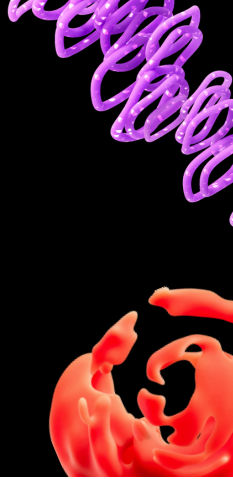


Seven Steps to Clean Credit

And how to avoid credit repair scams



Seven Steps to Clean Credit

Cleaning up your credit takes time and effort, but it's achievable. Here are seven steps you can take:

Step One:

Conduct basic housekeeping of your credit report

Obtain copies of your credit reports from all three major credit bureaus (Experian, Equifax, and TransUnion). Review them carefully for any errors, inaccuracies, or outdated information. Dispute any errors you find with the credit bureaus and the creditors involved.

Step Two:

Pay your bills on time

Payment history is a major factor in your credit score. Make sure to pay all your bills on time, every time. Consider setting up automatic payments to avoid missing deadlines.

Step Three:

Pay down debts

High credit utilization (the amount of credit you're using compared to your credit limit) can negatively impact your credit score. Focus on paying down your debts, especially those with high interest rates. A good rule of thumb is to keep your credit utilization below 30%.

Step Four:

Do not cancel old accounts

Keeping old accounts open (even if you don't use them) can increase your overall credit limit and lower your credit utilization ratio. However, make sure to use them occasionally to keep them active.

Step Five:

Don't fear or pay credit counselors

There are many resources to help you understand your credit. Free credit counseling is available through non-profit organizations. Avoid companies that charge upfront fees for credit repair services, as they may be scams.

Step Six:

Avoid bankruptcy

Bankruptcy can have a significant negative impact on your credit score and can stay on your credit report for up to 10 years. Explore other options for debt relief before considering bankruptcy.

Step Seven:

Be patient!

Improving your credit score takes time and consistent effort. Don't get discouraged if you don't see results immediately. Stick to your plan, and you'll eventually see improvement.

Credit Repair Scams

Be wary of credit repair companies that make unrealistic promises or demand upfront fees. Here are some common red flags:

- **No one can remove accurate information from your credit report:** Only inaccurate or outdated information can be legally removed.
- **It can take months or years to repair bad credit legitimately.** There are no quick fixes.
- **Every situation is different:** Avoid companies that offer one-size-fits-all solutions.
- **No one can create a new identity for you:** This is illegal and fraudulent.
- **You should never have to pay to get your credit repaired:** You can dispute errors yourself for free.
- **You can order a credit report yourself:** Don't pay a company to do something you can easily do for free.

Key Takeaways

Cleaning your credit is a marathon, not a sprint. By following these seven steps and being vigilant against scams, you can improve your credit score and achieve your financial goals. Remember to be patient, persistent, and informed.