

## “Bad Credit Repair”



**What you should avoid when you are looking to hire a company to help you repair your bad credit.**

If you type the words ‘bad credit repair’ into Google, what will pop up? Tips on how to repair your bad credit? Or perhaps credit repair companies who are bad? Maybe a little of both. This video actually addresses bad credit repair companies, or at least those that you should avoid when you are looking to hire a company to help you repair your bad credit. The following are some things you should look out for.

### **Improperly Using an EIN Instead of Your SSN**

Bad credit repair companies give faulty claims on how long the process will take. There are some credit repair companies that claim they can repair your bad credit in 24 hours. Don’t fall for it. This illegal practice establishes a brand new credit file by using an Employer Identification Number (or EIN) instead of an Social Security Number, if you’re caught, you could be indicted for communications fraud.

## **The Shotgun Approach**

Then there are some companies who promise a clean report within days. The method they use isn't illegal, it's just very temporary. They request an investigation on every negative item on your credit report, because they claim the law states while any item on your credit report is under investigation it can't be listed. With the negative items deleted, your credit score improves dramatically for a very short while. However, The negative items they might remove will only reappear just weeks later unless they are challenged properly and systematically within the law – which takes time.

## **Volume, Numbers & Hype**

Other companies claim that their average client “turn-around” is 3 months. This doesn't mean that results were seen in three months, it means that the average client cancelled in three months due to unsatisfactory service. In most cases it takes 6-12 months to repair a persons credit, and to get a credit report in top notch condition, sometimes a bit longer.

## **Pay Up Front for Faster Service**

Bad credit repair companies charge for services before any work is completed. Be careful of companies that require up front payment or partial payment for services. In the credit repair industry, it is illegal to charge for services that have not yet been completed. Reputable companies will charge a monthly service fee for the previous month's work. This is not to be confused with a set-up fee, which can be charged up-front and is perfectly legal and is normally less than \$100 or so.

## **Guaranty, Warranty & Time: Read the Fine Print**

Bad credit repair companies also offer faulty guarantees. Some companies guarantee the removal of all bad credit and that they can get anything deleted. No one can legally guarantee these results. Legitimate companies would not make such claims. Some companies may also offer a "full money-back" guarantee – so Read the fine print of their service agreement before hiring them – if it sounds too good to be true, it usually is a bad company. That being said, reputable companies will offer a “warranty” (not a guarantee) that allows for a refund if there is unsatisfactory service or results after a sufficient amount of time has passed.

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