

The following is a Credit Repair outline from Home Buyers' Club on what to look for on your credit report and how to repair your credit.

1. Obtain a copy of your credit report
2. Review your credit report
3. Look for errors
 - a. Wrong name or addresses
 - b. Accounts you do not know anything about (errors)
 - c. Look for duplicate accounts (ask for duplicates to be removed)
 - d. Look for accounts over 7 years old (ask to be removed)
4. Look for negative items on your report
 - a. Late accounts 60 days or longer
 - i. Need to keep up with payments on current accounts
 - ii. Only time can cure
 - iii. Need to have a year of no late payments
 - b. Collections
 - i. Start with current ones (within last year)
 - ii. Save up money to pay off account completely
 - iii. Call account and explain you want to pay in full
 - iv. Work on older accounts (between 1 to 2 years old)
 - v. NOTE: You can actually make matters worse by "settling" an account for less than what you owe.
 - c. Judgments
 - i. You are ordered to pay by the court (your income may be garnished)
 - ii. You can usually set up a payment plan with the court
 - d. Liens (usually for taxes owed)
 - i. You will have to pay it
 - ii. It may be deducted from any future tax refunds
 - e. Bankruptcy
 - i. It looks bad on your credit report

- ii. Should be a last resort
 - iii. However, if it is over two years old, it will not keep you from getting a mortgage.
- 5. You want to show creditors that you have changed your bad spending habits by getting caught-up on your most recent credit
- 6. The more recent a problem, the more heavily it will weigh against your score
- 7. Paying off older accounts may not help you very much (older than two years)
- 8. Paying off “charged-off” accounts may not help you much
- 9. Do not even inquire about old accounts (you may open a can of worms)
- 10. Do not close any accounts
- 11. Do not open any new accounts