining to a store charge account that I opened in _____. The charge account number is xxxxxxxx.

I opened the store charge in _____, made a purchase for \$\$\$\$, paid the balance off, and closed the account (in excellent standing) the same month. I noticed that even though the account was paid and closed before one month, it was already being reported on my credit reports with the three major credit bureaus (Experian, Equifax, and Trans Union).

Although the [card company] tradeline is reporting accurately and in excellent standing, I have noticed that my credit score is being affected negatively by the addition of this account to my credit report in different ways, since the credit score rating is influenced by the opening of new accounts and by the average age of all accounts, which is in itself affected by opening of new accounts. These are now my top two reason codes on my reports.

Although I do stress that the information being reported IS accurate (I am not disputing anything with [card company]), I am asking [card company] to do a courtesy gesture of goodwill to me and instruct the credit bureaus to remove this charge account, which was opened for less than one month, from my credit reports. Essentially, I would like to "de-clutter" my credit report, and I don't want an account that was opened for only one month present on my credit report, and decreasing my credit score.

I do recognize that this request is unique and that it may not be normal policy for [card company]. I have also been told that [card company] *has to* report all accounts, but I would like to mention that the Fair Credit Reporting Act does *not* demand that all accounts be reported, but rather - that any account that *is* reported simply be reported accurately.

Therefore, a company does have legal discretion and permission to remove any account it chooses from the credit report. I'm hoping that [card company] will do that in my case for this charge card account.

Therefore, please remove charge account # xxxxxxxx from my credit reports as a courtesy. Thank you for considering my query. I look forward to your response.

My Name

Repossession Dispute

Sometimes when your car is repossessed the original creditor sells the car for less than the amount remaining on your loan. When this happens they can come after you for the balance, called the *deficiency*.

This letter is for the purpose of disputing collection activities on a deficiency from a motor vehicle repossession. It may be used AFTER 2 years from the date of the repo sale, providing there has been no filed claim for a judgment.

It should not be used if you have been sued, or if the repossession is less than 2 years ago. The following site has all the state's repo laws listed:
http://www.nfa.org/Site_search.html

Send a copy to EACH of the parties (collection agency and original creditor) Certified Return Receipt Request.

Your Name
123 Your Street Address
Your City, ST 01234

Cheatem Collections
123 Fagetaboutit Ave
Chicago, IL

Date

Name of Original Creditor
Address of OC

Name of Original Seller (car dealer)
Address of OS

Re: Acct # XXXX-XXXX-XXXX-XXXX (collection agency)
Re: Acct # XXXX-XXXX-XXXX-XXXX (original creditor)

Make of car:
Model:
VIN#

To Whom It May Concern:

I am writing in regard to the above referenced accounts and transactions.

This vehicle was repossessed by <Original Creditor> in the State of <Your State> on or about, xx/xx/xxxx, and resold on or about xx/xx/xxxx.

Under the laws of the State of <State where car was repossessed> UCC § <Your stat's UCC code, you will need to look this up> and State RISA and MVISA statutes a deficiency can not be claimed unless all of the required notices were properly and timely given, and all of the allowable redemption and cure time limits were adhered to.

Please provide copies of the legal notices and proof of the commercially reasonable manner of the resale of the subject vehicle.

If no such proof is provided within 14 days from receipt of this notice, the alleged claim of a deficiency will be considered null and void, and any continued collection activities, or continued reporting of this invalid claim on my credit reports will be considered a violation of the FDCPA and FCRA.

In addition, if you singularly or severally fail to comply with the above requests, I reserve the right to seek damages against all parties, under all available State and Federal statutes and UCC § 9 remedies .

Sincerely,

XXXX

Repossession Deficiency Dispute

Before using the following letter, please read all the resource material:
http://www.nfa.org/Site_search.html

This letter is for the purpose of disputing collection activities on a deficiency from a motor vehicle repossession. It may be used AFTER 2 years from the date of the repo sale, providing there has been no filed claim for a judgment. It should not be used if you have been sued, or if the repossession is less than 2 years ago.

Send a copy to EACH of the parties CRRR.

