

# PERSONAL CREDIT SECRETS REVEALED

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**Excellent Credit is Everything**

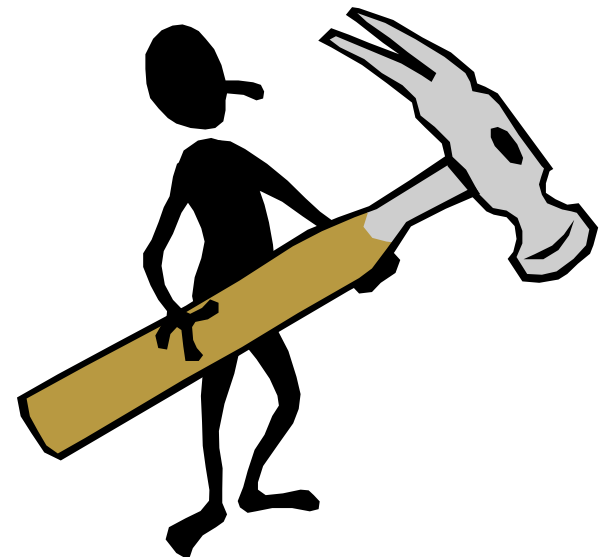
**Without It, You Cannot  
Survive in the  
New Economy**

# You Need Good Personal Credit for

- Commercial Mortgages (to Get the BEST Interest Rates)
- SBA Loans
  - For Business and Real Estate
  - Government is Really Pushing These Loans Lately
  - Best Interest Rates Possible
- Mortgages on Smaller Properties Requiring a “Residential” Mortgage (i.e. 4-Plex or “Quad”)
- Business Lines of Credit and Loans for Business Start-Ups, Expansions or Cash for Properties (Down Payments)



**No Matter How Bad Your Credit,  
It CAN Be Fixed!**



# This Includes Getting Rid of

- Judgments
- Charge-Offs
- Delinquencies
- Collections Accounts

# And in Some Cases, Getting Rid of

- Bankruptcies
- Liens
- Repossessions
- Foreclosures

# Creating the “Perfect Storm”



# But It Doesn't Happen Overnight



Persistence is **the Key**  
to Making This Work!





**Everything a Credit Repair Company  
or Attorney Can Do...**

**You Can Do Better,  
Faster, and More  
Efficiently!**

# My Experience with Credit

- Had “Perfect” Credit Pre-First Divorce
- My First Divorce Happened in 1998; By 1999 My Credit Began Its Downhill Spiral
- Due to Several Joint Accounts and a Few He Opened AFTER the Divorce that Were Linked to Me, My Credit Was Trashed by 2001
- In 2003 I Decided to File for Bankruptcy
  - 2003 Was the LAST YEAR that a Chapter 7 Would Offer a Complete “Clean Slate” Without Taking Your Assets to Repay Debts
- This Would Be the Second Worst Mistake of My Life (My First Marriage Being the First Worst Mistake, Of Course)

# What I “Should” Have Done Differently

- Not Filed for Bankruptcy
- Negotiated with Creditors
- Disputed ALL Joint Accounts
- Disputed ALL Accounts Opened After the Divorce Dissolution Filing
- Let the “Difficult” Delinquencies That I Couldn’t Have Removed Fall Off After 7 Years



Filing for Bankruptcy is...

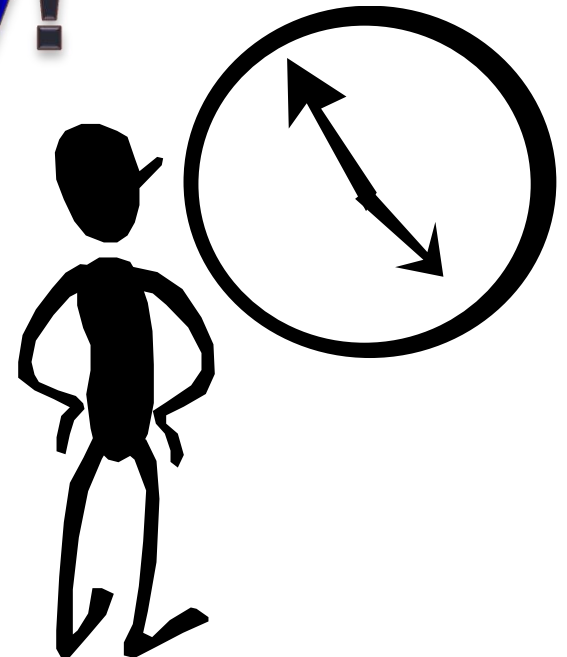
Almost **NEVER** a  
Recommended Plan  
for Anyone!

# How I Was Able to Fix My Credit

- Disputing the Negative Marks on My Report Over and Over Again
- Getting Secured Credit Cards
- Getting a Car Loan
- Paying My New Loan and Credit Cards ON TIME
- Paying 100% of My Credit Card Balances Every Month
- Making It a Habit to Make a Credit Card Payment on Each Credit Card Every 2 Weeks
- Adding a New Credit Card Every Year, Even a Low-Balance Department Store Card
- Restricting New Account “Hard” Inquiries to 2 Per Year



**Then Letting Time  
Tick Away!**



**But Since My Credit Repair,  
I've Learned Some More  
Powerful Tricks to Drastically  
Accelerate the Credit  
Repair/Rebuilding Process**





One Technique Eliminated a...

