

# Frequently Asked Questions About Legal Credit Repair



## 1. How is bad credit removed from your credit report?

The Association offers credit repair services through an affiliated attorney network. An Attorney enforces your consumer rights. Everyone knows that under the law, if you are accused of anything, the burden of proof lies with your accuser. In other words, if the credit bureaus are going to promote and sell information about you that can cause you economic hardship, they must back it up to the full letter of the law.

Congress has provided consumers the right to challenge information that is deemed to be *inaccurate* or information that is not properly validated under the law must be removed regardless as to whether it is accurate or not. Regardless of the accuracy, credit bureaus are often unwilling to invest the resources necessary or unable to get the credit grantor to invest the resources necessary to verify the disputed item. Oftentimes, it becomes a matter of economics. If the case is presented properly, it is often more difficult and expensive for the credit bureaus to substantiate the item than to simply remove it.

The law requires more than a form letter to verify that an item is accurate. If the credit bureau confirms an item on your report, the assigned attorney will ratchet up the intensity of our challenge and represent it. This forces the bureau to invest additional time and expense to conduct the new investigation.

## 2. Do I need to know exactly what is on my credit reports before I sign up for the service?

*No.* If you have been turned down for credit or pay sub-prime interest rates you need to restore your credit. Most lenders obtain consumer credit history reports and scores by subscribing to at least one of the three major national credit reporting bureaus. In turn, they must report information about their accounts to the bureaus. Usually consumers do not know everything that is listed on each of their reports unless they pay for a credit monitoring service.

## 3. Is repairing my credit legal?

*Absolutely!* If credit repair was illegal, attorneys would not offer this service. Congress has provided consumers with the right to challenge information that's deemed to be *inaccurate or unverifiable or obsolete*. Therefore, the disputed item must be corrected or removed if it is not properly validated (whether it is accurate or not).

Credit reporting bureaus are heavily regulated by FTC under the Fair Credit Reporting Act. The law requires more than a form letter. Due to this fact, it becomes a matter of economics, the credit bureaus and credit grantors are forced to either spend the time and expense to substantiate the information or simply remove it.

The Credit Repair Organization Act was passed to govern credit repair facilitated by a third party. Assume providing credit repair advice and services were illegal, then there would be no laws governing how to provide credit repair services within the law.

#### **4. Can I restore my own credit?**

Absolutely! Credit bureaus spend millions of dollars to inform consumers they don't need an attorney to represent them. Why? They have lost BIG court battles. Attorneys that specialize in credit law enforce your rights under the applicable consumer protection laws. Truly, professionals are often able to accomplish a task more quickly and more effectively than a novice.

#### **5. When the process is completed will I be approved for credit?**

Good question. Yes, as long as you meet several requirements of the credit grantor, such as a good credit history over the past 6-12 months, length of employment, debt ratio, length of time at current residence, and amount of down payment, etc.

#### **6. How long does it take to restore your credit?**

Each case can vary significantly. The most basic variables are how involved your credit problem is and the responsiveness of the credit bureaus. Many cases are completed in 4-6 months. A few of the more complicated cases could take much longer. For example, a court action whether it is filed against you or for you will lengthen the process considerably.

Of course, you must have or may need to add positive lines of credit to build your credit score. Therein lays an unknown time frame where scores are concerned. Each credit reporting agency can generate a different score for several reasons. Primarily, a creditor 1) may not report to all "three" major CRAs, 2) may not report at all, or 3) updates in 60 to 120 day cycles.

#### **7. How long do the credit bureaus take to respond to a dispute?**

By law, CRAs are allowed 30 days to investigate. They contact the creditor that submitted the information to verify its accuracy and then, within ten business days, the bureaus must send to "the consumer" an updated report.

If the creditor does not respond by the deadline the disputed information is deleted permanently. Occasionally, a good line of credit is deleted when some minor error should have been corrected. In that case, the creditor must be contacted to re-insert the account correctly.

#### **8. Can a deleted item reappear on my report?**

Yes. By law, you must be notified before a previously deleted item can be re-reported. This most likely will occur when the status of the account changes. A creditor may report it has become a charge off, judgment, or collection. Rarely, it may be re-inserted simply because the creditor verified an item shortly after the 30-day investigation period.

#### **9. Will paying off a negative-rated obligation repair my credit?**

No. That assumption would be logical but is not true. The negative item is not removed and can remain on your report for seven years from the date it was paid. Ironically, paying an old debt is not generally looked upon favorably as most lenders will only offer you credit at higher interest rates.

#### **10. Does the law require an accurate item stay on a credit report for at least seven years?**

No. The law limits how long information can stay on your report. The CRAs and creditors can delete the item when they see fit. The time limit is totally arbitrary. In fact, the advisor to President George Bush on consumer affairs, Dr. Bonnie Gution remarked, "...it is our understanding that computer models that predict credit risk find that most information that is more than two years old is nonessential."