Your Name

Your Address

Date

Name Of Collection Agency
Address of CA

Name of Original Creditor
Address of OC

Name of Original Seller (car dealer)
Address of OS

Re:
Account # (ca #) as reported to (list CRA's)

Account # (oc #)

(Make -model -vin# -sale date)

To whom it may concern;

I am writing in regard to the above referenced accounts and transactions.

This is not a refusal to pay, but a notice that this account is disputed.

This vehicle was repossessed by (name of OC) in the State of (X) on or about, xx/xx/xxxx, and resold on or about xx/xx/xxxx.

Under the laws of the State of (State of Repo) UCC § 9.506 and State RISA and MVISA statutes a deficiency can not be claimed unless all of the required notices were properly and timely given, and all of the allowable redemption and cure time limits were adhered to.

Please provide copies of the legal notices and proof of the commercially reasonable manner of the resale of the subject vehicle.

If no such proof is provided within 14 days from receipt of this notice, the alleged claim of a deficiency will be considered null and void, and any continued collection activities, or continued reporting of this invalid claim on my credit reports will be considered a violation of the FDCPA and FCRA.

In addition, if you singularly or severally fail to comply with the above requests, I reserve the right to seek damages against all parties, under all available State and Federal statutes and UCC § 9 remedies .

Sincerely,

XXXX

Sample Basis of Lawsuit to File

When a company refuses to validate your debt, and furthermore decides to contact you after you have sent them notice of your request for validation, they are in clear violation of the FDCPA act. You are within your rights to sue them for damages in small claims court for these violations.

To do so, you need to file a basis of Lawsuit document, which will clearly explain to the court and the judge what you are suing for. The more clearly you state your case, the better chances you have of winning, should the case go to court.

I

Defendant, XXX, sent a collection notice to Plaintiff on or about DATE.

II

As is her lawful right in accordance with the Fair Debt Collection Practices Act (FDCPA), Plaintiff sent via United States Postal Service regular mail, a letter requesting formal debt validation. This letter was sent on or around DATE, well within the 30-day period expressly provided by the FDCPA.

III

Defendant failed to respond within the 30-day guideline promulgated by the Federal Trade Commission.

IV

On or about DATE, Plaintiff sent via United States Postal Service Certified Mail, with return receipt requested, a second letter requesting formal debt validation. Defendant signed for this correspondence on DATE.

V

Defendant again failed to respond within the 30-day guideline.

VI

On or about DATE, in a good faith effort to allow Defendant ample opportunity to validate the alleged debts, sent a third letter via Certified mail with return receipt requested, which was signed for by the defendant on DATE.

VII

Defendant again failed to respond.

VIII

A fourth letter was sent by Plaintiff, signed by Defendant on DATE.

IX

Defendant failed to respond.

X

During this period of time, Defendant failed to note any of the accounts with the National Credit Reporting Agencies as being disputed by consumer as is required by the FCRA.

XI

On or around DATE, two of the Defendants collection account tradelines were reported to Equifax in violation of the FDCPA, the FCRA, and an FTC staff opinion letter which clearly states that a collection agency may not report an account to the credit reporting agencies during the pendency of its verification of the account to the debtor, if the debtor has so requested.

XII

On DATE at 11:45 A.M., Defendant called Plaintiff's residence and left a message on Plaintiff's voice mail stating its urgency to return the phone call. Around 1:00 P.M., Plaintiff returned Defendant's phone call. During which in the call the Defendant attempted to collect payment on the four alleged collection accounts. Defendant further stated that it is not their responsibility to provide debt validation.

XIII

On DATE at 8:45 P.M., Defendant again called Plaintiff's residence and left a message on Plaintiff's voice mail.

XIV

On or around DATE, two of the Defendant's collection account tradelines were re-reported by Defendant to Trans Union in violation of the FDCPA, the FCRA, and an FTC staff opinion letter after being deleted from the credit file on DATE.

XV

On or around DATE, Plaintiff received four collection notices from Defendant demanding payment in violation of the FDCPA, which clearly states if the consumer disputes the debt the debt collector shall cease all communication of the debt until the verification is obtained and mailed to the consumer by the debt collector.

