

## CREDIT MODIFICATION INFORMATION

### What It Is:

Credit modification is both a technique to remove items from your credit report and a lifestyle change for the people who undergo the process. For the modification to be successful, the client must understand that their credit habits must change. There is no point in attempting to modify a moving, steadily damaged target.

Credit Modification also is not an instant process. The process is dictated largely by federal law. The law imposes fixed times for the credit bureaus and creditors to respond. Depending upon the credit report being used, this time period is either 30 or 45 days. There is nothing a reputable credit modification company can do to expedite this process.

Credit Modification is also not a “rapid rescore” This is a process in which a team of negotiators contact the lenders directly to obtain resolution of the credit derogatory information and removal by telephone. This process does exist, however it is insanely expensive and is used primarily as a last ditch effort to save a mortgage application due to the cost involved.

Credit Modification is best done AFTER the client’s real estate issues or debt issues have been resolved. By then, almost all of the derogatory information that will be reported has been, and a better determination of what can and cannot be altered and how long it will take can be made.

It needs to be clear up front that not all derogatory credit information can be removed. The rule is simple: true and accurate derogatory information may remain on a credit report for up to 10 years. If the information reported is true and accurate; there is no point in challenging the entry. Fortunately, nearly all credit reports contain information that is neither true nor accurate.

### What’s Needed:

To start the process, the client obtains their credit report. There are several sites which offer this information; usually with some kind of credit monitoring

program. Avoid these sites as they are selling an expensive monthly program that does very little.

The reports can be obtained for free from [annualcreditreport.com](http://annualcreditreport.com) once per year, or may be ordered online from the three credit bureaus directly. Results Advisors does not pull your credit.

In addition to the credit report, to verify your identity, we also need a copy of your client's driver's license, social security card, a recent utility bill, and your current credit card statements. These documents are kept under lock and key, and the copies returned after the process is complete.

#### What's Involved:

A Results Advisors associate sits down with you to review your credit report. We go through the items line by line to see whether or not they were properly reported. We will also review what your credit card companies are telling you vs. what they are telling the bureaus; there are differences.

After that, a series of letters challenging items on the specific credit bureau reports will be sent to the bureaus. These letters will be signed by the client and these letters will be sent certified mail/return receipt requested. The challenges are arranged by group (all late payments, all incorrect credit limits, etc.) and one or more items will be challenged with each letter, depending upon the specific report.

After the initial letter is sent, the credit bureaus and creditors have 30 to 45 days to review the dispute and validate the information. If the information cannot be validated, it will be removed from the credit report. If the information can be validated, it will remain on the report.

A letter is issued showing which items will be removed and which items can be validated. The changes appear on the credit report after about another 30 days. The letter is reviewed with the client, and the cycle repeated until desired the desired credit score is reached. Normally, this is in the range of 640 to 720 in order to qualify for a new car or home loan.