

Do It Yourself Credit Repair

Repairing your own credit is important not only to purchase a home. Credit is pulled when you apply for credit, apply for insurance, and apply for a job.

Before You Get Started

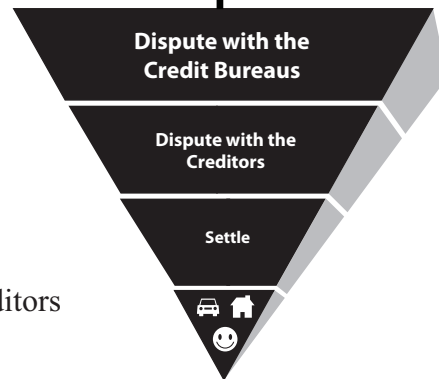
- One of the main reasons people fail at repairing their own credit is because they re-live all the bad things that have happened to them over the years. They say I will not pay “that” because of “this.” Get Over It! Whatever happened is in the past and now needs to be dealt with to achieve your future goals.
- It will take time to repair your credit. So be patient. Establish a credit repair plan and work it until it is done.
- You can do this yourself. You do not need to hire a credit repair company to assist you.

The Credit Repair Plan

The goal is to get rid of the incorrect information reporting and deal with the creditors that you owe.

To accomplish this goal, we suggest a three-tiered approach of disputing at the credit bureaus, then disputing with the creditors, and finally settling with the creditors that show proof of debt.

Credit Repair Goals



Disputing with Credit Bureaus

Sending dispute letters to the credit bureaus is the easiest and cheapest form of credit repair. You will send our Letter “B” to the credit bureaus.

To fill out letter “B,” you will need to gather all three credit bureau credit reports (Experian, Equifax (CSC Credit Services), and TransUnion). Review the credit reports for inaccurate or unknown information posted. When you find a wrong entry, fill out the Letter “B” form. You will need to fill in your name, address, social, and date of birth. Then on the credit report, you will find the creditors information. You will need to locate the creditor name, account number and amount in dispute. See **Credit Bureau Cheat Sheet** located in this packet.

Finally, you will need to give a reason as to why you are disputing the information on the credit report. You can check one of the reasons listed. If you do not find your reason listed, then choose other and give a brief description. If you have proof of your claim, then include that with the letter.

Online Tutorial Available
www.txclf.com/free-credit-repair



Pro Tip

It is not about being right, but winning.



Pro Tip

Find a credit repair buddy. By working with a friend's credit file and vice versa, much of the emotion can be taken out of the credit repair process. Have credit repair nights with pizza. This can be a fun, social event.

Provided by

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You will make one stack of letters going to each credit bureau. The addresses of the credit bureaus are listed at the top of Letter "B". You can send one envelope to each credit bureau via certified



mail. You do not need to send return receipt requested. After mailing the envelopes, wait seven days and then check www.usps.com to make sure that the credit bureaus have received your letter. Print out a copy of the confirmation page from the website and save for your file.

Within 30-45 days from sending Letter "B" to the credit bureaus, you should receive an updated credit report from them. Review the letter that they send. They will either update or delete the information. If they delete, you do nothing more. If they updated the information, then you will need to dispute with the creditor/debt collector directly.

Sample of Information Returned by Credit Bureaus

Source: Experian

Credit Items

AMEX
Account Number: 06011121701754....
RJM ACQ LLC
Account Number: 7R865....

Outcome: Deleted
Outcome: Remains

Personal Information

Residence
Telephone number

Outcome: Deleted
Outcome: Deleted

Expectations for Deletions from Credit Bureaus

- Creditor agrees that the item should be deleted.
- Creditor does not respond in time allowed. In this case, the item may appear on your credit report again.
- Creditor has gone out of business.
- Debt Collector is not collecting on that debt anymore.
- Debt Collector has gone out of business.

Disputing with Creditors / Debt Collectors

Dealing with the creditors / debt collectors can not always be done by letter alone and can be a much longer process. You will send our Letter "C" to the credit bureaus.

To fill out letter "C," you will need to gather all three credit bureau credit reports (Experian, Equifax (CSC Credit Services), and TransUnion). Review the credit reports for inaccurate or unknown information posted. When you find a wrong entry, fill out the Letter "C". You will need to fill in your name, address, social, and date of birth. Then on the credit report, you will find the creditors' information. You will need to locate the creditor name, account number and amount in dispute. See **Credit Bureau Cheat Sheet** located in this packet.

You will need to send Letter "C" to each creditor via certified mail. After mailing,

This packet contains no legal advice. It is written and intended for educational purposes only. If you need legal advice consult an attorney or call (214) 736-3845 for a free consultation.



Pro Tip

Credit Bureaus do not mediate disputes between you and the creditor. If you have an issue with the creditor and the credit bureau does not report it correctly, then you will need to resolve it with the creditor.