XVI

These actions on the part of Defendant demonstrate a willful disregard for federal law and constitute a blatant attempt to injure or ruin the credit rating of Plaintiff since Defendant has demonstrated an inability to validate the alleged debt and subsequently attempted to coerce payment. Plaintiff requests judgment in the amount of \$5,000.00 plus accrued court costs plus permanent removal of all Defendant's collection account tradelines from Plaintiff's files with the four national credit reporting agencies (Equifax, Experian, and Trans Union).

Notice of Intent to File a Lawsuit 2

If a collection agency doesn't respond to your requests to validate your debt, or have not removed negative listings despite the proof you have provided, you have every right to sue them. You can even sue them in small claims court. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234

ABC Collections
Anytown USA

Date:

Re: Acct # XXXX-XXXX-XXXX-XXXX

To Whom It May Concern:

Thank you for your recent notice of the alleged debt that you are saying that I owe you. This is not a refusal to pay, but a notice that your claim is disputed. This is the final request for debt validation before I file a lawsuit against your company under the provisions of the Fair Debt Collection Practices Act. Please complete the attached form and follow the enclosed instructions and your claim will be processed as soon as this information is received. Please be advised that I am not requesting a "verification" that you have my mailing address, I am requesting "validation", that is, competent evidence that I have some contractual obligation to pay you.

You are currently reporting this account on my credit report. I have disputed this debt with the credit bureaus, and all three have verified that this is a "good" debt. A computer print out of the debt, or a bank clerk viewing their computer screen is not verification or validation of this debt. As you are aware, information about this account comes directly from you. The listed items are entirely inaccurate and incomplete, and represent a very serious error in your reporting. Failure to comply with Federal regulation by collection agencies or credit bureaus are investigated by the Federal Trade Commission. I am maintaining a careful record of my communications with you and the credit bureaus for the purpose of filing a complaint with the FTC, the state attorney general's office, the Better Business Bureau, and of course ammunition in my upcoming lawsuit against you.

I would further remind you as in Wenger-vs-TransUnion Corp No 95-6445 CD Cal Nov 14, 1995), that you may be liable for willful non-compliance. Failure on your behalf to provide my original contract, without any alterations, mark, stamps and bearing my original signature will result in a claims action against you company. I will be seeking \$5,000 (five thousand dollars) in damages for the following: 1) Defamation 2) Negligent Enablement of Identity Fraud 3) Violation of the Fair Credit Reporting Act and the Fair Debt Collections Practices Act as applicable.

You may wish to consult with a competent legal advisor before your next communication with me. Your failure to satisfy this request in accordance with the legal principals of estoppel will be constructed as your absolute waiver of any and all claims against me, and your tacit agreement to compensate me for costs and attorney fees.

Best Regards,

<Your Name>

Notice of Intent to File a Lawsuit 3

If a collection agency doesn't respond to your requests to validate your debt, or have not removed negative listings despite the proof you have provided, you have every right to sue them. You can even sue them in small claims court. Keep a copy for your files and send the letter registered mail.

Your Name
123 Your Street Address
Your City, ST 01234

ABC Collections
Anytown USA

Date:

Re: Acct # XXXX-XXXX-XXXX-XXXX

To Whom It May Concern:

I recently pulled my credit report and noticed that you are both reporting this debt on my credit report and also that you have illegally pulled my credit report as there is an inquiry from you on it. I have been in contact with your firm several times and have never given you permission to pull my report. I have disputed this debt with the credit bureaus, and all three have verified that this is a "good" debt.