**\$1.3 Million Dollar Judgment  
Off My Credit Reports WITHOUT  
Me Paying a Single Cent!**

**And That's What You're  
About to Discover Here!**

**TOP SECRET  
INFORMATION**



**For Years the Credit Bureaus Took  
Advantage of Consumers for Not  
Knowing the Laws in Their Favor!**

**Knowledge is Power!**

**Time to Use This Power  
to Change Your Life**

You Must Understand  
One Thing About This

This is a **PROCESS**



*And It's **Ongoing!***

# What I Focus On Now

- Credit Monitoring
  - Making Sure There Isn't Any Identity Theft
  - Keeping a FREEZE on My Account Every 90 Days
- Deleting "Hard" Inquiries
  - These Are Inquiries from Creditors YOU Authorized (i.e. Visa Application Online, Car Loan Application, Etc.)
- Getting Rid of One Stubborn "Late" from 5 Years Ago
- Making Sure the Credit Reporting Agencies Update Records ON TIME
  - Removing Records/Entries on the Dates They State They Are to Come Off (i.e. My Bankruptcy)
- Making Sure My Information is Accurate
  - Names
  - Address
  - Phone Numbers
  - Removing Any Old Information from 10+ Years

**And These Are the Same  
Things You'll Always Focus On**

**Obtaining and Retaining a  
“Perfect” Credit Rating is  
EXTREMELY IMPORTANT**

# Some Basic Definitions

- **Late Payments**
  - When You Become 30 Days Late on Any of Your Bills, the Bank or Lender Will Disclose This Late Status to the Credit Bureaus
- **Inquiries**
  - “Soft Inquiries” Are When Pre-Screened Credit Companies Check Your Credit to See If They Want to Offer You Credit and They DO NOT Take Points Off Your FICO
  - “Hard Inquiries” Are Those That You Authorize When You Apply for Credit Through an Online or Offline Application
- **Judgments**
  - When a Creditor Sues You In Court, This Goes on Your Credit Report and Stays for Up to 7 Years
- **Charge-Offs**
  - If, After 180 Days, a Creditor Cannot Collect from You, They Charge It Off as a Loss
  - For Amounts Over \$600, They Issue You a 1099-T Form



# More Basic Definitions

- Foreclosure/Repossession
  - When Property is Taken Back by the Bank
  - Foreclosure is a Term Typically Used by Banks When Taking Back Real Estate; Repossession is a Term Used by Other Types of Lenders Such as for a Car Loan When Taking Back Their Property
- Tax Lien
  - Put on the Credit Report by the IRS and Can Remain There FOREVER
  - If It's Paid, It Remains on the Credit Report for 7 Years
- Collection
  - A Charge-Off Typically Goes to a Collection Agency and Falls Under This Category and Can Remain on Your Credit for Up to 7 Years
- Bankruptcy
  - When Renegotiating Debt or “Wiping the Slate Clean” with Creditors
  - Chapter 7 Remains for 10 Years; Chapter 13 Remains for 7 Years
- Child Support
  - Sort of Self-Explanatory

# Getting Over the FICO “Hurdles”

Step 1: Get Over **600** – Will Get You “Out of the Dark Woods”

Step 2: Get Over **640** – Will Get You Into “Healthier Credit Territory”

Step 3: Get Over **680** – Will Get You in “Clear Sailing Waters”

Step 4: Get Over **720** – Will Get You “Opening the Vault”

Step 5: Get Over **750** – Will Make the “Sky’s the Limit”

**These Are the “Magical”  
FICO Step-Up Points**

**You'll Find Certain FICO "Hurdles" Are  
More Difficult to Overcome Than Others**

**Getting Over 600**

**Getting Over 680**

**Something Only "Time" and  
Staying Current Can Solve**

*Realistically...*

You Can **Boost** Your  
FICO By **100 Points**  
in 90 to 180 Days



And Up to **250 Points**  
in 12 to 18 Months

**The Time is Dependent On...**



**Your Persistence**

**How Difficult the  
Negative Marks Are to Remove**

# Most **Difficult** to Remove Are...

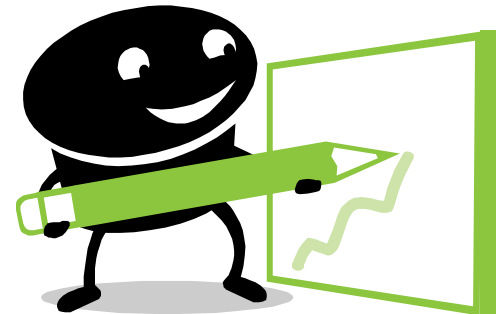
- Bankruptcies
- Foreclosures
- Repossessions
- Judgments
- Tax Liens

But It **CAN** Be Done!



