

CREDIT IN AMERICA TODAY

Presented by:



Credit Restoration Fully Explained
Gain Knowledge – Become Aware
Protect Yourself & Family

Sponsored & Approved by

Center for Sound Consumer Advice

Since 2004 – “Never a fee or charge to Consumers”

What Is A Credit Score and What Does It Mean To Me?

A credit score is simply a “snapshot” in time; a snapshot of information held by the Credit Bureaus’ databases, analyzing information and assigning a numerical score indicating the likelihood of an individual paying bills on time, late or defaulting all together over the next two years.

The “gold standard” of credit scoring is a system called “Classic FICO” produced by Fair Isaac. Most lenders, whether for a home loan, auto loan or revolving line of credit, utilize the “Classic FICO” scoring system to determine the “credit-worthiness” of individuals applying for credit. The range is from 300 to 800, and this number has statistically proven whether or not somebody would pay 90 days late or more over the next 24 months with a great deal of accuracy. For example, an individual with a credit score of 500 has shown that he or she is likely to pay 90 days late one out of eight times within a 2 year period whereas an individual with a credit score of 800 will tend to pay late less than one out of 1200 people within the same time frame. You can begin to see why your credit score is so important; individuals with lower credit scores pay more for credit or can’t obtain it at all. “Classic FICO” can only score based on the information stored within the Credit Bureaus’ and the information they divulge about you (whether it’s accurate or not) can have a significant effect on your ability to obtain credit.

What’s In It For The Credit Bureaus?

Your credit profile is the product that Credit Bureaus sell to lenders; it’s the “business” they’re in, its how they make a profit. Credit Bureaus are not affiliated with any governmental agency outside of lobbyists; they are private corporations selling your personal financial information to ANYONE who is willing to pay for it. Creditors reciprocate by providing the Credit Bureaus any information they have about you. It is generally accepted that Credit Bureaus’ reports about consumer financial habits is the gospel truth, and nothing could be further from the truth! Mistakes happen all too often and they can and do have a serious negative impact on consumers every day. The Credit Bureaus are primarily concerned with their own profit margins and this perspective is what guides their business practices; not consumer rights or the accuracy of information being provided to potential lenders.

Credit History Information Often Misrepresents Your Credit-Worthiness

Unfortunately, in today’s society individuals’ worth as human beings is often measured by credit reports and the ability to operate within the credit economy. If your credit report is “good”, chances are you will enjoy more of the “good life”, the complete opposite is true if your credit report is considered “bad”. Even a few blemishes on your credit report can have a significant effect on whether or not you’re extended credit at a reasonable cost (interest rate) or even offered credit at all. What if these blemishes weren’t your fault? What if you had to

make the simple choice between feeding your family and making a payment on time due to extraordinary economic circumstances, such as a job loss, reduction in pay or medical emergency? Is a seven-year sentence in “credit prison” a fair reflection of who you are as a citizen? Many Americans are finding themselves forced to make these tough decisions in today’s economy and the ramifications to individuals and business alike are severe. By tagging good citizens as “deadbeats”, the Credit Bureaus damage everyone; creditors, the economy and most significantly individuals. Many policies of the Credit Bureaus appear to be extremely abusive and it is because of these policies that we work with members of our Association to repair the damage that has been unjustly thrust upon them. Seven years of “credit prison” punishes citizens unjustly and there has never been a study conducted proving that seven years is an appropriate point of rejuvenation. The seven year marks is completely arbitrary. Dr. Bonnie Gution, advisor to President George Bush on Consumer Affairs remarked that “...it is our understanding that computer models that predict credit information find that most information that is more than two years old is nonessential.” The reality is that most credit reports contain errors. The Credit Bureaus claim an error rate of less than one percent, however independent studies show the error rate to be about 79 percent. Unfortunately, the Credit Bureaus typically choose to err on the side of negative information about you.