Pro Tip

If you cannot find a creditor or debt collector information, then go to:
www.txnv.com/creditor



Pro Tip

If a collector is harassing you, threatening to sue you, telling others about your debt, or being abusive, then call (214) 506-2500 or www.txclf.com OR go to www.naca.net to get a free consultation to see what your rights are.

wait seven days and then check www.usps.com to make sure that the credit bureaus have received your letter. Print out a copy of the confirmation page from the website and save for your file. You may also call 800-ASK-USPS.

Within thirty days, you should receive letters from the debt collectors with a deletion or with proof or validation letter. What is proof? In short, you will know it when you see it. At this stage, you know if you owe the creditor money. If you do, then it is time to settle.

What to do when a Creditor / Debt Collector is calling

Collection calls are the most frustrating calls to take for most people. Most of the frustration is caused because a debtor does not know what to say to collector. Debt collectors also use psychological tactics to “persuade” debtors to pay.

In this packet, we have included the **Counter Collector Script**. Print multiple copies of this page and keep them by your phone. When a debt collector calls, use the form to guide you through the conversation. At the end of the phone call, send Letter “C” in response.

Settle the Debt Right

It is imperative that you settle your debt correctly so that

- you can avoid future lawsuits.
- have the best credit score possible.
- have documentation that it was paid.

You should pay debts in the following order:

1. Judgments / Liens
2. Most recent collection accounts that will offer a deletion for payment. Start with the highest dollar amount and pay off the cheapest last.

We have provided the **Debt Settlement Sheet** to assist you in dealing with your creditors. The goal of settlement is to get the derogatory item to be removed. That could allow you to pay less than what is being reported on the credit report. Worst case scenario is to pay what is owed on the credit report and have it show settled or paid. If it shows paid or settled, then the credit score will not improve immediately. Over time, the credit score will increase--assuming no other derogatory information is added to the credit report. After 24 months, a paid / settled item reflects better (meaning higher credit score) than a derogatory with a balance.

The factors that affect the price you pay to settle the debt include:

- *Age* - The older the debt, the less you can usually settle for.
- *Amount owed* – It is a shame that usually the more you owe, the less of a percentage you will usually need to pay back. Small debts under \$300.00 will usually have to be paid in full.
- *The economy* – When the economy is bad, creditors are willing to accept smaller settlements.
- *The payment terms* – If you can pay the settlement amount in full right now, you will usually have to pay less money. If you need to pay it out over time, they will usually want money.

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Pro Tips

- If a collector will not work with you, hang up and call again. Find someone who will.
- If they do not agree to one of the settlement terms, call them back at a later date.

- *How it will report* – Some companies will not delete the negative item if you pay less than the full amount.

When settling a debt over the phone, you will want to negotiate a settlement price first. Once agreed, then you will need to negotiate how you will pay. You will never pay using a credit card or checking account over the phone. You then need to negotiate how it will appear on the credit report. You want a deletion. Worst case scenario is a settled notation on the credit report. Before you pay any money via check or cashiers check, you need this offer in writing from the creditor. You will not be protected unless you get this offer in writing.

After you have received their settlement offer in writing, you will need to pay them. You can send a cashiers check, money order, or check to pay for it. Just remember that what ever form of payment you use, you will need to get a copy front and back of the check. Some companies charge as much as \$25.00 to get a copy of a money order or cashiers check. If you have a lot of debts to settle, then get a free checking account and only deposit what you have agreed to settle in that account. You can get free front and back copies from most banks via their website. Once they have cashed the check, keep a copy of the settlement and front and back of the check in a safe place. This will be your final proof that this issue was dealt with. If anybody questions you in the future, give them copies of your proof. See **Debt Settlement Sheet** for more information.

After you have settled with your last creditor, you are done.

Resources

Find a Debt Collector:

www.txnv.com/creditor ← Best source

www.acainternational.org -- member search is on lower right hand side of screen.

www.texascollectors.com

Free Faxing

www.efax.com

www.freefax.com

Find Judgments

Collin County -- www.txnv.com/collinjf

Dallas County -- www.txnv.com/dallasjf

Denton County -- www.txnv.com/dentonjf

Tarrant County -- www.txnv.com/tarrantjf

Secured Credit Cards

Go to www.txnv.com/securedcc for the latest offers and suggestions.

Do you need more assistance, call us today at (214) 506-2500

Credit Bureau Cheat Sheet

Instructions

The sample credit report entries to the left are what you will find when you receive your free credit report from www.annualcreditreport.com

Use the black round numbers on the credit report to help you find the corresponding information on either Letter "B" or Letter "C".