**In Order to Begin...**

**We Need to Figure Out  
Where You Are **Now!****



# What's Required

- Pull a “Tri-Merge” Credit Report
  - This Can Be Done Through [Experian.com](https://www.experian.com)
  - Get Their \$39.95 3-Credit Report and 3-FICO Score Offer
  - DO NOT Get Their \$1 Offer or Their \$15.95/Monthly Credit Monitoring Service
- Get All 3 FICO Scores (Experian, Equifax, Transunion)
- “Dissect” the Report
- Generously Use a Highlighter
  - Use Different Colors for Different “Parts” of Your “Dissection”
- You Will Be Highlighting **EVERY** Delinquency, Hard Inquiry, and Bit of Misinformation (i.e. Wrong Name, Old Phone Number, Other Social Security Numbers Used, Etc.)



# How to Get a Free Credit Report

- You Are Entitled to a Free Credit Report By Request in Writing Once Per Year
- Any Time You Get a Credit Denial Letter or a Creditor States They are Raising Your Interest Rates on Your Account Based on a Negative Change in Your Credit, You Are Entitled to a Free Credit Report
- If You Were Denied a Job or Insurance Based on Your Credit, You Are Entitled to a Free Credit Report
- If You Are on Welfare or Unemployed, You Are Entitled to a Free Credit Report

**These Won't Give You Your FICO Score**

# The Credit Reporting Bureaus

- **Experian** – the “Most Pulled” Credit Report
- **Transunion** – the “More Strict” Bureau
- **Equifax** – the “Never-Up-to-Date” Bureau
- **Innovis** – the One “Nobody’s Heard of” but is Typically Used by Credit Companies to Send Out Pre-Screened Offers and Mortgage Lenders
- **ChexSystems** – for Banking Only; If You Are Overdrawn at a Bank for Over \$100 for 30 to 60 Days or More, You Will Be Disallowed to Open a New Checking Account at Most Banks for 5 Years, *Even If You Pay the Overdrawn Amount Off*

# How to Get the Other Reports

- **Innovis**
  - Call (800) 540-2505
  - Or Write to: Consumer Assistance, PO Box 1689, Pittsburgh, PA 15230-1689
  - This Report is Not That Important and is the LEAST of Your Worries
- **ChexSystems**
  - Free Report at [www.ConsumerDebit.com](http://www.ConsumerDebit.com)
  - You'll Know If You're on ChexSystems If You Cannot Open a Checking Account
  - If Your Overdrawn Balance is OLDER Than 12 Months Old, You Can Open a Checking Account at US Bank

The Law Is On **YOUR** Side

**Federal Trade Commission (FTC)**

**The Fair Credit Reporting Act (FCRA)**



You **Will** Be Making Frequent Complaints to the FTC  
and Making Frequent References to the FCRA Law

# Starting the Process



# Some Basic Tools

- Manila File Folders
- Hanging File Folders
- Labels for Folders
- Place to Hang Files
  - This Can Be in a File Cabinet, Desk Drawer or a Portable File Folder Holder
- Log
  - Should Be a “Computer” Log Saved in Your Desktop or Laptop
  - Excel File or Word Table is Best

# *The Log...*

<b>Creditor/Bureau/Agency</b>	<b>Date</b>	<b>Action Taken</b>	<b>Response</b>
Transunion	01/03/13	Disputed Capital One	Account Deleted
Experian	01/03/13	Disputed Capital One	Not Deleted
Experian	02/14/13	Disputed Capital One	
FTC Online	02/14/13	Complaint About Experian On Capital One Account	
Capital One	02/14/13	Certified Letter Asking for Debt Verification	

# Step 1: Dispute ALL Negative Marks

- A “Negative Mark” is a Delinquent Account, Judgment, Charge-Off, Foreclosure, Bankruptcy, Lien, or Anything Else That Shows Up Under the “Adverse” or “Potentially Negative” Section of the Credit Report
- It’s Best to Dispute 2 to 3 Accounts At a Time ONLY; Disputing More Than 3 Accounts In the First Letter Will Throw Up a Red Flag and Create Resistance with the Bureaus
- Send Initial Disputes Via a Mailed Letter; Online Disputing is Not Very Effective Anymore
- Send a Separate Dispute Letter to Each Credit Reporting Bureau Based on Actual Disputes in Their Credit Report
- Do NOT Dispute Inquiries in the Same Letter
- You CAN Update Personal Information in This First Letter



# Dispute Addresses

**Experian  
NCAC  
P.O. Box 9701  
Allen, TX 75013**

**Transunion  
P.O. Box 2000  
Chester, PA 19022**

**Equifax  
PO Box 105518  
Atlanta, GA 30348**

**About the First Letter**

**Short and Sweet**



Your Full Name  
Your Address  
Your Phone Number  
Your Date of Birth  
Your Social Security Number  
Report Number  
Today's Date

**“Friendly” Tone**

Dear Credit Bureau,

I'm writing to let you know that your company is reporting inaccurate information on my credit report. The FCRA ensures that bureaus report only 100% accurate information. Therefore, I would like the following information to be investigated.