I've requested validation for this account before, and have never received it. To remind you, validation consists of:

- Complete payment history, the requirement of which has been established via SPEARS vs. BRENNAN
- Itemized account of the debt, as established by Fields v. Wilber Law Firm, P.C., 383 F.3d 562, 564-66 (7th Cir. 2004)
- Agreement that bears the signature of the alleged debtor wherein he agreed to pay the original creditor.
- Letter of sale or assignment from the original creditor to your company. (Agreement with your client that grants you the authority to collect on this alleged debt.)
- Intimate knowledge of the creation of the debt by you, the collection agency

Your company has violated the following laws:

1. FDCPA Section 809 (b), you are not allowed to pursue collection activity until the debt is validated. You should be made aware that in TWYLA BOATLEY, Plaintiff, vs. DIEM CORPORATION, No. CIV 03-0762 UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA, 2004, the courts ruled that reporting a collection account indeed is considered collection activity.
2. FCRA 15 U.S.C. § 1681b – you did not have a permissible purpose for pulling my credit report. Under this section, you need to have a "legitimate business need" which is defined as the extension of credit, employment or insurance purposes. I also did not authorize pulling of my credit report.
3. According to the information given to us by your firm, the date of the charge-off was 1999. The SOL on this alleged debt, even should it be mine, is 3 years in the state of California. You are violating 15 USC 1692e(2)(A) by reporting this debt on my credit report. The legal status of this debt is that it is not collectable and you are falsely representing the legal status by reporting it.
4. 15 U.S.C. § 1681s-2 – falsely reporting information to the credit bureaus.

The listed items are entirely inaccurate and incomplete, and represent a very serious error in your reporting. I am maintaining a careful record of my communications with you and the credit bureaus for the purpose of filing a complaint with the FTC, the state attorney general's office, the Better Business Bureau, and of course ammunition in my upcoming lawsuit against you.

This is the final request for debt validation before I file a lawsuit against your company under the provisions of the Fair Debt Collection Practices Act. You may wish to consult with a competent legal advisor before your next communication with me. Your failure to satisfy this request in accordance with the legal principals of estoppel will be constructed as your absolute waiver of any and all claims against me, and your tacit agreement to compensate me for costs and attorney fees.

Best Regards,

<Your Name>

Supplemental Credit Repair Letters

The following credit repair letters can be modified and used for your own particular credit situations.

Once again, I suggest that you handwrite your letters for timely results.

Name
Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

RE: Request for Deletion of Obsolete Information on Credit Report

To Whom It May Concern:

I am writing to you to request that you delete certain information from my current credit report that has become obsolete.

I refer specifically to the information circled on the enclosed copy of my consumer credit report as being obsolete; please look into this matter and delete this information from my records on your credit files promptly upon receipt of this communication.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

RE: Notification

To Whom It May Concern,

In accordance with Section 611 (d) of the Federal Fair Credit Reporting Act, I respectfully request that you notify each person or organization that has received deleted or disputed information from my record within the past two years, that such information has been properly deleted, or that a consumer statement showing the disputed claim has been added to my existing file.

Please note that my request has been made within thirty days after receipt of either a negative credit decision, or a communication by a debt collection agency associated with your organization.

Given the above, I anticipate that no fee will be due.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

To Whom It May Concern,

The following listed errors on my Credit Report have placed my chances of ever purchasing a home for my family in serious jeopardy. Please correct them immediately so that I won't lose my \$ deposit.

List errors:

(E.g., This account is incorrect: Name of Account _____ , Acct. #:

My account with this Credit Union is not a bad account though you indicate on your report that I was late in my payments 30 days twice and 60 days once. I have never been late in my payments to this account.

I shall expect your prompt attention to this matter in writing.

Sincerely,

Name

Name

Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

To Whom It May Concern,

In reviewing a copy of the credit file you maintain for my records I discovered that certain important, relevant information that attests to my credit-worthiness as a responsible consumer is missing. As such, please add the following to your records for my credit file:

I have included a copy of my most recent credit report and have detailed the information I would like to have added to it. Please note that I have included all relevant account numbers as well as the complete names and addresses of all pertinent creditors.

In the event that you require any further information, please contact me directly at the telephone number or mailing address provided below. Please advise me of any fees that may be required to expedite your updating of my record(s).

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

To Whom It May Concern,

I have just reviewed the most recent credit file you maintain for my records and discovered the following problem(s): (Enumerate and briefly explain each one). Enclosed, please find appropriate documentation in support of my position (List the documentation you are providing).

Please investigate my situation as expeditiously as possible and send me a properly corrected copy of my credit report to the address shown above.