Credit bondage punishes the debtor unjustly. Credit bureaus choose to err on the side of negative information. Jobs are lost, insurance cancelled or denied, and reputations ruined by sloppy collection and data handling methods.

Why are the credit bureaus not very concerned with the impact that selling inaccurate data has upon individuals, let alone the economy? The reason must be self serving considering the fact that many of their biggest customers are credit card companies and predatory lenders.

### **11. Are credit report records verified or validated?**

A credit report is no more than an allegation. If challenged the CRAs contact the creditor to simply verify the accuracy of the disputed information (proof is not requested). In effect, the credit bureaus have placed themselves in the position of both judge and jury.

How is a system like this allowed to operate in our democracy? Simply, the focus is on profit. Foremost, creditors accept credit reports as the gospel truth. Furthermore, credit repair has become synonymous with fraud although it has been proven many times that errors are more common than CRAs like to admit.

What can be done? By law, it requires more than just a form letter to validate debt and prove it was reported accurately. Consumers can choose to obtain legal representation to defend their rights. Truly, an attorney increases the intensity of the challenge and it becomes more difficult and costly to prove the validity than to simply remove the disputed information.

### **12. Does this program offer a guarantee?**

It is important to understand that there can be no absolute guarantees involved in any legal matter. As in a court of law, an attorney could never guarantee that a judge would rule in their favor. However, based on very positive past experiences, USCCRA offers our members the protection of the *Triple Results Warranty*.

### **13. What are the member's responsibilities?**

As detailed in the Service Agreement, you must make sure that your membership dues and "correction fees" are paid as agreed and act as a conduit (as you receive information forward it promptly) to keep the wheels of progress moving. Other than that, being our member is simply an exercise in patience, fueled by regular updates that will come to you directly from the bureaus in the form of updated credit reports.

### **14. How much does this service cost?**

Attorney facilitated credit repair is available exclusively to valid USCCRA, LLC Members in good standing. Attorney fees (referred to as correction fees,) are only \$5.00 per deleted or corrected item *per credit report*. Correction fees are made payable to your attorney AFTER you are notified by each credit bureau of the results.

### **15. How is the \$5 correction fee paid?**

You may have a checking account on file that can be automatically charged when your updated reports are received showing deletions and corrections (or) you may mail a check or money order with your updated report reflecting the corrections received.

### **16. I don't completely understand how the service works.**

You may not completely understand, or if you do, may prefer using a professional. Notably, our consumer law attorneys "enforce" your rights and are more likely to succeed in restoring your credit rating.

### 17. Will I be opening a new credit file?

NO! Establishing a new Social Security Number is very unwise and using a Federal Tax ID number as a social security number is illegal (fraud).

### 18. How will I be updated as to the progress on my account?

Credit reports will be sent to you from each of the three major credit reporting agencies regularly. As you receive them, you will see items being removed from your report. It is a little bit like losing weight, every time you step on the scale you are down a few pounds and eventually with patience and perseverance you reach your goal. Should you have questions regarding your progress you may always contact Member Services for an update.

### 19. Who do I contact if I have questions?

USCCRA Member Service representatives will handle all of your service needs. If you need to make contact, you will be provided with a member service number, a special e-mail address and a fax number that goes directly to member services.

The USCCRA attorneys offer the association heavily discounted rates. For this reason, Members may not contact the attorneys directly without incurring an additional fee.

### 20. How do I know that USCCRA, LLC is legitimate?

Please consider these facts when considering an USCCRA, LLC. Membership Services:

- was founded in May of 1990. *A longstanding solid track record*
- is a national association with members in 50 states? *Thousands of satisfied members*
- assigns you a licensed and bonded attorney. *Attorney can be held accountable*
- maintains Class A office space on the 17<sup>th</sup> floor in a prominent area of Atlanta
- has created alliances with banks, lenders, financial institutions, attorney networks, accountants, financial planners, medical discount programs, computer vendors and others to bring you our unique member benefit package.
- offers you a MONEY BACK triple results warranty. *You get results or MONEY BACK*
- will make available before & after credit reports. *Proof of demonstrated results*
- will show you dozens of testimonial letters. *See what members have to say about us!*
- obtains most of it's new members from referrals from satisfied members, mortgage brokers, real estate agents, car dealerships.

## MISTAKES DO HAPPEN\*

- ◆ Twenty-nine percent (29%) of credit reports contain serious errors, false delinquencies, or accounts that did not belong to the consumer.
- ◆ Forty-one percent (41%) of credit reports contain demographic information that was misspelled, outdated or incorrect.
- ◆ Twenty percent (20%) of credit reports were missing major credit, loan, mortgage or other information to demonstrate the credit worthiness of the consumer.
- ◆ Twenty-six percent (26%) of credit reports contain accounts that were closed by the consumer but incorrectly listed as open (or) "closed by credit grantor".
- ◆ Altogether, seventy percent (70%) of credit reports contain errors or mistakes.

*\*At your request we will send you a free copy of the 17 page research report by PIRG Public Information Research Group, Washington, D.C.*