

Avoiding the Scam

In the issue of repairing your credit, it is best to do it yourself. Most often, you may hear or see advertisements claiming outstanding credit repair services offering you "legal" and "guaranteed" solutions for your credit problems. These services may use mottos that are quite enticing to those who are in dire need of credit repair. There are even others who get easily convinced after reading "authentic" testimonials from several customers, who might not actually exist.

When you are really in need of credit repair, the first thing you want to do is to act immediately. You should remember that this action should be done by you and not anyone else. Luckily, there are several factors that can help you avoid scam credit repair services.

The Fraudulence

Day after day, several companies appeal to consumers who have awful credit histories. Often, they promise to tidy up credit reports, for a price, to help consumers loan a car, mortgage a home, or even get a job. The horrible fact is they cannot deliver; you should keep this in mind especially if you do not want to worsen your debt. These companies would only take the cost of the services with them and vanish into thin air.

The Signs of a Scam

If you had responded to a credit repair service, there are warning signs that can help you determine an authentic credit repair offer from a fraud. Firstly, be aware of companies that wish for you to pay the cost of the repair before providing any services. In addition, avoid those companies that do not divulge any possible legal rights you are entitled to and what processes you can do yourself without payment.

There are companies that advise consumers to directly

contact a credit reporting agency - you should avoid such companies. More so, if the company you have responded to suggests that you to create a new credit identity and then make a new credit report by applying for an Employer Identification Number to use rather than you SSN, you should immediately stop contacting that company.

Lastly, those that advise you to argue all information included within your credit report or take actions that may seem illegal, i.e. generating a new credit identity, should be avoided.

Remember that you could be prosecuted for wire or mail fraud if you use the telephone or mail to apply for credit and give information that are not authentic. Lying on a credit application, misinterpreting your SSN and acquiring an Employer Identification Number from the IRS under false pretenses are all federal crimes.

Most importantly, you should remember that included within the Credit Repair Organization Act is the rule that credit repair companies should not require you to pay until the services they have promised are complete.

The best possible way to avoid poor credit history, and totally keep you safe from fraudulent credit repair services, is to do a periodic credit report review. Reviewing your credit report is important because the information in your report affects your chances of getting an insurance or loan. Make sure that the information is correct, complete and regularly updated before applying for a loan. Lastly, by doing periodic check-up on your credit report, you can be safe from identity theft, which can create a major problem not only in your credit report.