

## Clear Up Your Credit Without Bankruptcy

It is possible to clear your credit without claiming bankruptcy using a little known method. It is know as the Wage Earners Plan, and is provided for under Chapter 13 of the Federal Bankruptcy Act.

It is not bankruptcy since none of your debts are actually discharged. Anyone who earns a living from wages, salaries or commissions may use it. The plan actually is a court' supervised debt consolidation under which all your debts are turned over to a federal court for payment from a portion of your income.

In order for this plan to be accepted by the courts, you must design it yourself so that your payments are enough to pay off your creditors over no more than three years. Once your payment plan is accepted by the courts, all your creditors must also accept it.

In order to file, you must follow this procedure:

First, go to the U.S. District Court in your area and ask to speak to the referee. You will be given several forms on which to list your various debts and your income. At this time, you will be required to pay a filing fee of \$20 to \$35. Within 24 hours after you file, a restraining order will be issued to all of your creditors. This will do the following things for you:

1. Stop all legal action against you.
2. Stop any of your creditors from attaching your wages. 3. Stop any creditor from seizing your property.
3. Stop any creditor from seizing your property.
4. Prohibit creditors from contacting, harassing or threatening you in any
5. Stop all interest and late payment fees.

In most cases, there is at least a three month interval, between the filing date and the actual court date that is assigned to you, at which time you must pay court fee of \$15 to \$25. The payment fee period is only one of the benefit that you will have from this plan.

Other benefits include:

1. it will reduce your payments to an affordable amount.
2. It will not ruin your existing credit.
3. Payments are made to fit your income. In other words, you can make your payments on a weekly, monthly or even bi-monthly basis.
4. You will not have to pay any unsecured creditors who fail to file a claim within 6 months of the first creditor's meeting. Statistics show that about 60,416 of these creditors do not file a claim.

## **Credit Repair**

The burden of information is no longer placed on consumers. On September 30, 1997, Congress expanded the federal Credit law to help consumers keep the information contained in their credit report correct. Some benefits include: more privacy, more opportunity to review credit reports, less promotional mail and improved accuracy from businesses dealing with credit. The new law allows you more opportunities to review your credit report. You can still request a free copy of a credit report if you are denied credit. But you may now receive a free copy anytime you are denied a benefit due to credit, such as renting an apartment or getting a cellular telephone. Regardless, you should still get a copy of your credit report every year from each of the three largest credit bureaus listed below to ensure your files contain no errors. Follow the steps listed in this book and use the sample letters for quick credit repair.

**EXPERIAN (FORMERLY TRW)**

COMPLIMENTARY CREDIT REPORT  
P.O. BOX 2350  
CHATSWORTH, CA 91313  
**1-800-392-1122**

**TRANSUNION CORP.**

CUSTOMER RELATIONS DEPT.  
P.O. BOX 390  
SPRINGFIELD, PA 19064  
**1-800-851-2674**

**EQUIFAX, INC.**

P.O. BOX 105873  
ATLANTA, GA 30348  
**1-800-685-1111**

## Credit Repair

Start by obtaining a credit report from your local area. The yellow pages or your banker is a good reference if you are unsure who your credit bureau is.

1. It is important that you take the time to review, study and understand your report. Do not feel pressured to agree to an interview with your credit bureau to discuss your report. You are under no obligation unless the bureau insists upon it.
2. Review, study and thoroughly understand your report.
3. It is recommended that you make a note of all items you can not understand. It is a good idea to seek help from a neutral party.
4. Mailing all your disputes to the credit bureau along with the original report is the next step.

Please note: It is your right to have the credit bureau investigate all claims that you dispute once they are not frivolous. You may file a complaint with the Federal Trade Commission if you disagree. Always find out how long the credit bureau will take to verify a disputed account before you mail such a letter.

5. Mail your letter disputing any credit accounts (i.e. bankruptcies, judgements and inquiries). Expect to wait a reasonable period of time while your disputes are verified.
6. Get an estimate of how long each inquiry will take. If you feel your matter is being stalled, it is reasonable to file a complaint with the Federal Trade Commission, the Better Business Bureau and the local office of Consumer Affairs.
7. When you receive a response from the credit bureau, make a notation of those who have improved your rating. Inform them how they have improved your credit worthiness.

