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TAX & CO.
TAX + ADVISORY

Credit Repair *Made Simple*

Understand your report. Know your rights.
Build healthier credit habits.

FREE VIP RESOURCE • ISSUE 01

FREE GUIDE • CREDIT EDUCATION • PRACTICAL TOOLS

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CHAPTER 1

Understanding Credit and Why It Matters

Your credit report records accounts and payment history; credit scores summarize information using scoring models. Lenders and permitted users may review credit history. Employers can review some reports when legally permitted, but generally do not receive credit scores.

- What your credit score actually represents
- Why credit impacts your financial life
- How lenders use your credit profile
- The difference between credit score and credit report

Score vs. Report: The Key Difference

Credit Report	Credit Score
Full history of accounts, payments, balances	A 3-digit number (300–850) derived from that history
Maintained by Equifax, Experian, TransUnion	Calculated by FICO or VantageScore models
Used to identify errors and disputes	Used by lenders to make quick decisions
Free weekly at AnnualCreditReport.com	Available through many banks and apps for free

CHAPTER 2

How Credit Scores Are Calculated

Credit scores aren't random — they're calculated using a specific formula. Understanding the five factors and their relative weight empowers you to take targeted action instead of guessing what might improve your score.

Factor	Weight	Key Action
Payment History	**35%**	Always pay on time — even minimums count
Amounts Owed	**30%**	Keep revolving balances manageable
Length of History	**15%**	Keep older accounts open and active
Credit Mix	**10%**	Have a healthy mix of cards and loans
New Credit	**10%**	Limit hard pulls to when truly necessary

> The single most effective thing you can do: pay every bill on time, every month.
> Payment history is about 35% of many FICO scores. of your score.

CHAPTER 3

Reading Your Credit Report

Your credit report is the raw data behind your score. You're legally entitled to free weekly reports from all three bureaus at AnnualCreditReport.com. Learning to read your report is the first hands-on step in any credit repair journey.

- How to get your credit reports for free
- Understanding the 3 credit bureaus
- Breaking down each section of your report
- Spotting errors and red flags

Sections of Your Credit Report

Personal Information	Name, address, SSN, employer — verify accuracy
Account Summary	All open and closed accounts with status
Payment History	On-time and late payments for each account
Public Records	Bankruptcies, judgments, tax liens
Inquiries	Hard and soft pulls on your credit
Collections	Accounts sent to collection agencies

CHAPTER 4

Common Credit Problems People Face

Most credit problems fall into a handful of categories. Identifying which ones apply to your situation is the first step toward fixing them. Some are quick to address; others require patience and a consistent strategy.

- Late payments and missed payments
- High credit card balances
- Collections and charge-offs
- Identity errors and mixed files

> Important: A 'mixed file' occurs when someone else's information appears on your report — often due to similar names. This is 100% disputable and must be corrected immediately.

CHAPTER 5

The Credit Repair Process Overview

Credit repair involves reviewing reports for inaccurate, incomplete or improperly reported information. You have rights to request corrections, but accurate negative information generally cannot be removed early simply because it affects your score.

- What credit repair actually involves
- What can and cannot be legally removed
- Your rights under the Fair Credit Reporting Act (FCRA)
- How long credit repair typically takes

What Can Be Disputed?

CAN Be Disputed	CANNOT Be Disputed
Inaccurate account information	Accurate negative information (within 7 years)
Accounts that don't belong to you	Legitimate late payments you made
Outdated items past reporting limits	Valid collections you owe
Duplicate accounts	Recent bankruptcies (legitimate)

CHAPTER 6

Disputing Errors on Your Credit Report

The Fair Credit Reporting Act lets you dispute inaccurate or incomplete credit report information. Credit reporting companies generally investigate within 30 days, with up to 45 days in certain situations. Keep copies of your dispute and the response.

- Writing effective dispute letters
- Online vs mail disputes
- What to expect after a dispute is filed

Dispute Letter Essentials

- Your full name, address, and date of birth
- The specific account name and account number
- Exactly what is incorrect and what the correct information is
- A request for investigation and correction or removal
- Copies (not originals) of any supporting documents
- Sent via certified mail with return receipt for mail disputes

> Pro tip: Mail disputes to each bureau separately. Online disputes are convenient, but certified mail creates a paper trail that protects your rights if escalation is needed.