Recently, we have noticed a high incidence of file mis-merges – the worst kind of file error. In a file mis-merge, the credit information of another person with a similar name or social security number is added onto the file of an innocent consumer. Mis-merges can take years to unravel and place thousands of consumers in “credit prison” at absolutely no fault of their own.

Most consumers completely recover from a financial crisis within a year or two, however the damage done to their credit report lasts another 5 or 6 years. This means for 5 or 6 years, consumers are forced to rent or pay outrageous interest rates on homes and auto loans, forego the ability to use credit cards and are essentially crippled when they are perfectly capable and willing to operate within the credit economy. The Credit Bureaus are playing judge and jury; damaging consumers and the economy with little to no oversight.

A Legal Perspective On Credit Restoration

As American citizens, we were raised to believe that one is innocent until proven guilty. In the case of your credit report and what the Credit Bureaus inscribe on it, just the opposite is true. Citizens are not afforded the chance to defend their reputation before negative information is listed on a credit report. The sad fact is consumer rights cost the Credit Bureaus money...and Credit Bureaus are FOR PROFIT, PUBLICLY TRADED COMPANIES. Credit Bureaus have no motivation to report accurate information about consumers.

The truth is, creditors and credit bureaus have been swapping information about consumers without permission, oversight or even an expectation of accuracy for years. This is, in effect, hearsay – which in a court of law would be inadmissible. The current credit reporting system does not allow consumers the opportunity to defend themselves before reporting negative or erroneous information on your credit report. Credit Bureaus don't even have to verify that the negative information actually belongs to the individual they are reporting on! The Credit Bureaus' perspective is that you must prove to them that the negative information on your credit report is incorrect, invalid, erroneous or otherwise non-verifiable before they will remove it. ***In other words, in the eyes of the Credit Bureaus, consumers are guilty until proven innocent.***

CREDIT BUREAUS HAVE NOT BEEN ABLE TO MAINTAIN REASONABLE ACCURACY IN AMERICANS' CREDIT PROFILES.

In our democracy, citizens are entitled to a defense. Citizens have the right to obtain representation and face their accusers armed with their legal rights. The Credit Bureaus should be required to substantiate the information they sell about you. Congress and the law agree...if your defense is presented properly, whether your credit report is accurate or not, the disputed items must be removed. Over time, it is often more costly for the Credit Bureaus to continue to report negative, unverifiable and erroneous information than it is to simply remove it. That's where the Association comes in. Nationwide Credit Alliance helps members dispute unsubstantiated information listed on credit report. The Association will steadily increase the intensity of your challenge, requesting validation until items are permanently removed.

Credit Restoration – An Ethical Perspective

Is it ethical to remove bad credit? YES! The Association offers members an alternative to “credit prison” despite the disrepute with tainted credit restoration. A credit report is no more than a list of allegations. Most consumers never challenge these allegations. By enlisting the resources of the Association, our members are essentially entering a plea of “not guilty”.

Our Member Services team takes a strong affirmative position defending members and forcing the Credit Bureaus to substantiate their allegations. If the Credit Bureaus claim to have investigated affirming the allegations, the decision is “appealed”. Eventually, we find that most credit report allegations are untenable and removed. Removing the record of a negative credit item is, without a doubt, ethically sound.

We belong to a fundamentally capitalistic society and the Credit Bureaus capitalize on consumer information. Unlike our legal system, the Credit Bureaus take no oath to truth, equity and the common good. No citizen has a moral obligation to support any business venture, much less a publicly traded corporation, which may well destroy one's financial life. If

it weren't for Federal laws that direct bureaus to remove most items after seven years, the Credit Bureaus would maintain every piece of credit information forever, with errors uncorrected. Under the regulations, the Credit Bureaus must THEMSELVES practice credit restoration at the seven year mark. If it is right to remove accurate credit accounts after seven years, why would it be wrong to do so earlier?

Credit Bureaus fiercely resist correcting consumer credit reports. Making corrections costs the Credit Bureaus time and money. Again, Credit Bureaus make a profit by selling information. This information, if found to be unsatisfactory to the purchaser, can cause jobs to be lost, insurance cancelled, reputations ruined...all of this knowing that the record collection processes are prone to error.