Unless they are willing to make a positive review of your report inform them that you will have no recourse except to pursue legal action. However, if the response is favorable you will forget the entire affair.

8. Limiting your statement to 100 words or less, the Fair Credit Reporting Act states that you can write a positive review of each account that you perceive as negative. Do not lump the statements all together. Write a separate statement for each account. The credit bureau must include the Consumer Statement in your credit report.
9. It is also your option to send letters to the creditor's local and/or district branch offices and any other related offices. The purpose is to explain your side of the story and work towards removing their account from your credit report.

Important Note: Include a copy of your Consumer Statement with this letter.

10. You can go one step further and contact the company's National Headquarters. Include a copy of your Consumer Statement as well as all other letters you have written pertaining to the case. Remember to explain why you believe that the comments on your reports are wrong and list the reasons.

The management at headquarters are quick to respond when they discover that its local offices are not consumer oriented. Simultaneously, send a letter to the local, state and federal government agencies.

Persistence will pay off in the end. Increase pressure by contacting the Better Business Bureau, media, hot-lines and non-profit consumer groups. Be positive! The more attention your case receives, the better your results.

## **Repair Your Credit**

Disputing the accuracy of information on your credit report has a great impact whether the issues are large or small. Such unresolved claims have the ability to greatly restrict your ability to obtain credit.

If you dispute anything on your credit report your local credit bureau must investigate and report to you in a reasonable amount of time, 30 days.

**\*Credit Bureaus must obey your request for a re-investigation of your credit record.**

After the investigation is complete and the disputed information is proved to be inaccurate, **THE CREDIT AGENCY MUST PROMPTLY REMOVE IT FROM YOUR CREDIT REPORT!**

Do not be intimidated by the appearance of derogatory statements on your credit. This may be an indication that something needs to be investigated.

**PERSISTENTLY DISPUTING THE INFORMATION IN QUESTION IS THE WAY TO CLEAN YOUR CREDIT FILE!**

Dispute everything. See Sample Letters.

## Getting a Mortgage with Bad Credit

A bad credit rating can disqualify you as a "A" buyer making it difficult to qualify for a home loan, but it is not impossible.

The primary reason is that houses are very secure collateral versus a credit card. The good news is that credit reports play a very minor role in mortgage approval with the last 2 years being the most important.

Your success or failure in obtaining a mortgage can be as simple as the mortgage broker that you use. He or she has the power to pre-approve you for an "A" mortgage. If you have less than perfect credit, your mortgage broker can also suggest a "B", "C" or "D" paper mortgage. This translates into a large down payment, higher interest rate, better debt to income ratio and more points for the mortgage broker. It is up to you to make sure that you receive the best possible paper mortgage. You always have options and remember that any shift in your interest rates no matter how slight can cost you tens or hundreds of thousands of thousands of dollars.

Time is actually on your side after bankruptcy when you apply for a home mortgage. With the exception of those mortgage brokers who are restricted by less permissive guidelines, the right mortgage for you will not be concerned about bankruptcy in your past once it is a year old and discharged.

You will be forgiven up to one court record (such as a tax lien or judgement) if you make every effort to show your broker that you have satisfied the lien or judgement. If you are unable to do this, work on restoring your credit before you apply.

Your chances of obtaining an "A" mortgage will be jeopardized by any unpaid collections, charge offs, deficiencies or a repossession, or remaining balance on a foreclosure. To prevent these conditions from affecting your chances you will need the help of an attorney. To offset any negative repercussions, try to settle the debt six months before you apply. This action will result in the "Paid collection" and the notice will be six months old by the time of application and will pave the way to your deserved "A" paper mortgage. **SEE HUD LISTING FOR MORE INFO.** Contact HUD for Housing Programs - **Fax on Demand #: 800-998-9999 24 hours a day.**

Another obstacle to overcome is any late payments that have occurred within the last year. While it is possible to explain two separate late payments, anything more than that will need the expertise of an attorney. You might try to contact your creditors themselves but do not waste your time trying to explain why you were late instead a better strategy is to convince them that somehow it was their fault. If this does not work, legal pursuit can quickly help creditors resolve the issue.