1 BANK OF AMERICA #549099599947XXXX



3 4060 OGLETOWN STAN
MAIL CODE DE5-019-
NEWARK, DE 19713
(800) 583-1820

Balance: 4 \$0
Date Verified: 02/2006
High Balance: \$10,165
Credit Limit: \$8,200
Past Due: \$0

Pay Status: >Payment After Charge
Off/Collection<
Account Type: Revolving Account
Responsibility: Individual Account
Date Opened: 03/1993
Date Closed: 10/2005
Date Paid: 05/2005

Loan Type: Credit Card
Remark: Purchased by another lender
Estimated date that this item will be removed: 04/2012

1 BANK OF AMERICA

Address:

3 POB 17054
WILMINGTON, DE 19884
(800) 421-2110

Account Number:

2 549099599947....

Address Identification Number:
0148639555

Status: Account charged off/Past due 150 days. \$9,386 written off.

Status Details: This account is scheduled to continue on record until Jun 2012.
This item was verified on Jan 2007 and remained unchanged.

Date Opened:
03/1993

Type:
Revolving

Credit Limit/Original Amount:
\$8,200

Reported Since:
05/1994

Terms:
NA

High Balance:
\$10,165

Date of Status:
02/2006

Monthly Payment:
\$0

4 \$0 as of 02/2006

Last Reported:
02/2006

Responsibility:
Individual

Recent Payment:
\$0

Your Statement:

PAYMENTS WERE MADE IN COMPLIANCE WITH THE
NEGOTIATED SCHEDULE.
Account closed at consumer's request.

Creditor's Statement: Purchased by another lender.

Account History:

Charge Off as of Feb 2006
150 days as of Jan 2006
120 days as of Dec 2005, May 2003 to Sep 2003
90 days as of Nov 2005, Nov 2004 to May 2005, Apr 2003
60 days as of Oct 2005, Nov 2004, Oct 2004, Mar 2003
30 days as of Sep 2005, Jun 2005, Sep 2004, Feb 2003, Jul 2002



1 CAPITAL ONE



3 PO Box 85520
Internal Zip 12030-163
Richmond, VA 232855520

Account Number: 2 529107149232XXXX

Account Owner: Individual Account.

Type of Account 4: Revolving

Term Duration:

Current Status: CHARGE-OFF

High Credit: \$0

Credit Limit: \$0

Terms Frequency: Monthly (due every month)

Date Opened: 02/1995

Balance: \$5,000

Date Reported: 05/2007

Amount Past Due: 4 \$5,000

Date of Last Payment: 08/2002

Actual Payment Amount: \$0

Scheduled Payment Amount: \$0

Date of Last Activity: n/a

Date Major Delinquency First Reported:

Months Reviewed: 19

Creditor Classification:

Activity Description: Closed

Charge Off Amount: \$2,895

Deferred Payment Start Date:

Balloon Payment Amount: \$0

Balloon Payment Date:

Date Closed: 08/2003

Type of Loan: Credit Card

The Pettit Law Firm
is a Dallas, TX based law firm that assists people in dealing with their creditors, settling judgments / liens, representing clients against credit card lawsuits, personal injury, and insurance related issues.

Call (214) 506-2500 for a free consultation.



Letter "B"

Date: _____

Credit Reporting Agency (CRA) Mailing Addresses:

- | | | |
|--|---|---|
| <input type="checkbox"/> Equifax, Inc.
c/o CSC Credit Services
P O Box 740040
Atlanta, GA 30374 | <input type="checkbox"/> Experian
Consumer Relations
PO Box 9701
Allen, TX 75013 | <input type="checkbox"/> Trans Union Corporation
2 Baldwin Place
P.O. Box 1000
Chester, PA 19022 |
|--|---|---|

Consumer (Your) Information:

Name: _____

Address: _____

*Photo ID and Bill Attached

SSN# _____ - _____ - _____

DOB _____ / _____ / _____

I **dispute** the following account information on my credit report. Please validate this debt.

Account Information:

- ① Creditor Name: _____
- ② Account Number: _____
- ④ Amount: \$ _____

I dispute the account because (check one):

- ☐ This account is not mine or I do not recognize it.
- ☐ I have been a victim of identity theft and this was not opened with my permission.
- ☐ The balances are incorrect.
- ☐ This debt is older than 7 years. My last payment to the creditor was _____.
- ☐ Other: _____

If you should need to contact me regarding this dispute, please contact me.

Sincerely,

Letter "C"

Date: _____

❶ Company / Collector: _____

❸ Address: _____

Dear Sir or Madam:

I dispute inaccurate information on my credit file maintained by your organization.