Credit Account 1  
Credit Account 2  
Credit Account 3

**Maximum of 3 Credit Accounts**

Be VERY VAGUE and Only Include Information About the Accounts in Dispute (Creditor Name and Partial Account)

Please delete this misleading information and supply me with a corrected credit report within 30 days.

Sincerely,  
Signed Name

Printed/Typed Name Below Signature

# How to Choose Those **First 3** **Credit Accounts to Dispute**

- Older Accounts by a Credit Collection Agency
  - Any Account that is 3 Years or Older is Considered an “Older” Account
  - Any Account that is 5 Years or Older is Considered an “Old” Account
- Late Accounts that Have Been Paid in Full
  - Including Paid Tax Liens and Judgments
- Older Charge-Off Accounts
- Duplicate Accounts
- Any Delinquency that is 10 Years or Older
- Settled Accounts
  - These Are Accounts Where the Creditor Agreed to Take a Smaller Amount Than the Original Debt Amount
- Accounts Where You Were an “Authorized User”
- Accounts that Belong to an Ex
- Any Account that Never Belonged to You

# **DO NOT Dispute These Accounts Yet**

- Any Type of Bankruptcy (Chapter 7 or Chapter 13), Old or New
- New Foreclosures or Repossessions
  - Within the Past 12 Months
- Child Support
- Recent Charge-Offs
  - Within the Past 12 Months
- Recent Judgments
  - Within the Past 12 Months
- Unpaid Tax Liens
  - No Matter How Old
- New Late Payments
  - Recent 30, 60, or 90 Days Late

**These Types of Accounts  
Be Worked on Later**

# After the Initial Dispute Letter...

- The Credit Bureaus Have Up to 30 Days to “Investigate” the Accounts Named in Your Letter
- They Have to Hear Back from the Creditor to Address/Verify Your Account Within that Time Frame
- If They Do Not Hear Back from the Creditor or Collection Agency Within 30 Days, It Will Be Deleted from Your Credit Report
  - This is WHY You Save Your Past Credit Reports...In Case it Goes Back on Your Credit, You Can Have it Removed Immediately if You Can Prove It's Already Been Taken Off Once Before!
- If They DO Hear Back and the Information is Verified, the Account WILL NOT Be Deleted Off
  - It Will Show “Updated” or “Verified” in the Follow-Up Communicate Letter You Receive from the Credit Bureau(s)
- You Will Then Have to Send Another Letter with a Reason to Re-Open the Investigation

Again...

**Always SAVE Every**  
**Credit Report!**

*You Must...*

Wait a **FULL WEEK**  
Before Sending Another  
Dispute Letter Out  
**After** Receiving the Results  
Letter from the Bureau



# Top 10 Dispute Reasons for Reinvestigation

- Account is Not Yours
- Never Been Late
- Not the Correct Account Number
- Accounts Are Not Verifiable
- Balance is Wrong
- Outdated Information
- Inaccurate/Incorrect Information
- Credit Limit or High Credit is Wrong
- Date of Last Account Activity is Incorrect
- Status is Incorrect



# The Second Letter

Your Full Name  
Your Address  
Your Phone Number  
Your Date of Birth  
Your Social Security Number  
Report Number  
Today's Date

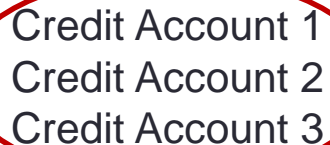
More Aggressive Tone



Dear Credit Bureau,

I'm very upset that your company is continuing to report inaccurate information on my credit report. As I already indicated to you, the FCRA ensures that bureaus report only 100% accurate information but I am disturbed that you are not. Please reinvestigate the following accounts, as per the FCRA.

Credit Account 1  
Credit Account 2  
Credit Account 3



← The Original 3 Credit Accounts  
You Must Add Your **REASON** for the Reinvestigation

Please delete this misleading information and supply me with a corrected credit report within 30 days.

Sincerely,  
Signed Name

Printed/Typed Name Below Signature

**Capital One Mastercard:** Partial Account Number XXXX XXXX 9534 1332 – This Account Needs to Be Reinvestigated Because IT IS NOT MY ACCOUNT. Please reinvestigate this account properly as per the requirements and regulations of the FCRA.

**LeaseComm:** Partial Account Number XXX2615492 – This Account Needs to Be Reinvestigated Because This Account is NOT VERIFIABLE. I have attempted to verify this debt with the creditor and they have FAILED to give me any documentation or proof that I owe them money. Please reinvestigate this account properly as per the requirements and regulations of the FCRA.

**Barclays/Juniper Mastercard:** Partial Account Number XXXX XXXX 8824 0443 – This Account Needs to Be Reinvestigated Because This Account BELONGED TO A FORMER ROOMMATE and I was never a joint cardholder or an authorized user on this account. Please reinvestigate this account properly as per the requirements and the regulations of the FCRA.

