

## Planning & Repair Guide

### CONSOLIDATE YOUR BILLS

Before you get into a problem with your credit, refinance you mortgage with enough cash to pay of the other debt and then do not go out and run up the credit again. This will stop the potential of bankruptcy and give you breathing room to get your finances in order.

### LOWER YOUR MONTHLY PAYMENTS

Your mortgage payments are usually the largest payment you have. If that alone can be reduced, your monthly expenditures can be improved greatly. If you take the extra cash and pay off your other debt, your financial position is dramatically improved. If you just want extra spending cash available to have more fun and give your family the advantages they want and need, a lower monthly mortgage payment can help.

### PUT EXTRA CASH IN YOUR POCKET

Security is directly related to the available liquid assets (cash) available for emergencies or special needs such as college for your children or medical care for your loved ones or just that vacation you really, really need for your own mental well-being.

Waiting until the need arises can hurt as the rates may be up to a point you can not afford it or your major income source (husband or wife) can be the medical reason you need the money and will not qualify for the needed cash.

### CREDIT REPAIR:

STEP 1: You will want get copies of your current credit files from the three Credit Bureaus: TRW/Experian, Trans Union and Equifax. With our help, access your credit report. This will tell you exactly what is damaging your credit and where to begin.

### 3 in 1 Merged Report -

Have you ever applied for credit, been denied...and couldn't figure out why? Your credit report is the key to your creditworthiness. That's why you need to stay informed. When you order your three-bureau credit report with information provided by Experian, Equifax, and Trans Union, you know what the creditors know. Don't stay in the dark!

Before you ever apply for any type of credit you should know, beforehand, what the creditors are going to find out. Supplied with this information, there would be no surprises. Your credit history will contain all the information from the three nationally recognized credit bureaus in one comprehensive, easy to follow report. With our merged report you will gain access to your credit history. Our staff is expertly trained to answer all questions regarding your merged report. Remember, the credit bureaus don't share information, so items being reported to one bureau may not be reported to the other two. Merged Credit Report's are the best way to get a clear understanding of your true credit standing.

### Q&A

#### **Q: Why is my credit report so important to me?**

**A:** In today's society, almost all financial decisions are credit related. It's hard to come across a company that doesn't review credit reports to base their decisions, including employers, insurance companies, and rental agencies. So, you don't necessarily have to be applying for credit to have your credit report reviewed.



**Q: Why should I get a merged report instead of a single?**

**A:** There are three national credit bureaus as recognized by the FTC. Creditors tend to only report to one bureau, and not all creditors report to the same one. Each bureau may have different information reported for you. The only way to get a clear grasp of your true credit standing is to have information from all three credit bureaus.

STEP 2: You will then begin the process of removing negative credit from your file.

**Q: What if there is an error in my credit report?**

**A:** If you find any inaccuracies in your credit report, the Fair Credit Report Act, gives you the right to dispute these items in question. Our merged reports contain forms you can fill in and mail directly to the appropriate bureau. By law the credit bureau has thirty (30) days to either confirm or delete the item in question.

- ❖ If you filed BK, be sure every item that was included in the BK indicates that if it is on your credit report as they show as one negative experience.
- ❖ If there are collections you do not recognize, have a credit company check them out and remove them if they are not yours.

If a person is in the position of considering filing for bankruptcy, that person's credit is probably already ruined! The person can't pay his or her debts, is behind on many payments, and/or doesn't have enough assets to cover the debts. So it's not the bankruptcy that "ruins" a person's creditworthiness; it's the situation that warrants the bankruptcy that's the problem. A bankruptcy isn't a positive thing, however. Information about a bankruptcy usually stays on a person's credit report for ten years.

According to the study that we commissioned, sometimes the beginning of the end for people - who all typically begin in a comfortable economic place - is an unexpected event that affects their finances. This could be a divorce, loss of income, back taxes, child or parent care, or a major illness not covered by insurance. However, there are also those who admit they live beyond their means. People who file for bankruptcy also tend to be people with little in reserve; they have very little 'buffer' in terms of money for an emergency or back up. They use credit cards as the buffer, in the false hope that their economic situation will improve.

STEP 3: While the negative information is being removed from your credit files you will then begin adding positive information to your files. Most of our clients were placed in a situation where they were unable to pay their creditors. This leads to a credit file showing bankruptcy, liens, judgments etc. Even though things have changed now, most mortgage lenders will not offer them credit due to the past.

If you have had some credit problems, if you own a home there is almost always a loan available for you. It is rare that 2 people's problems are exactly the same. There are loans available for most problems. We will determine the best available loan for you at this time and refinance. The optimum is to pay off as much other credit as possible to bring down your overall payments and get your credit back on track. Usually your overall payments will be reduced as long as you do not go back out and run up your credit again. After 2 years when your credit has improved, refinance again and reduce your interest rate.

- ❖ If you had a bankruptcy the same plan can apply.