My information is:

Name: _____

Address: _____

SSN# _____ - _____ - _____

Account information:

Original Creditor: _____

❷ Account Number: _____

❹ Amount: \$ _____

I **dispute** that I established an account with the stated debt amount or signed a contract with you or your assignee or assignor. Further I demand that:

1. **Your firm ceases contacting me via phone, mail, or email.** You may contact me directly in writing at: _____.
2. **Your firm provides *proof* that I owe the alleged debt stated above.**
3. **That your firm clearly states its relationship with the original creditor.** If your firm purchased this debt, please provide a statement and affidavit to that fact.

If you cannot comply with my demands and furnish proof that I have opened the account and made charges to that account, **remove the negative information you are reporting the credit reporting agencies.**

Sincerely,

**start asking immediately
after first question is asked**

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date / / **time** : am
 . . . pm

If a collector has done any of the above
call (214) 506-2500.

[illegible]

Debt Settlement Sheet

use this form to help settle
debts with creditors

Provided by

Pettit Law Firm

txclf.com

(214) 506-2500

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Company Name: _____

Phone No.: _____

to whom am i speaking?

and your extension?

i am calling about account number..

A c c t N o _____

did you find me by that account number?

yes

no

Can you pull it up by my social?
Do you know what may have
happened to this account?

without admissions to liability or damages, i would like to settle this debt
for \$ See Settlement Chart . Can you accept this offer?

yes

no

what is the lowest offer you
can accept today?

great. i am glad you can accept
this settlement. now we need to
talk about how it is going to
appear on my credit report. i
would like this item deleted off
my credit report. can you do this?

do you accept their offer?

yes

no

yes if they will not
delete, then they can
show as -0- paid balance

no

i am sorry, but for a debt that i
do not owe, i can not pay more
than what i offered and not have
it deleted off my credit report.
i will call back later. (hang up)

great. now that we have agreed
upon an amount and how it is
going to appear on my credit
report, i need you to send this
offer to me in writing. once i
receive it, i can make payment.
i will not make payment until
i receive this offer in writing.

See More Instructions on the
back of this form.

the collector does not cooperate

collector refuses to provide information

▷ why do you not want to answer my questions?

▷ i want to resolve this issue. why will you not
help me? if you can not help me, then who
can help me in your company?

▷ i am not willing to pay any alleged debt until i
receive answers to my questions first.

debt settlement chart

100% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

80% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

70% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

60% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

50% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

40% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

30% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

25% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

20% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

10% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

5% \$ _____ Did they accept offer?
☐ yes ☐ no \$ _____
Return to left side What did they counter offer?

Action Log

This is where you keep records of what is going on with this creditor.

date	time	notes

Debt Settlement Sheet

use this form to help settle
debts with creditors

Provided

Pettit Law Firm

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when you receive your settlement offer

If a debt is yours:

- Settle it with the creditor.
- Negotiate the amount.
- How it will appear.
- Payment terms.

Seven Factors that value a debt:

- 1) Age
- 2) Collection stage
- 3) Fee structure
- 4) Amount owed
- 5) The economy
- 6) The payment terms
- 7) How it will report

Negotiating settlement amount:

- Start at 10% of the debt owed.
- Terms
- Form of payment-
- How it will appear on credit report.
- Mutual release term.
- Get agreement in writing

TIPS

- If collector won't work with you hang up.
- Call back until you get one who will.
 - Do not pay without offer in writing.
 - Keep copies of the offer, and cashed check.

Paying the for the settlement

After you have reviewed the settlement offer and agree with its terms, you will need to send a payment to the creditor to in accordance with your agreement.

Usually you can make payment via check, money order, or cashiers check. When you send payment, you will need to mail it via a trackable method. This can best be done by Certified Mail.

When you write your check make sure that you write the account number in the memo line. You will also want to turn the check over and write on back "Accord and Satisfaction, Paid in full for Acct # / Your Name."

CHECK OR CASHIERS CHECK

PAY TO
ORDER OF ABC CREDITOR

Sum of: ** One thousand dollars and no/100 **

Memo For Acct# 122-7578

Signature

Not a Valid Check

ACCORD AND SATISFACTION
Payment in Full for
Acct # 122-7578 / Your Name

Sample

After two weeks, you will need to go to your bank or money order furnisher and get a copy of the front and back of the check, money order, or cashiers check. Save the agreement and the front and back of the check for your records.

when you receive your settlement offer

When you receive your written settlement offer from a creditor what you are looking for on the statement is:

- 1) the words "release", "paid in full", "accord and satisfaction" or "no future obligations". If your release does not contain any of these key words there may be a problem.
- 2) Make sure that the settlement amount is clearly stated.
- 3) That it clearly states how it will appear on the credit report.

As a service, we will be more than happy to review any documents you receive from a collection agency. You can send them to: Fax: (214) 989-6790 or Email: chris@txclf.com

Action Log

This is where you keep records of what is going on with this creditor.

date	time	notes