PRO FINANCE

YOUR ADULT REPORT CARD

7 Strategies On How To Increase
Your Credit Score

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Introduction

Your credit score is all-important these days, the gateway to achieving wealth and financial independence for your family. Having a good credit score is never more critical than when a consumer is 30 days out from applying for a big loan like a mortgage or a car loan, obtaining some types of insurance, or even applying for a job. For that reason, it sometimes becomes critical to boost your score in a hurry to save money by taking advantage of the best interest rates -or even get approved at all.

Keeping a great credit score for the long term takes continued diligence and responsible financial choices, but there are tactics that will boost your credit score within 30 days or less. These aren't magic tricks or secret techniques but legal and ethical credit restoration tactics that are at any consumer's disposal to give their credit score a quick jump.

Here are seven industry insider strategies to help you achieve that goal of 30 points in 30 days. Knowing and following these valuable strategies can help you save hundreds of thousands of dollars in lower interest rates over the life of your loans, helping your family achieve the financial comfort they deserve.

Sincerely,

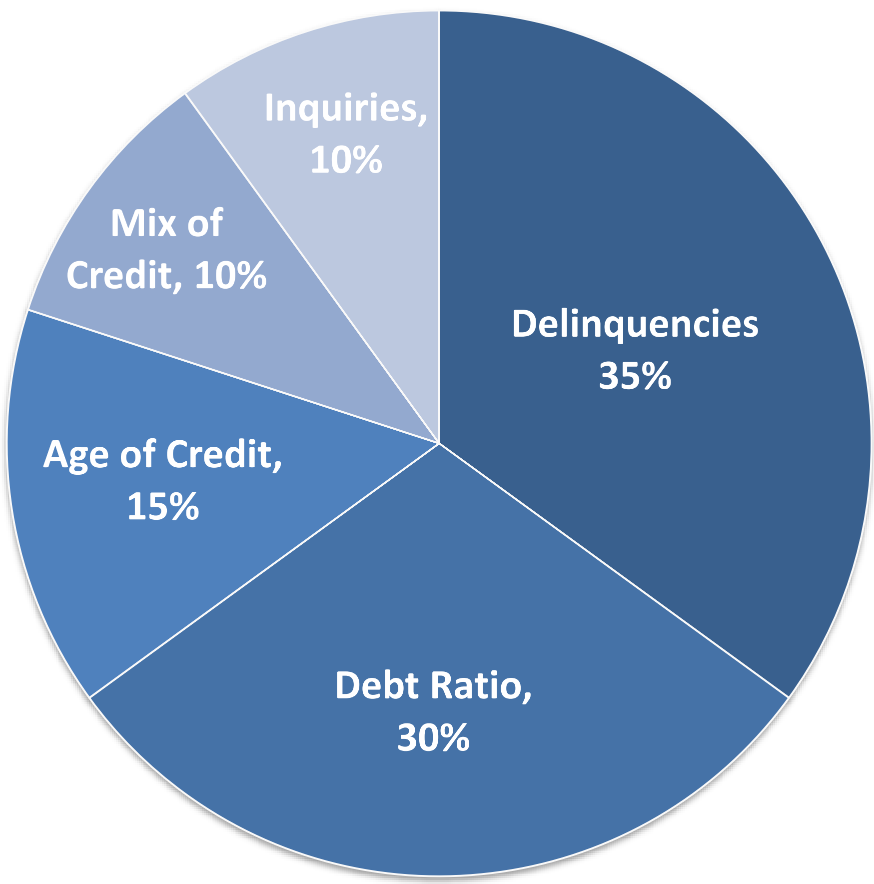
Credit Repair Division
ProFinance

Did you know?: *Credit scoring has been around for several decades, and by the end of the 1970s, most major lenders used some kind of credit scoring formula to decide whether to accept or reject applications.*

First, understand your credit score.

FICO, the Fair Isaac Corporation, is the preeminent credit scoring company, serving almost every bank, lender, and financial organization with its credit reporting of hundreds of millions of Americans. Your credit score is determined by an algorithm developed by FICO.

