

## **\*5\* Powerful Steps to Restore Your Credit**

*"...The communication was outstanding and I can't wait to do the next deal with John and his team. Thank you for everything."* - **Joe Harris Clay, NY**

Some buyers, when they try to purchase their first home, experience the heartache of being rejected by their lending institution for poor credit. This chapter will show you step by step how to restore your credit and re-empower your buying ability.

**Step#1** - Choose a lending institution and have them pre-qualify you. When they pull your credit, you are looking for a credit score of 640 and above. There should also be no open collections or judgements on your credit report.

**Step#2** - Clearly identify any back debts you owe. Make a list of the creditors and their best contact number. Call each creditor in preparation to satisfy the debt.

**Step#3** - Have money set aside and ready because you are going to negotiate the debt. Try offering them a lump sum payment of 50% of the debt. Now this discounting the debt could negatively affect your credit score and/or look bad to future creditors, i.e. your mortgage lender. So be careful. If it is a large amount owed, take the risk of further damaging your credit, but if it is a smaller amount, pay the entire balance off. Make sure you get a payoff letter stating the account number, the amount paid, that it is satisfied, all on letterhead of the company. Keep these documents for the next step.

**Step#4** - Write each of the three credit reporting agencies. State in your letter to them that the debt on your credit report needs to be removed and include a copy of your payoff letter and the credit report. You have to initiate this step to ensure its removal. Each credit reporting agency has 30 days to respond to you in writing or remove the bad credit listed on your credit report.

### **Equifax**

www.equifax.com  
PO Box 740256  
Atlanta, GA 30374  
(800) 685-1111

### **Experian**

www.experian.com  
PO Box 2002  
Allen, TX 75013  
(888) 397-3742

### **TransUnion**

www.transunion.com  
PO Box 2000  
Chester, PA 19022  
(800) 916-8800

**Step#5** Pull your credit report again after two months to see your new score. One way to monitor your score is to join Credit Karma. This is a free website where you can see how different actions have affected your scores for TransUnion and Experian. They offer free credit monitoring and you do not have to fully pull your credit and ding it a few points to see where you stand. Visit [www.creditkarma.com](http://www.creditkarma.com) to register.

### **Bonus Tip:**

If you are suffering from a lack of credit or want to see your score raise even faster, get two secured credit cards. The card's limit is typically \$300.

- 1) Go to your local bank and order a secured credit card.
- 2) Then go to [www.orchardbank.com](http://www.orchardbank.com) and apply for another online.

With the use of two secured credit cards, you will see your score rise dramatically. Once you have improved your credit score to 640, then go back to the lending institution and get pre-qualified.

**For a FREE 30 min. consultation to improve your credit score, call Adolfi R.E. at (315) 695-6434 and get started today!**

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