Dispute deadlines can extend to 45 days in certain situations. Keep copies of responses.

CHAPTER 7

Handling Collections and Charge-Offs

Collections and charge-offs can negatively affect credit. Before paying or negotiating, verify the obligation and consider your rights. Reporting limits and state lawsuit limitation periods are different; payment does not simply restart the seven-year reporting period.

- What collections mean for your score
- Negotiating settlements
- Pay-for-delete strategy (what is realistic)
- When to pay vs when to dispute

Collections Decision Framework

Situation	Best Action
Error — account isn't yours	Dispute immediately with all 3 bureaus
Debt is valid, collector is legitimate	Ask for written payment terms
Debt approaches reporting limit	Check reporting dates and state law
Debt is past statute of limitations	Seek legal advice before making any payment

Payment may affect the time to sue under some state laws—not simply restart reporting.

CHAPTER 8

Reducing Credit Card Debt Strategically

Credit utilization compares revolving balances to credit limits. It is part of the amounts-owed factor, which represents about 30% of many FICO scores. Lower balances may help, but no particular percentage guarantees a score change.

- Credit utilization and its impact
- Debt payoff methods (snowball vs avalanche)
- How to lower utilization quickly
- Credit limit increases and timing strategy

Snowball vs. Avalanche Method

Snowball Method	Avalanche Method
Pay smallest balances first	Pay highest interest rates first
Builds psychological momentum	Saves the most money overall
Best if motivation is the challenge	Best if math is the priority
Quick wins keep you going	Requires more patience to start

> Quick utilization win: Request a credit limit increase on cards with good payment history. If approved without a hard pull, your utilization drops instantly with zero additional payment.

Utilization is one component of amounts owed. No score outcome is guaranteed.

CHAPTER 9

Building Positive Credit History

You can't just remove negatives — you also need to add positives. Building a strong credit history takes time, but the tools available today make it faster and more accessible than ever before.

- Secured credit cards explained
- Becoming an authorized user
- Credit-builder loans
- Establishing consistent payment habits

Credit-Building Tools

Secured Credit Card: You deposit money as collateral; the card functions like a regular credit card and reports to all 3 bureaus.

Authorized User: A family member or trusted friend adds you to their account. Their positive history benefits your score.

Credit-Builder Loan: Offered by credit unions and fintechs; you make payments first, then receive the funds. Builds payment history.

Store/Gas Cards: Easier to qualify for; use responsibly with small purchases paid in full monthly.

CHAPTER 10

Removing Negative Items Legally

Not every negative item can be removed — but more can than most people realize. Understanding what's legally removable, and the correct process for each type, puts you in a much stronger position.

- Late payments: what's possible
- Hard inquiries: when they matter
- Public records and limitations
- When to escalate disputes

> Goodwill letter strategy: If you have a strong payment history and one or two late payments, a sincere goodwill letter to your creditor requesting removal sometimes works — especially for long-term customers with isolated incidents.

Negative Item Reporting Limits

Item Type	Reporting Time Limit
Late payments	7 years from the date of delinquency
Collections	7 years from original delinquency date
Charge-offs	About 7 years from first delinquency
Chapter 7 bankruptcy	10 years from filing date
Chapter 13 bankruptcy	7 years from filing date
Hard inquiries	2 years (impact fades after 12 months)

CHAPTER 11

Credit Repair Myths & Mistakes

The credit repair space is filled with misinformation — some of it innocent, some of it deliberately spread by companies trying to charge you for services you don't need. Knowing the truth protects your wallet and your progress.