Consumers need an advocate and the country needs a grand scale revision of the credit reporting system. America is not the only country that utilizes consumer credit reporting systems; however, most other countries extend credit based on a consumer's present standing. In England, for example, Equifax and Experian cannot maintain credit information longer than five years. Until the American credit reporting system is truly revised, consumers should feel comfortable that the removal of negative credit accounts before the seven year mark is NOT unpatriotic, NOT unfair, and NOT UNETHICAL.

By expelling consumers from the ability to obtain and use credit, the entire economy suffers. Most of our members come to us after a financial crisis, ready to rebuild and move on toward financial abundance. Our members are consumers, just like you, who have experienced a financial crisis and are on the upswing, anxious to responsibly reenter the credit economy. We are here for them – and you – offering a well deserved “parole” from credit prison and predatory lending practices.

What Members Can Expect

Once you become a member of Nationwide Credit Alliance, you will benefit from a team of credit experts who will fight for your federally protected rights as a consumer. Our Member Services team will take the time to understand your unique situation and then take action to help you restore your credit.

Credit review and “what-if” scenario – your credit report will be pulled and carefully reviewed. The report will then be analyzed by a software program showing us what your credit will look like after certain negative items are removed. You will know before we get started what to expect.

Our Member Services team will then work with you to dispute negative items with each of the Credit Bureaus as well as any direct creditors necessary to remove negative items. This process

does take some time, but you can be assured that eventually, the Credit Bureaus will realize that it is too costly and time consuming to continue to leave these negative items on your report. As items are disputed you will receive regular updates from the Credit Bureaus showing you what progress has been made, what the Credit Bureaus continue to “allege” about you and what our next steps must be to help you restore your credit profile.

Remember, that each case is unique and therefore the process, results and time frame will change from person to person. The important point to remember is that you, as an American consumer, have rights and Nationwide Credit Alliance is here to defend those rights and help you regain your credit worthiness and ability to function in the credit economy.

We have hundreds of satisfied members who are now able to enjoy the benefits of “good credit”. The Association prides itself on outstanding service and results. We are always excited to hear from our members, to understand how their lives have improved AND to take their suggestions on how we can better serve our members. The Member Services team is available Monday through Friday 8am – 5pm PST at 800.234.9342 x117.

Credit Myths

- ✓ **When I pay off an account, it will no longer be reported or considered “negative” on my credit report – WRONG!**
- ✓ **If a negative item is deleted, it will just come right back on my report – WRONG!**
- ✓ **Certain items, such as bankruptcies, foreclosures and tax liens are impossible to remove from a credit report – WRONG!**
- ✓ **Disputing a credit report is easy and any consumer can do it for themselves – WRONG!**
(Consumers can do it for themselves – but it is a very complicated process, see FCRA)
- ✓ **Creditors will read the 100-word statement listed on my credit report and take my side of the story into account – WRONG!**
- ✓ **Credit Bureaus are infallible, a branch of the government or otherwise beyond reproach – WRONG!**
- ✓ **I can get a new credit file by getting a Federal ID number...VERY BIG MISTAKE!**
- ✓ **If I build enough “good” credit, my “bad” credit will be offset – WRONG!**
- ✓ **A Credit Counseling Service can help me restore my credit rating – WRONG!**
- ✓ **The law requires that an item remain on my credit report for 7 years – SIMPLY NOT SO!**
- ✓ **I can’t have too much “good” credit – WRONG!**

Laws protecting consumer rights relative to credit and debt collection:

FCRA – Fair Credit Reporting Act

FDCPA – Fair Debt Collection Practices Act

CROA – Credit Repair Organization Act

CCPA – Consumer Credit Protection Act

FACTA of '03 – Fair and Accurate Credit Transactions Act of 2003

FCBA – Fair Credit Billing Act

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