# Some Secrets

- Full Account Numbers Are NOT Provided on Credit Reports; Never Indicate that You Actually Know the Entire Account Number Otherwise You'll Essentially Prove the Account is Yours
  - Reference the Account Number As Typed on the Credit Report When Communicating to the Bureau About the Account in Question
- You Can Send Out Your First Set of Disputes to the Creditor or Collection Agency DIRECTLY But ONLY During Your **Second Round** of Letters to the Credit Reporting Bureaus
  - Send Out Via CERTIFIED Mail When Sending Requests to Creditor
- Best Dispute Times Are Mailing Your Credit Bureau Dispute Letters the Week of Thanksgiving and 7 Days Before Christmas
- Anything You Can Do to Have a Human Being Input Your Data Will Get MORE STUFF Removed
  - You Can Handwrite Out Your Letter (or Parts of It), Use Harder to Read Fonts, Lots of Bizarre Fonts and Colors, Dark Colored Paper, and Highlighting
  - Handwrite Out Your Envelope and/or Use an "Odd-Shaped" Envelope

# Rule of Thumb: 3 Letters

- If the Items Are Still on Your Credit Report After 2 Letters, You'll Send Out a 3<sup>rd</sup> Set of Letters to the Credit Reporting Bureaus Still Reporting the Negative Information
- By This 3<sup>rd</sup> Letter, You May (or Hopefully Not) Received a Responses from the Creditor or Collection Agency
- You Can Now Prepare for the 3<sup>rd</sup> Letter to the Credit Reporting Bureau
- You Must Wait a Full Week After Receiving the Credit Bureau Letter Before Sending the Next (3<sup>rd</sup>) Letter Out

Your Full Name  
Your Address  
Your Phone Number  
Your Date of Birth  
Your Social Security Number  
Report Number  
Today's Date

# The Third Letter

More Demanding Tone



Dear Credit Bureau,

I'm requesting that you provide me with the description of the procedures used to investigate my trade lines in compliance with the FCRA, section 611, part B, subsection iii. As a matter of convenience, I'm resubmitting my request to correct my credit report.

Credit Account 1  
Credit Account 2  
Credit Account 3

← The Original 3 Credit Accounts

You Must Add ANOTHER REASON for the Reinvestigation

Please delete this misleading information and supply me with a corrected credit report within 30 days.

Sincerely,  
Signed Name

Printed/Typed Name Below Signature

**Capital One Mastercard:** Partial Account Number XXXX XXXX 9534 1332 – This Account Needs to Be Reinvestigated Because IT IS NOT MY ACCOUNT and Has NOT Been Verified. (See the Attached Certified Letter and Their Signature Receipt of the My Request.) Please reinvestigate this account properly as per the requirements and regulations of the FCRA.

**LeaseComm:** Partial Account Number XXX2615492 – This Account Needs to Be Reinvestigated Because This Account is NOT VERIFIABLE. I have attempted to verify this debt with the creditor and they have STILL FAILED to give me any documentation or proof that I owe them money. (See the Attached Certified Letter and Their Signature Receipt of the My Request.) Please reinvestigate this account properly as per the requirements and regulations of the FCRA.

**Barclays/Juniper Mastercard:** Partial Account Number XXXX XXXX 8824 0443 – This Account Needs to Be Reinvestigated Because This Account BELONGED TO A FORMER ROOMMATE and I was never a joint cardholder or an authorized user on this account. The Creditor has FAILED to Verify This Account Upon My Recent Request. (See the Attached Certified Letter and Their Signature Receipt of the My Request.) Please reinvestigate this account properly as per the requirements and the regulations of the FCRA.

**Meanwhile...**



# Start Chiseling at Other Negative Accounts

- Send the First Round of Credit Bureau Letters Out for Another “Set” of 3 Accounts, Starting the Process Over for These Additional Accounts
- In This Set, Add ONE “Tough” Account in the Mix
  - Do NOT Include Bankruptcies, Foreclosures or Repossessions
  - Do NOT Include Unpaid Tax Liens
  - You CAN Consider a Judgment or Charge-Off (Only If It’s 12 Months or Older)
- Start Filing Your First Set of FTC Complaints Against Both the Creditor or Collection Agency AND the Credit Bureau(s) that Failed to Remove the Account(s) from the First Letter
- Send a Separate Letter Out to Dispute Inquiries
  - Will Not Work When Trying to Dispute with Transunion

# A Note About Judgments

- If, After SEVERAL Dispute Letters Spanning Over More Than 6 Months, Consider a Payment Alternative
  - Your Threshold May Be 12 Months
- Most Collection Agencies Purchase Debt for Approximately 10 Cents on the Dollar
- You Can Offer to Settle Any Debt for Anywhere from 10 Cents to 20 Cents on the Dollar
- This Only Works on OLDER Debts
  - “Older” Varies by Company and Could Mean Anywhere from 2 Years to 5 Years Old
- Never Pay Them ANYTHING Until You Have an Agreement in Writing on EXACTLY What is Supposed to Occur After Agreed Payment is Made

