



# DIY CREDIT REPAIR HANDBOOK

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# CREDIT REPAIR CHECKLIST

## Request Copies Of Reports

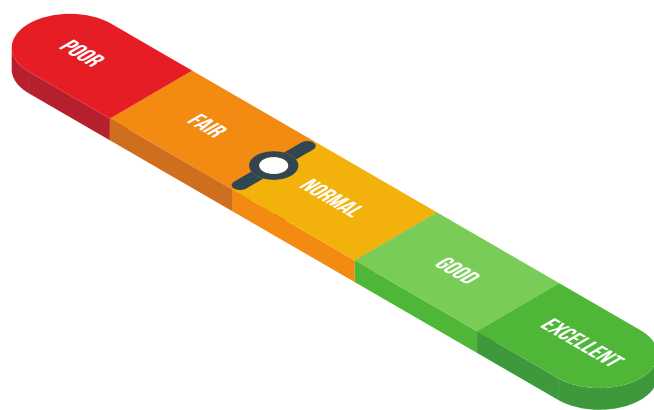
1. Go to [annualcreditreport.com](https://annualcreditreport.com) and request a FREE credit report from each of the reporting agencies Equifax, TransUnion, and Experian (you can get 1 free copy every 12 months)
2. Review your reports carefully and take note of any errors
3. File disputes for any errors with each agency online: [equifax.com](https://equifax.com) [transunion.com](https://transunion.com) [experian.com](https://experian.com)
4. File disputes for any errors with each information provider (each bank or credit card company)

## Pay Bills on Time

1. Make at least the very bare minimum payment on all accounts (paying a few dollars more than the minimum can have a more positive impact on your credit than the bare minimum).
2. If you have any delinquent accounts, work to keep those current ASAP!

## Pay Down Credit Cards

1. List all of your accounts with balances, interest rates, and monthly minimums in a spreadsheet. Then organize by outstanding balance from the smallest to largest.
2. Determine how much money you can put toward paying down debt monthly.
3. Put any extra money toward paying off the account with the lowest balance and make minimum payments on all other accounts.
4. Once the lowest is paid off, work to pay off the account with the next lowest balance in the same way.
5. Continue this strategy for all creditors.
6. Try not to use your credit cards unless it's an emergency to prevent further debt pile up. Stay under 10% of total credit amount.







# ACCESS YOUR CREDIT SITUATION

- Introduction: Discover the reasons behind the decline in your credit scores.
- Check Your Credit Scores: Obtain free credit scores via your credit card provider or online platforms.
- Examine Your Credit Reports: Get your free annual credit reports from Equifax®, Experian™, and TransUnion® at [AnnualCreditReport.com](https://AnnualCreditReport.com). Review them for errors, signs of fraud, late payments, and accounts that are over their limit.
- Create a Plan of Action: Pinpoint areas that need improvement and consider consulting a credit counselor if necessary.

# DISPUTE INACCURATE INFORMATION

- **Initiate Disputes:** If you spot inaccuracies in your credit reports, file a dispute with the appropriate credit bureau.
- **609 Dispute Letters:** Leverage section 609 of the Fair Credit Reporting Act to challenge questionable items. Send certified letters to each credit agency requesting verification. Refer to the template letter on the following page for guidance. Address these letters to creditors where you believe inaccuracies exist.



- **Response and Further Steps:** Wait for responses from the credit bureaus and follow up if needed. If disputes remain unresolved, you may want to contact the Consumer Financial Protection Bureau or consult with a consumer protection attorney for further assistance.

# PAY DOWN DEBT

- **Importance of Debt Reduction:** Lowering your debt can greatly improve your credit score. Consider using the Snowball Method: tackle your debts from smallest to largest. As you pay off each smaller debt, you build momentum to address the larger ones.
- **Strategies:** Pay slightly more than the minimum on credit card balances, explore debt consolidation options for high-interest debts, and keep older credit card accounts open to maintain a longer credit history.
- **Negotiate with Lenders:** If you're having difficulty managing your debt, try negotiating with your creditors to arrange more manageable repayment plans or settlements.
- **Handling Collection Accounts:** Be cautious with old collection accounts to prevent reactivating them. It's often better to wait until you can pay the full amount due. Collection accounts are typically removed from credit reports seven years after the date of default.



# LEARN RESPONSIBLE FINANCIAL VALUES

- **On-Time Payments:** Always make your loan or credit card payments on time. Set up autopay to help ensure you never miss a payment.
  - **Minimize Interest:** Strive to pay off your credit card balance in full each month to avoid accruing interest charges.
  - **Monitoring:** Regularly review your accounts to ensure payments are made and to keep an eye on your credit health.
1. Credit Karma is a free app that helps you stay updated on your credit status.
  2. Credit Sesame is another free app that helps you stay updated with your credit status.
  3. Identity IQ is a paid site that has upcoming and even more recent activity on your credit status.
  4. Rocket Money is another useful app for managing finances, offering features like tracking spending, canceling unwanted subscriptions, and negotiating bills to help you save money.







# BUILDING NEW CREDIT

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## **Open a Secured Credit Card:**

Consider applying for a secured credit card, where you make a refundable deposit to establish your credit limit. Using it responsibly can aid in rebuilding your credit, even though it may initially result in a hard credit inquiry.

## **Become an Authorized User:**

Ask a family member or friend with good credit to add you as an authorized user on their credit card. This can boost your credit by leveraging their positive payment history, though be aware that not all card issuers report authorized user accounts to credit bureaus.

## **Credit Builder Loans:**

These loans require you to make fixed payments and receive the loan amount at the end. They are designed to help build your credit and complement secured credit cards by diversifying your credit profile.



# CREDIT REPAIR SUMMARY



- **Assess Your Credit Situation:** Start by understanding the reasons behind your low credit score and thoroughly review your credit reports for any discrepancies.
- **Dispute Inaccurate Information:** Address and challenge any errors you find in your credit reports to ensure their accuracy.
- **Pay Down Debts:** Focus on reducing your overall debt, giving priority to high-interest accounts first.
- **Learn Responsible Financial Habits:** Make on-time payments consistently and regularly monitor your credit and financial accounts.
- **Build New Credit:** Explore options such as becoming an authorized user on a responsible person's credit card, opening a secured credit card, or using a credit builder loan to diversify and improve your credit profile.

**Patience and Persistence:** Repairing your credit takes time. Your efforts to manage debts, correct inaccuracies, and build new credit will gradually show results in your reports. This process can take from a few months to several years, depending on the complexity of your issues.

**Consistent effort is key to improving your credit. There are no quick fixes, but with commitment and the right strategies, you can steadily boost your score. Reach out to us or revisit this guide for support as needed.**



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