Lenders are also sympathetic to medical reasons that lead to late payments. Most are willing to overlook late payments due to accident or illness and are willing to let such listing slide in your Standard Factual Report. This report being the data that your mortgage broker uses to check your credit.

With the exception of foreclosures, any negative credit listings can be overlooked by a lender. Remember do not accept a high interest "C" or "D" mortgage until you pursued all of your options. Because with the help of any law firm or the persistence of your own efforts, you can improve your credit history. A little preparation,

effort, research and persistence can help you to obtain the best mortgage for your needs.

There is a limit to the amount of information your creditors can be privy to from your credit reporting agencies. The difference depends on whether they are a limited or automated subscriber to those agencies.

An automatic subscriber will automatically report your opened account to the credit reporting agency as well as checking into your credit history. This procedure automatically updates your credit account monthly.

A limited subscriber can only look into your credit history. They will not inform the credit bureau of any new accounts opened on your behalf.

This in turn means that you may have many lines of credit open that will not show up on your report.

With this information in hand, you may wish to research which banks are limited or automated subscribers thereby giving you more control over what appears on your record.

Before applying for credit from anywhere, obtain a copy of the FAIR CREDIT REPORTING ACT from a credit reporting agency and also obtain a copy of your credit report. This is available for a small fee unless you have been denied credit in the last 30 days. Then you can obtain your report free of charge. You have the right to know why you have been denied credit.

Your first concern is always to dispute or renegotiate anything that is in error on your report or that can adversely affect your chances to receive credit. Your status on many accounts can be changed from past due to current by renegotiating with many of your creditors.

**What to dispute on your credit report:**

Items like closed accounts not yet removed, misidentified accounts and accounts that are not yours. Remember information that is negative will remain on your report until you dispute it.

A word of caution to many, too many applications for credit can cause too many inquiries by potential creditors into your account. Some creditors may look at the length of your credit report and reject is as being excessively active. While inquiries are not a negative reflection upon you per se, it may be a good idea to contact the local credit bureau with the proper information to remove these from your report as well.

**\* The aim is to make your credit report reflect in your favor!  
Control your report; control your credit!**

### **Free Credit Repair & Consultation**

Call to be assigned a counselor in your state

### **Consumer Credit Counseling Service**

**800-338-2227**

### **Debt Consolidation - Bill Consolidation**

800-403-3433

800-869-0607

800-408-0044

### **Bad Credit Loans**

**Due to different applications & reprint rights, you must call for an application.**

**800-973-1413**

**800-577-5053**

**800-872-8608**

**800-241-1505**

### **Bad Credit Car Loan**

These companies will finance you a car regardless of your credit.

Requirements: No repossessions inside 1 year, a job and at least 18 years of Age.

1. Credit Acceptance Corp -888-334-4227
2. 800 Bar None
3. 800 Car Loan

**WARNING: BE AWARE OF YOUR INTEREST RATE AND MONTHLY PAYMENT BEFORE SIGNING YOUR CONTRACT!**

## **Banks - Bad Credit Loans**

Lending requirements are different from bank to bank. These banks make bad credit loans. Request an application and lending requirements.