# Debt Settlement Agreement

- Will Show as a “Settled” Account on Your Credit Unless You Shoot for Complete Removal
  - This is Not Preferred
- **Complete Removal** of the Mark on Your Credit (As If the Debt Never Existed) **MUST** Be IN WRITING Before You Pay a Dime; This is Also Called **“Pay for Delete”**
  - This is the Preferred Arrangement to Make
  - The Older the Account, the Better Your Chances to Get This Arrangement with the Creditor or Collection Agency
- Sometimes You **MUST** Take a “Settled Account” Status If You Are in a Situation **Requiring** You to Settle Your Accounts
  - Usually in the Case of Buying a House or Refinancing Your Mortgage for a Lower Interest Rate

# The Role of Attorneys in Debt Settlement

- They Arrange a Lowered Settled Amount on Your Behalf
- They Gather the Letters from Your Creditors Showing the Agreed Settlement Amount and What Will Show on Your Credit Reports Once the Payment is Received
- If You Are Making Payment Arrangements, These Arrangements Will Be Outlined in the Letter
- If You Do Not Like Dealing With Creditors or Do Not Want to Make Arrangements to Settle Your Debts, Use a Company or Attorney Who Specializes in This to Do This FOR You!
- Only Participate in This IF You Have the Funds to Pay Out to the Creditors
  - You Can OFFER What You Can Afford to Pay, Even If It's VERY LOW... *Try Offering It Anyway!*

# The Problem with “Settled” Accounts

- Will Still Reflect **Negatively** on Your Credit, Although Not As Bad
- Won't Be As Bad As a “Charge-Off” or “Judgment” But Will Still Take 7 Years to Fall Off
  - It's Best to Just Wait for the “Fall Off” WITHOUT Payment Than to Pay and Still Have to Wait
- If You DO NOT Have to Settle (i.e. For a Mortgage Refinance) Then Work on Having the Accounts Removed Through the Disputing Process
- Only Agree to Settle **IF** the Creditor or Collection Agency Agrees to a “**Complete Removal**” of the Debt
- Most Creditors or Collection Agencies NEVER Remove the Debt, Even After Payment
  - This is Why You Have This Agreement IN WRITING **BEFORE** You Cut Them a Check for the Settled Amount that They Will COMPLETELY REMOVE the Delinquency from Your Credit Reports
  - Simply Show the Letter to All of the Credit Reporting Bureaus With a Copy of Your Cashed Check and the Mark WILL Come Off Immediately

# A Way Around the “System”

- **“Restrictive Endorsement”**
  - A “Contract” on Your Check
  - “By Cashing This Check, You Are Agreeing that the Account Number XXXXX for [CREDIT ACCOUNT] is Paid in Full and that You WILL Update My Account to ‘Paid in Full’ on My Credit Reports Immediately.” Or However You Want It to Reflect on Your Reports!
- Not Legal in All States
  - Forbidden in New York, Ohio, South Dakota, and West Virginia
- Should Be Done As a LAST RESORT If the Creditor or Collection Agency Isn’t Working With You, You Can’t Remove the Delinquency and You NEED to Get a “Paid” Account for a Specific Reason

# Another Way Around the System

- You Can “Pay to Stop Reporting”
- Negotiate With the Creditor or Credit Collection Agency to Pay Part or the Entire Balance of Your Debt
- In Return, They Will Stop Reporting the Debt as Negative
- Make the Payment
- Then Dispute the Negative Item
- When the Credit Bureaus Attempt to Verify the Debt, the Creditor Will **NOT** Respond
  - They Will Not Be Able to Respond Otherwise They Will Be in Violation of the Agreement With You
- The Entire Account Will Be Deleted from Your Credit Reports

# If You're Going to Settle...

- Go After OLDER Accounts First
- Then Tackle the Lowest-Balance Account Out of Those First
- Work on Settling ONE ACCOUNT AT A TIME
- Make Sure You Have Approximately 20% of the Total Amount Owed and Available for Immediate Payment
- Understand that YOU HOLD ALL THE CARDS, They Don't
- Make It Clear of Their Alternative: No Money At All!