Additionally, any parties who have made inquiry into my credit history (for credit or employment purposes) over the last six months will need to receive a corrected copy of my credit report.

Please send me copies of all material you send them as evidence that this request has been honored.

Should you require any further information, please contact me at the telephone number or mailing address shown below. Thank you for your help in this urgent manner.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

To Whom It My Concern,

I must still disagree with your investigation of the following inaccurate items as listed on my credit report. It is imperative that you re-investigate; these items are incorrect and are still causing a serious and damaging impact on my current financial status.

Also, I am aware that the Fair Credit Reporting Act allows me to request that you provide me with the name(s) and business address(es) of those merchants with whom you verified this information so I may follow-up on my end. Please do so!

Name of Merchant

Account #:

Please keep me appraised of what your investigation uncovers, along with an up-dated copy of my corrected Credit Report. Thank you for your prompt attention regarding this matter.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Federal Trade Commission
Fair Credit Reporting Act
Washington, D.C. 20580

To Whom It May Concern,

I understand that you regulate the Consumer Reporting Agencies regarding the Fair Credit Reporting Act. (Name of Credit Bureau) at (Address of Credit Bureau) consistently won't respond to my complaints of errors in my current credit report.

This agency (Name of Credit Bureau) has not complied with its obligations under the Fair Credit Reporting Act in that: (put in your complaint, e.g., Agency won't respond to my letters to them, won't amend my credit report, won't return my phone calls, etc.).

Enclosed is a copy of my communications with (Name of Credit Bureau) along with a copy of my Postal Return Receipt card. I appreciate your involvement; should you require further information for enforcement proceedings, I would be happy to provide you with any additional particulars.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Name of State or County Agency
Street Address
City, State Zip Code

To Whom It May Concern,

I hereby lodge a formal consumer complaint against :

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

The reason for my complaint is that (put in your complaint, e.g., Agency won't respond to your letters, won't return your phone calls, won't amend your credit report, etc.).

I am writing to notify your organization so that you may be aware of the abusive manner in which they have handled my case. Please initiate whatever appropriate enforcement proceedings you may deem necessary.

I appreciate your involvement in this matter. Should you require any further information from me to assist you in your actions, I would be happy to provide you with full particulars.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Better Business Bureau
Street Address
City, State Zip code

To Whom It May Concern

I hereby lodge a formal complaint, according to the Federal Fair Credit Reporting Act against:

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

My complaint is (put in your complaint, e.g., This agency won't respond to my letters, won't return my phone calls, won't amend my credit report, etc.)

I am writing to notify your organization so that you may be aware of the abusive manner in which my case has been handled. Please initiate whatever enforcement proceedings you may deem necessary to help protect me as a responsible and consumers.

I appreciate your involvement on my behalf. Should you require any further information, I would be happy to provide you with full particulars.

Sincerely,

Name

Name
Address
City-State-Zip
SS# SS#

14-Oct-11

Name of Creditor
Street Address
City, State Zip Code

SUBJECT: Explanation for Delinquent Payment

To Whom It May Concern

I have learned that several payments to my account have been marked as "late" on my Credit Report. Please note that I have always been prompt in making my payments in the past and only missed this (or these) payment because (Give Details)

Since the late payment was the result of the above excusable reason, please correct the payment history for my account at the following Credit Bureaus which handle your organization's account histories:

Provide Bureau Names

It is imperative that my Credit Report exemplifies the good relations I have enjoyed with your business in the past, and that the corrections in the report are more representative of my good financial habits.

Thank you for your kind assistance in this matter.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Appropriate Person's Name
Company Name (E.g., Department Store)
Street Address
City, State Zip Code

To Whom It May Concern,

I am writing to inform you of my dissatisfaction with (name of product/serial number, or type of service performed or not performed adequately) that I purchased from your store at (address, location), on (date).

The reason for my complaint, and what I have already done to try to resolve this problem is (provide detailed reasons for your complaint). I would very much appreciate it if you would (give specific action that would satisfy you).