#### ALABAMA

KEY LAON CO.  
522 DAUPHIN ST.  
MOBILE, AL 36602

#### IOWA

PEOPLES FINANCE CO.  
8565 HARBACH  
DES MOINES, IA 50311

#### RHODE ISLAND

FLEET FINANCIAL CORP.  
55 KENNEDY PLAZA  
PROVIDENCE, RI 02903

#### ARIZONA

H R CO.  
25 EAST EVA  
PHOENIX, AZ 85020

#### INDIANA

FIRSTMARK FIN. CORP.  
108-110 EAST WASHINGTON  
INDIANAPOLIS, IN 46204

#### SOUTH CAROLINA

PROVIDENT FIN. CORP.  
1426 MAIN ST.  
COLUMBIA, SC 29226

CALIFORNIA

TRANSAMERICA FIN. CORP.  
1150 SOUTH OLIVE ST.  
LOS ANGELES, CA 90015

LAWRENCE FINANCIAL, INC.  
333 MARKET ST.  
SAN FRANCISCO, CA 94105

COLORADO

MDC CORP.  
3600 SOUTH YOSEMITE  
DENVER, CO 80237

CONNECTICUT

NUTMEG FIN. SERVICES  
50 WASHINGTON ST.  
NORWALK, CT 06854

DELAWARE

BENEFICIAL FIN. CO., INC.  
11 CARR RD.  
WILMINGTON, DE 19809

FLORIDA

BLAZER FIN. SERVICES  
INC.  
P.O. BOX 020260  
MIAMI, FL 33102

GEORGIA

FIRST ATLANTA CORP.  
2 PEACHTREE ST., NW  
ATLANTA, GA 30383

HAWAII

RAINBOW FINANCE CORP.  
77 MERCHANT ST.  
HONOLULU, HI 96813

IDAHO

FARM BUREAU FIN. CO.  
845 WEST CENTER  
POCATELLO, ID 83201

ILLINOIS

HMI CREDIT CORP.  
105 WEST ADAMS  
CHICAGO, IL 60690

KANSAS

GOULD MANAGEMENT, INC.  
121 NORTH MAIN  
SYRACUSE, KS 67878

KENTUCKY

LINCOLN INTL. CORP.  
120 VILLAGE SQUARE  
LOUISEVILLE, KY 40243

LOUISIANA

LUCKMORE FINANCE CORP.  
633 BARONNE ST.  
NEW ORLEANS, LA 70113

NEW MEXICO

RED ROCK INV. CO.  
701 WEST COAL  
GALLUP, NM 87301

NEW YORK

CIT FIN. SERV. CORP.  
650 MADISON AVE.  
NEW YORK, NY 10022

NORTH CAROLINA

BARCLAYS AMERICAN  
201 S. TRYON ST.  
CHARLOTTE, NC 28202

OHIO

PREF. CREDIT CORP.  
149-151 WEST 4TH ST.  
CINCINNATI, OH 45201

OKLAHOMA

GARTMAN INC.  
105 WEST MARSHALL  
OKLAHOMA CITY, OK 73110

OREGON

UNITED FINANCE CORP.  
515 EAST BURNSIDE ST.  
PORTLAND, OR 97214

PENNSYLVANIA

FRONTIER FINANCE CO.  
3322 BABCOCK BLVD.  
PITTSBURGH, PA 15237

SOUTH DAKOTA

TIME LOAN PLAN  
101 NORTH MAIN  
SIOUX FALLS, SD 57101

TENNESSEE

AVERY G.H. CO., INC.  
946 RAYNER ST.  
MEMPHIS, TN 38114

TEXAS

CAPITAL MRKTG. CORP.  
9004 AMBASSADOR ROW  
DALLAS, TX 75265

UTAH

LOAN SERV. CORP.  
1706 MAJOR ST.  
SALT LAKE CITY, UT 84131

VIRGINIA

MID-ATLANTIC, INC.  
201 N. HAMILTON ST.  
RICHMOND, VA 23221

WASHINGTON

ACME FINANCE CO.,  
810 3RD AVENUE  
SEATTLE, WA 98104

WEST VIRGINIA

WESBANCO, INC.  
BANK PLAZA  
WHEELING, WV 26003

WISCONSIN

MADISON DEVL. CORP.  
23 PINKNEY  
MADISON, WI 53703

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**FIRST CONSUMERS NATIONAL BANK**  
**INDUSTRIAL BANK**  
1-800-876-3262  
303-841-0970  
150% OF YOUR DEPOSIT=CREDIT LINE!

**SAVINGS**

**CAPITAL ONE**  
**STERLING BANK AND TRUST**  
1-800-608-5227  
1-800-303-7916

**LOANS BY MAIL AND PAY DAY LOANS**

**TELE-CASH**  
800-992-9200