



Improve Your Credit

You don't have to pay credit repair companies to do the work you can do from home. It takes patience and attention but you can do it. First, you need a copy of your credit report from all three agencies (Equifax, Experian, and TransUnion). By law, you are entitled to free credit reports from each of these agencies once a year. You can visit [annualcreditreport.com](http://annualcreditreport.com). There are certain situations where you may get a copy of your credit report for free more than once a year:

- You have been turned down/rejected for a loan such as car or mortgage
- You're currently receiving government assistance
- You're unemployed and planning to look for a job soon
- You believe you have been the victim of identity theft
- Many state laws will allow for an additional free credit report each year

Get your free report by contacting each agency:

[Experian](#)  
[Equifax](#)  
[TransUnion](#)

#### Credit Card Debt

- Fix errors on your credit reports
- Stay below the credit limit ALWAYS
- Deal with past-due bills today
- Never miss a payment due date. It stays on your credit for seven years! Sign up for free text alerts from the credit card company, mark your calendar, and plan to make at least the minimum due every month one or two days before the due date to make sure the payment gets there on time.

#### Check for errors in your credit report

Thanks to an act of Congress, you can also download one free credit report each year at [annualcreditreport.com](http://annualcreditreport.com). If you find any errors, correct them immediately.

#### Pay down credit card bills

If possible, pay off the entire balance every month. Transferring credit card debt from one card to another could lower your score.

#### Don't charge your credit cards to the max

At the very least, you want to always pay the 'minimum payment due' every single month ON or right before the due date. That payment must be received no later than the due date or it is considered late and will negatively impact your credit. You want to make sure that your balance on your card is no more than 30% of your credit. I.E. If the credit card company has given you a new credit card with a \$3,000 limit, you never want a balance of debt to be more than \$900.00 Use up to \$900 but pay it off. Try not to allow the total amount due to go over 30% of your allowed credit in more than 30 days. If you need to use it, pay it off before the due date.

#### Wait 12 months after credit difficulties to apply for a mortgage

You're penalized less severely for problems after a year.

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## Credit Repair Basics



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### Don't open new credit card accounts

If you're applying for a mortgage, having too much available credit can lower your score. If you are not applying for a mortgage or car loan soon and you want to simply help your credit, opening a new credit card account, secure or unsecured, is a great way to help build the credit.

### Shop for loans all at once

Having too many credit applications can lower your score. However, multiple inquiries about your credit score from the same type of lender are counted as one if submitted over a short period of time.

### Avoid payday loans

Predatory lending shops can be found on many major street corners, offering you a quick pay-day loan. When the loan comes due, you pay them plus a significant interest. You're actually losing money every single month you do this. If you need to, you can discuss with debtors the possibility of moving your monthly due date so that it falls right after your payday so you don't have to go this route. It does nothing to build your credit and can hurt it if you default.

### Dispute errors

If there is an error on your credit report, you can dispute it with the company who says you owe them (NOT the credit bureau) and they have 30 days to prove to you that it is your debt. If they are unable to do that, they need to remove it from your credit report. This is not always easy and you have to stay on top of them. Ask them, in writing, to supply you with the following:

- proof that it is your debt
- the original debtor name and address
- when the debt was started
- when they acquired your debt
- request all this in writing in 30 days
- Tell them if they cannot validate this debt, that you are requiring them to report to all three credit bureaus to remove this item from your credit report. This can sometimes take a few months so stay on top of them!

### When to hire someone

We recommend you hire a virtual assistant to help you

- Get your reports and review the with you
- Help you compose, send, and track dispute letters
- Help you set up reminders to pay your monthly bills on time

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