I am confident that you will respond expeditiously and satisfactorily to resolve my complaint. Should I not hear from you in two weeks, I will feel it necessary to refer this matter to the appropriate consumer agency.

Thank you in advance for your quick resolution to this request.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Contact Person
Creditor Name
Street Number
City, State Zip Code

RE: Settlement for the balance of \$ Amount on Account #:

Reference #:

Dear Sir:

In accordance with conversation over the phone last week, I wish to settle my account (#) with you. As per our agreement, please sign (and return) the original of this letter as the authoritative individual for creditor :

I, Name of Credit Manager, accept your payment of \$ as agreed upon, to settle the full amount of \$
as well as any other outstanding charges and fees. I agree that we will no longer try to collect this debt and will immediately notify our collection agency to cease their contacts with you.

I future agree not to sell this debt to any third parties, as this account is not considered "paid in full."

Additionally, I agree to cause all negative remarks we may have reported on your Credit Report removed with any Credit Bureau in the United States. Finally, I will contact any and all collection agencies that have caused negative remarks to be entered on your report and demand that they be retracted immediately.

Thank you in advance for taking care of this matter on my behalf. Please sign this letter below and return the original to me, keeping a copy for your records.

Sincerely,

Accepted and Agreed to:

Name

Authorized Signature

Date

THIS AGREEMENT is entered into on _____, between

_____, residing at:

Name
Address
City-State-Zip

and _____ (creditor), conducting business at:

(*addresses must include street and number, state and zip code).

Whereas, Debtor and Creditor have previously been engaged in certain commercial transaction, and

Whereas, certain circumstances subsequently developed which resulted in both Debtor and Creditor desiring to enter into this agreement;

Therefore, based on the mutually agreed upon promises contained herein:

1. Debtor hereby agrees to pay, and Creditor agrees to accept \$ "X" amount on the dollar as final settlement for any and all amounts owed by Debtor to Creditor.
2. Debtor shall be allowed to pay agreed upon sum through interest free, monthly payments, at the rate of \$ _____ per month. All of the payments shall be made either by mail, or directly at the office of the Creditor as listed above, prior to or on the _____ day of _____, 20 ____.
3. In the event that Debtor fails to meet a payment, The Creditor shall have the right, upon 10 days written notice to Debtor) to demand all unpaid installments immediately due and payable.
4. Creditor hereby agrees to notify, in writing, each credit bureau with whom the Creditor deals, that any and all adverse, derogatory, or otherwise negative information regarding the Debtor's account is, effective this date, retracted and should be deleted from Debtor's consumer file and report.

In Witness Whereof, the Debtor and Creditor have signed their signatures to this agreement as of the date shown above.

_____ Debtor

_____ Creditor

Name
Address
City-State-Zip
SS#

14-Oct-11

Mr. Contact
Vice President - Financial Services
Your Department Store
Street Address
City, State, Zip Code

RE: Agreed settlement of remaining balance of _____ on account #:

Dear Mr. Contact,

Concerning our recent telephone conversations and written communications, I am willing to settle the remaining balance on my above referenced account. Upon your signing this written agreement for settlement, you agree, on behalf of department store name to the following:

1) To accept a total of e.g., \$87.50 as payment in full for all outstanding charges and fees on my account with your store. I will pay this to your company, in certified funds, immediately upon my receipt of a signed and dated copy of this letter from you.

2) To not sell this debt to any other party as this account is to be "settled as agreed upon."

3) To immediately cease to collect this debt - either directly or through a Collection Agency.

4) To retract or otherwise arrange to have removed, any and all adverse, derogatory, or otherwise negative notations you may have caused to be made to my credit report with any credit reporting agency in the United States.

This agreement will not go into effect until I am in receipt of a signed and dated original copy of this letter from you. At that time, I shall remit certified funds in the amount stated above, to your company - thus officially closing this transaction.

Please return your signed copy of this letter in the enclosed, self-addressed, postage paid envelope.