- "Quick fix" scams to avoid
- Why closing accounts can hurt your score •
- Misunderstanding credit repair companies •
- Doing too much too fast

Myth vs. Reality

The Myth	The Reality
Closing old cards improves your score	It can lower your score by reducing available credit and history
You need to hire a credit repair company	Everything they do, you can legally do yourself for free
Settling debt restores your credit	Settled accounts still show negatively — just as 'settled'
Checking your own score lowers it	Soft pulls (self-checks) never affect your score
A new credit card hurts you long-term	When managed well, it builds score over time

CHAPTER 12

Rebuilding Credit from Scratch

Whether you're starting fresh, emerging from bankruptcy, or simply have no credit history, building a solid credit profile is completely achievable. It requires patience, but the timeline is shorter than most people expect.

- Starting with no credit history
- First steps to building a profile
- Timeline for credit improvement
- What "good credit" actually looks like

Credit Score Benchmarks

Score Range	Rating	What It Means
300–579	**Poor**	Difficulty getting approved; high rates if approved
580–669	**Fair**	Some approvals; better rates available with work
670–739	**Good**	Most loans approved; competitive interest rates
740–799	**Very Good**	Strong approvals; near-best rates available
800–850	**Exceptional**	Best rates; highest approval odds across all lenders

CHAPTER 13

Maintaining Excellent Credit Long-Term

Getting to a great credit score is one thing. Staying there requires consistent habits that become second nature over time. The good news: once you build the right systems, maintaining excellent credit is mostly on autopilot.

- Habits that protect your score
- Automation of payments
- Keeping utilization low consistently
- Monitoring your credit regularly

The Credit Protection Checklist

Set up autopay for at least the minimum on every account

Log in to your credit monitoring service weekly

Keep revolving balances manageable

Review your full credit report quarterly

Weigh fees and credit age before closing cards

Alert your bank immediately if you spot unfamiliar activity

Freeze your credit at all 3 bureaus when not actively applying

CHAPTER 14

Preparing for Major Financial Goals

Strong credit isn't just about avoiding bad outcomes — it's about unlocking opportunities. Whether you're buying a home, starting a business, or applying for a car loan, your credit score directly affects your terms, rates, and what's available to you.

- Buying a house with strong credit
- Getting approved for loans and funding
- Using credit for business opportunities
- Timing applications strategically

Credit Score Impact on Mortgage Rates

Credit Score	Estimated Mortgage Rate Impact
760–850	Best available rates — lowest monthly payment
700–759	Competitive rates, small premium over best
660–699	Moderate rates — may pay thousands more over loan term
620–659	Higher rates; some lenders may decline
Below 620	Limited options; FHA loans or significant down payment required

> Timing tip: Stop applying for any new credit 6–12 months before a major application like a mortgage. Hard inquiries and new accounts both temporarily reduce your score.

BONUS CHAPTER

Your 90-Day Credit Repair Action Plan

This 90-day action plan can help you review reports, address inaccuracies and build consistent financial habits. Credit report updates and score improvements vary; no specific outcome is guaranteed.

Days 1–30: Assess & Dispute

Pullall 3 credit reports.Identify everyerror, outdated item, and account that doesn't belong. Send dispute letters for inaccurate items to all relevant bureaus. Set up credit monitoring.

Days 31–60: Reduce & Build

Focus onreducingcredit cardutilization. Make extra payments on highest-balance cards. Open a secured card or credit-builder loan if you have no positive accounts. Follow up on outstanding disputes.

Days 61–90: Monitor & Optimize

Reviewdisputeresultsand re-disputeifneeded. Check if any removals have reflected in your score. Request credit limit increases. Automate all bill payments. Plan next 90-day goals.

FINAL RESOURCES / BONUS DOWNLOADS

Your Freebie Friday Toolkit

Two free companion tools for taking the next step:

01 • Credit Report Review Checklist

Compare the three credit reports, spot potential inaccuracies and record follow-ups.

02 • Credit Report Dispute Letter Template

Write a factual dispute for an inaccurate item and keep your own records.

IMPORTANT PRIVACY REMINDER

Do not submit your credit report, Social Security number, identity documents or banking information to receive this giveaway. Use secure, official channels for disputes.

GET FUTURE FREEBIES

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References: AnnualCreditReport.com • consumerfinance.gov

Education only; not individualized legal, credit repair or financial advice.