

# The Dos And Don'ts Of Credit Repair

Looking for ways to improve an unfavorable credit score? Look no further! Our handy guide will help you get on the road to improving your score.

## **Do: Determine your actual credit score**

If a recent credit application of yours has been denied, find out why. Each of the three major credit reporting agencies are required to provide you with a complimentary copy of your credit report once a year, upon request. To order yours, visit [annualcreditreport.com](http://annualcreditreport.com). You are also entitled to a copy if an adverse action like this happens – as long as you request it within 60 days of the notice.

## **Do: Review your report and dispute errors**

If you spot erroneous information on your credit report, dispute it in writing. Clearly identify every item you are disputing and the reasoning. Include copies of documents that support your stance and ask that the errors be corrected. Send it by certified mail and keep a personal copy of your entire letter for your own records. You'll also want to dispute the charge with your actual creditor.

## **Don't: Expect quick fixes**

There is no "quick fix" for creditworthiness. If a credit repair company promises to increase your score by 100 points in less than a month, don't believe it. There are legitimate credit repair companies, but there's nothing they can do for you that you can't do on your own.

## **Do: Take steps toward fixing your credit**

If you've determined that your credit report is accurate, take a careful look at which habits are generating the unfavorable score. If you're consistently late with credit card payments, consider setting up automatic bill-pay so you're never late. If your debt isn't going anywhere, rethink your spending habits. Trim your expenses wherever possible and never shop with credit cards. If your debt has become unmanageable, consider debt consolidation or a balance transfer to a card that has an interest-free period. Lots of open credit is considered unfavorable by creditors, so close as many accounts as you open – but leave your oldest one open. You can also consider contacting creditors to work out a more reasonable payment plan. Finally, find ways to increase your income, using all extra cash exclusively for paying down debt.

## **Don't: Expect to see improvement immediately**

It may take upward of 30 days or more for your account to be updated and your score to improve.

## **Do: Ask us for help**

Here at Upper Cumberland Federal Credit Union, we're all about helping you manage your finances. If you're in financial trouble of any kind, stop by today. *"If you don't have a credit score or a low credit score stop by or call and we can talk about our Credit Builder Loan. Since your credit can affect your ability to get a loan, the interest rate you pay on loans, car insurance rates, a job and the ability to get a rental property having good credit should be a priority. The Credit Builder loan is a \$500 share-pledged loan that you repay over a 9-12 month period. The funds are deposited into a restricted savings account and as you make payments the funds from the savings account become available to you and your payment history will be reported to the credit bureaus, which can impact your credit score. Once you build up your credit you could apply for that car loan or consolidate the debts you already have."* **Shirley B. Lending Vice President, UCFCU**

## **SOURCES:**

<https://www.credit.com/credit-repair/>

<https://www.consumer.ftc.gov/articles/0058-credit-repair-how-help-yourself>

<http://www.experian.com/blogs/ask-experian/credit-education/improving-credit/credit-repair/>