Sincerely,

ACCEPTED AND AGREED TO:

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Mr. Contact
Vice President - Financial Services
Your Department Store
Street Address
City, State, Zip Code

RE: Agreed settlement of remaining balance of _____ on account #:

Dear Mr. Contact,

Concerning our recent telephone conversations and written communications, I am willing to settle the remaining balance on my above referenced account. Upon your signing this written agreement for settlement, you agree, on behalf of department store name to the following:

1) To accept a total of e.g., \$87.50 as payment in full for all outstanding charges and fees on my account with your store. I will pay this to your company, in certified funds, immediately upon my receipt of a signed and dated copy of this letter from you.

2) To not sell this debt to any other party as this account is to be "settled as agreed upon."

3) To immediately cease to collect this debt - either directly or through a Collection Agency.

4) To retract or otherwise arrange to have removed, any and all adverse, derogatory, or otherwise negative notations you may have caused to be made to my credit report with any credit reporting agency in the United States.

This agreement will not go into effect until I am in receipt of a signed and dated original copy of this letter from you. At that time, I shall remit certified funds in the amount stated above, to your company - thus officially closing this transaction.

Please return your signed copy of this letter in the enclosed, self-addressed, postage paid envelope.

Sincerely,

ACCEPTED AND AGREED TO:

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Creditor Name
Street Number
City, State Zip Code

RE: CREDIT CARD #

To Whom It May Concern,

I am in the process of filing for divorce; please immediately close my current account, #:
so my husband/wife, (Spouse's name) can no longer use it to make charges.
Effective the date of your receipt of this letter, I will no longer be responsible for any
charges to this account.

Please issue a new credit card, in my name only, and send it to my new mailing address
as shown above.

Thank you for you immediate assistance in this matter.

Sincerely,

Name

Name

Address
City-State-Zip
SS#

14-Oct-11

Creditor Name
Street Number
City, State Zip Code

RE: LOAN #

To Whom It May Concern,

I am in the process of getting a divorce. Please release my soon-to-be ex-wife/husband from my loan that you are currently holding. please note that I will not be responsible for any additional debts/charges incurred by him/her, effective the date you receive this letter.

Should you require it, I would be willing to provide you with my present financial statement. Please note that I have always been on time with all of my payments to you; I also have no current credit problems.

I would very much appreciate your taking care of this as soon as possible. Should you have any questions or require any additional information, please feel free to call me at my phone number shown above.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Mortgage Holder Name
Street Number
City, State Zip Code

RE: HOME LOAN #

Dear Name of Credit Manager,

I am in the process of a divorce and would like to release my soon-to-be ex-husband/wife from the home mortgage, loan number _____, I have with you. I am making this request in accordance with the release terms in our original agreement (which requires that he/she be released from future liability.)

I would very much appreciate your resolving this matter as expeditiously as possible. Should you require any further information, please call me at the number above.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

RE: My Current Credit Report

To Whom It May Concern,

The following refers specifically to information currently maintained in your files regarding

NAME OF CREDITOR: INFORMATION: (Use as many lines as necessary) CLAIMED OWED:	MATTER OF AMOUNT
---	---------------------

PLEASE BE ADVISED that I most strongly dispute the accuracy of the above item of information, and affirm the following consumer statement:

I do not owe the amount claimed and hereby dispute the charge!

Other: (Fill in specifics using as many lines as necessary to support your claim)

ALSO, I specifically request that you update your records so that they contain either a copy of this CONSUMER STATEMENT, or a clear and accurate summary thereof.

Sincerely,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

To Whom It May Concern,

In accordance with the Fair Credit Reporting Act, I would like you to include the following statement to my Credit Report. It should be positioned with the disputed write in name of account .

INCLUDE STATEMENT HERE

Please send my a copy of my revised, updated Credit Report after you have included the above statement.

Sincerely yours,

Name

Name
Address
City-State-Zip
SS#

14-Oct-11

Experian
P.O. Box 2104
Allen, TX 75002
Phone:800 682-7654 FAX:214 390-1680

To Whom It May Concern,

In accordance with the Fair Credit Reporting Act, I would like you to include the following statement to my Credit Report. It should be positioned with the disputed "ABC Co" account .

" On July 1, 1996, merchandise ordered from ABC Co. on my (account, Credit Card), and shipped via UPS, arrived in damaged condition so I refused to accept delivery. I decided not to have these goods replaced and canceled the order.