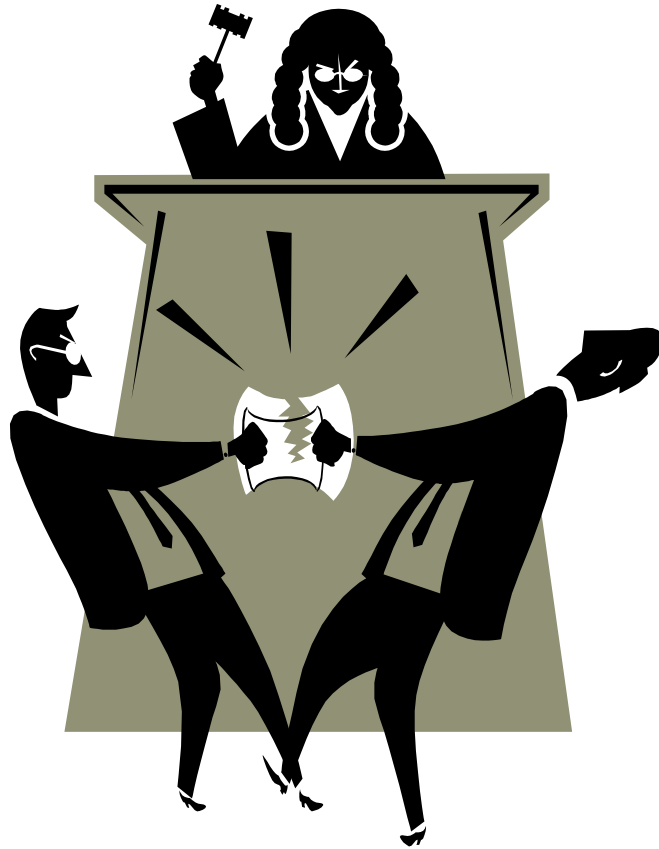
**And If the Account is Too Old?**

**Just Dispute It Then  
LET IT DROP OFF  
AUTOMATICALLY  
Without Payment**

# For **Newer** Collection Accounts...

- If It's a Small Amount, PAY IT IN FULL
- At the Same Time, File a Dispute With the Credit Bureau Asking to Investigate the Account
- The Creditor WILL NOT Respond to the Credit Bureau Because the Account Was Paid and They're Too Busy to Bother
- Because They Never Responded, Your Delinquent (But Paid In Full) Account Will Come Off
- I've Done This Successfully on Several Occasions and It's Worked Like a Charm Each Time

# Back to Disputing...



# Basic Problems with the Dispute Process

- Your Disputed Item Was “Verified” and No Change Was Made on Your Credit Report
- Your Dispute Has Been Considered “Frivolous”
- Your Letters Look Uniform Like You’re Working with a Credit Report Company
- Your Account Has Been Updated with New Information
- You Must Provide More Information to Verify the Legitimacy of Your Dispute
- Your Dispute Letter Has Been Deemed Suspicious

# What to Do



# Dispute the **e-Oscar** Method

- Computerize Method to Verify Debt
- Credit Bureau Sends a 2 – 3 Digit “Code” to a Creditor or Collection Agency to “Verify” Your Debt
- The Code Will Match YOUR DISPUTE By “Type” Such As “Item Not Mine” or “Item Belongs to Someone Else”
- The Creditor or Collection Agency Will “Verify” Your Debt By Simply Sending a Code Back Stating Whether the Debt is Yours (or Not)
- You Can Dispute Their Use of the e-Oscar Method Since the Credit Reporting Bureaus Are REQUIRED to Use FCRA Guidelines and NOT This Method When Verifying Debt and Credit Report Entries

# Dispute Was Verified with No Change

- This May Happen if the Credit Bureau Thinks You're Working with a Credit Repair Company
- Create a New Letter; This Letter Needs to Be More PERSONALIZED (and Possibly HANDWRITTEN) to Make It CLEAR That You're Writing Your Own Letters
- Ask the Credit Bureau What Their "Verification Method" is for Verifying Debt Information Including a Reasoning Behind Their Investigation
- Wait 60 Days and Draft a New Dispute Letter Using a Different Dispute Reason
- Send Proof Showing Why the Mark Needs to Be Removed

# What is Proof?

- A Copy of the Letter to the Creditor with a Copy of the SIGNED Certified Letter Card (Green)
- An Explanation to the Credit Reporting Bureau that You Requested Verification/Proof that the Credit Account is Yours Yet No Response Was Received OR No Acceptable Verification Was Sent to You
- Proof of a Settlement Letter and a Copy of the Cashed Check
- A Copy of a Cashed Check Showing the “Restrictive Endorsement”
- Other Credit Reports (from 1 or 2 of the Other Bureaus) Showing the Mark is NOT on Those Reports



# How to Ask for Proof from the Creditor

- Ask for PROOF That You Owe the Debt
  - This Includes the Original Credit Application or Loan Application with Your Signature
  - This Can Also Mean a Contract (i.e. Car Sales Contract)
- Ask for Your Payment History Showing Your Were “Late”
- If They Cannot Provide Proof of Your Debt, They MUST Delete It IMMEDIATELY As Per the FCRA
- You Can Give Them Up to 30 Days to Respond but Legally You Can Give Them Up to 15 Days
- If They Do Not Provide the Requested Information (Above) Then File Complaints with the FTC and Attorney General in the State Where the Creditor is Located
- You Will Then Include These Details in Your Next Dispute Letter with the Credit Bureaus

# You Can Sue...Or Threaten to Sue

- After Filing Your Complaints AND Contacting the Credit Bureaus in Reference to the Creditor or Collection Agency Refusing to Supply You With the Information They Are LEGALLY REQUIRED to Provide Upon Request, You Can Now Send a Follow-Up Letter to SUE the Creditor
- This Falls Under FCRA-616 for “Willful Non-Compliance”
- The Lawsuit Will Be for Up to \$5,000 and Be Filed in a Small Claims Court in YOUR Jurisdiction
  - This is Because the “Damage” to Your Credit Was Done in Your Jurisdiction
- You Need to BE SURE You Have Careful Documentation of All of Your Contact with the Creditor Asking for This Proof
- A Lawsuit Threat Will Force Your Letter to Their Legal Department Allowing for a Faster Result and Possible Removal