Unfortunately, UPS misplaced the damaged merchandise, thus never returning it to ABC Co.; therefore Experian never credited my account.

Though UPS paid the merchant for their loss, ABC Co. never deleted the charge from my account. ABC Co. has since declared bankruptcy and my account has never been properly credited. All of this information can be verified by contacting UPS at (800) #, (account #)"

Please send my a copy of my revised, updated Credit Report after you have included the above statement.

Sincerely yours,

Name

Glossary

Annual Percentage Rate (APR): The cost of credit as a ,yearly rate.

Appraisal Fee: The charge for estimating the value of property offered as security.

Asset: Property that can be used to repay debt, such as stocks and bonds or a car.

Automated Teller Machines (ATMs): Electronic terminals located on bank premises or elsewhere, through which customers of financial institutions may make deposits, withdrawals, or other transactions as they would through a bank teller.

Balloon Payment: A large extra payment that may be charged at the end of a loan or lease.

Billing Error: Any mistake in your monthly statement as defined by the Fair Credit Billing Act.

Business Days: Check with your institution to find out what days it counts as business days under the Truth in Lending and Electronic Fund Transfer Acts.

Collateral: Property offered to support a loan and subject to seizure if you default.

Cosigner: Another person who signs your loan and assumes equal responsibility for it.

Credit: The right granted by a creditor to pay in the future in order to buy or borrow in the present; a sum of money due a person or business.

Credit Bureau: An agency that keeps your credit record.

Credit Card: Any card, plate, or coupon book used from time to time or over and over again to borrow money or buy goods or services on credit.

Credit History: The record of how you've borrowed and repaid debts.

Creditor: A person or business from whom you borrow or to whom you owe money.

Credit-related Insurance: Health, life, or accident insurance designed to pay the outstanding balance of debt.

Credit Scoring System: A statistical system used to rate credit applicants according to various characteristics relevant to creditworthiness.

Creditworthiness: Past and future ability to repay debts.

Debit Card (EFT Card): A plastic card, looks similar to a credit card, that consumers may use to make purchases, withdrawals, or other types of electronic fund transfers.

Default: Failure to repay a loan or otherwise meet the terms of your credit agreement.

Disclosures: Information that must be given to consumers about their financial dealings.

Elderly Applicant: As defined in the Equal Credit Opportunity Act, a person 62 or older.

Electronic Fund Transfer (EFT) Systems: A variety of systems and technologies for transferring funds electronically rather than by check.

Finance Charge: The total dollar amount credit will cost.

Home Equity Line of Credit: A form of opened credit in which the home serves as collateral.

Joint Account: A credit account held by two or more people so that all can use the account and all assume legal responsibility to repay.

Late Payment: A payment made later than agreed upon in a credit contract and on which additional charges may be imposed.

Lessee: A person who signs a lease to get temporary use of property.

Lessor: A company that provides temporary use of property usually in return for periodic payment.

Liability on an Account: Legal responsibility to repay debt.

Open-End Credit: A line of credit that may be used over and over again, including credit cards, overdraft credit accounts, and home equity lines.

Open-End Lease: A lease which may involve a balloon payment based on the value of the property when it is returned.

Overdraft Checking: A line of credit that allows you to write checks or draw funds by means of an EFT card for more than your actual balance, with an interest charge on the overdraft.

Point-of-Sale (POS): A method by which consumers can pay for purchases by having their deposit accounts debited electronically without the use of checks.

Points and Origination Fees: Points are finance charges paid at the beginning of a mortgage in addition to monthly interest. One point equals one percent of the loan amount. An origination fee covers the lender's work in preparing your mortgage loan.

Punitive Damages: Damages awarded by a court above actual damages as punishment for a violation of law.

Rescission: The cancellation or "unwinding" of a contract.

Security: Property pledged to the creditor in case of a default on a loan; see collateral.

Security Interest: The creditor's right to take property or a portion of property offered as security.

Service Charge: A component of some finance charges, such as the fee for triggering an overdraft checking account into use.