# **“They Think I’m Working with a Credit Repair Company” OR “They Said My Dispute Letter is Suspicious”**

- If the Credit Reporting Bureau Send You a Letter Stating They Will Not Investigate Due to the “Frivolous Nature” of Your Dispute, Ask for “Clarification”
- Remind Them that They Are in Violation of the Law by Refusing to Investigate Upon Your Request
- Make Sure You File a Complaint with the FTC and Be Clear You Mention the Credit Reporting Bureau Has Refused to Investigate Your Dispute
- Indicate to the Credit Reporting Bureau that an FTC Complaint Has Been Filed and Reference the FTC Complaint Number that is Given At the End of the Complaint Process

# Using the CC Method with **ALL** Correspondence

- CC = “Carbon Copy”
- Use This at the BOTTOM of Any Follow-Up Letter to the Credit Bureaus, Especially When Asking for a Re-Investigation
- CC a Large Law Firm, Particular Attorney, the Attorney General of Their State, or Even a State Senator
- This Drastically Increases Your Chance of Having the Bureau Re-Investigate Your Dispute

# Account Was Updated with New Information

- This is a Common Yet VERY VAGUE Response from the Credit Bureaus in Reference to Your Dispute
  - **This is the Most Common Response**
- You Have the Right to **Demand an Explanation** for Clarification
- Write Back and Tell Them That Their Report Results Are Confusing and You Fail to Understand
- Have Them Explain Their Report Results Including a Detailed Breakdown of What They “Updated”
- Give Them an Additional Warning Requiring Them to FOLLOW THE LAW and Abide By FCRA Regulations
- Threaten to File a Complaint with the FTC and Attorney General

# More Information Was Requested

- Transunion is **Famous** for Requesting Verification of Identity to Buy Them Time to Respond
  - This Includes a Copy of Your Driver's License, a Phone Bill, or an Electric Bill (Showing Your Address)
- They Have Done This Numerous Times to Me, Even Upon Giving Them the Documentation They Requested
- I've Found That Filing an FTC Complaint for Their Failure to Give You a Response, an Investigation, or Your Requested Credit Report Has ALWAYS Gotten Me What I Wanted
- Always Include in Your Response Letter that You've Filed the FTC Complaint and Include the Complaint Number

# Who to Funnel Complaints to...

- Federal Trade Commission (FTC)
  - File Against the Credit Reporting Bureau that Isn't in Compliance
  - File Against the Creditor or Collection Agency that Failed to Supply the "Proof" that the Account is Yours
  - If a Creditor or Collection Agency is Continuing to Contact You After You Wrote Them a "Cease-and-Desist" Letter
- Attorney General
  - In the State of the Credit Reporting Bureau
  - In the State of the Creditor or Collection Agency
  - In YOUR State
- Better Business Bureau (BBB)
  - In the Area of the Credit Reporting Bureau
  - In the Area of the Creditor or Collection Agency



# Keep Track of All Your Actions

- Enter Your Complaints in Your Log
- Make Sure You Indicate to the Credit Reporting Bureau, Creditor or Collection Agency that You Have Filed Complaints and to Which Agencies
- Have a Physical Filing System, Keeping It Super Organized
- You Should Have Files for
  - Each Credit Reporting Bureau
  - Each Creditor, Collection Agency, Judgment, and Delinquency

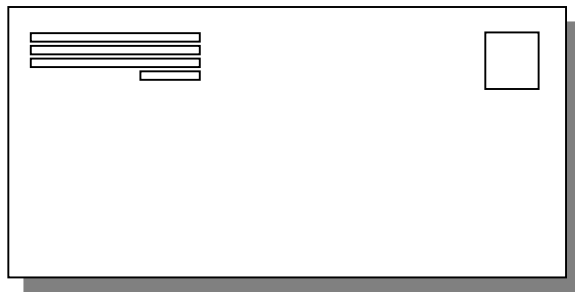




# The **Rule** of **12**



**It Takes About 12  
Dispute Letters to Get  
Most (or All) Negative  
Marks Off Your Credit**



**12 Dispute Letters Takes...**

**A Little Longer Than  
a Full Year to Complete**

# Bringing in the “Big Guns”

- All Creditors Are REQUIRED BY LAW to Notify You IN ADVANCE Before Placing Any Negative Item on Your Credit Report(s)
- If You Were NOT Notified, They Are REQUIRED to Remove It From Your Credit Report(s)
- This Falls Under the “Early Warning Clause” Under FACTA Section 623 (A)(7)
- If a Creditor or Collection Agency is Refusing to Remove a Negative Item from Your Credit Report(s), Indicate They Violated the Above “Early Warning Clause” and to Remove the Delinquency Within 15 Days
- If They Don’t...SUE THEM in Small Claims Court

***Remember...***

***Stay on the Bureaus***

**AND**

***the Creditors***

***Eventually They'll Get Sick  
of You and Delete the Negative Marks***