Three major corporations, called "credit bureaus", specialize in collecting and reporting on financial histories. Those three companies are Equifax, Experian and TransUnion. Remember that the credit bureaus and even FICO don't ever make decisions about if you get credit. They do, however, collect data about your use of debt and compile a credit score to share that with banks, lenders, or retailers who are considering lending you money so they can better gauge risk. While their calculations are secret, we do know that the basic building blocks of your credit score are founded on: Inquiries, Mix of Credit, Age of Credit, Debt Ratio, and Delinquencies.



Payment History (35% of your credit score)

The most important portion of your credit score is based on a borrower's payment history. According to FICO, past long-term behavior is used to forecast future long-term behavior. FICO considers both revolving and installment loans but weighs missed payments on larger loans – like mortgages – as more significant than smaller accounts.

There are roughly 70 million consumers with FICO scores above 760 – which is considered a great score. On average, they have six accounts that are currently "paid as agreed." 93 percent of those consumers have no late payments or anything derogatory on their credit files.

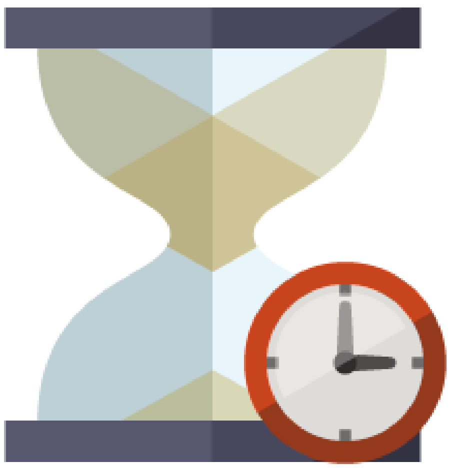
Credit Utilization (30% of your score)

A large percentage of your credit score is determined by your credit utilization -the percentage of available credit that has been borrowed compared to the total available balance. FICO views borrowers who habitually max out credit cards or come close as irresponsible managers of their debt and finances - and therefore
a greater risk.

While many people suggest you should keep a credit utilization ratio under 30%, FICO reports that consumers with the best scores average about a 7 percent credit utilization ratio, but that 10 to 20 percent usage is favorable.

Length of Credit History (15% of your credit score)

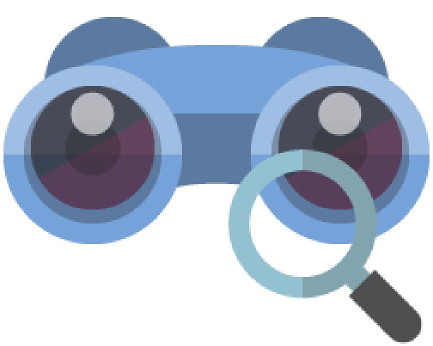
FICO is looking for well-established history of credit accounts that have been paid on time, showing the consumer is a safe and stable credit risk. Your FICO score factors how long your credit accounts have been established, including the age of your oldest account, the age of your newest account and an average age of all your accounts, and how long it's been since you used certain accounts. Interestingly, that makes it impossible for people with brand new credit to have perfect scores.



Consumers with a credit score above 760 have, on average, an oldest account that's 19 years old. And, the average age of their accounts is between 6 and 12 years old. Finally, this group has opened their most recent account 27 months ago.

Mix of Credit (10% of your score)

FICO considers it healthy if a consumer has a healthy mix of tradelines and accounts, including credit cards, retail accounts, installment loans, finance company accounts and mortgage loans.



Inquiries (10% of your score)

Applying for multiple new credit accounts in a short period of time represents a greater risk to lenders, which is reflected in a consumer's credit score.

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What does your credit score predict?

A credit score is the statistical prediction of one's likelihood to pay late over the next two years. The higher the score, the less likely one is to have a late payment. The bank then uses this number to assess the amount of risk involved with lending someone money. Banks are a lot like casinos in a sense; they like to place bets where they feel they will win. Credit scores are trying to predict the same basic thing: the likelihood of a consumer being 90 days late on any payment within the next 24 months.

Why are all three credit scores different?

Determining a credit score is a tricky business since there are many credit scoring models in use, each fitting a consumer into their particular model. Some of the credit scores in these models go up to 990. While there are multiple formulas for calculating credit scores, the formulas introduced by the Fair Isaac Corporation (FICO) are the most widely used. This score ranges from 300-850.

> **Did you know?** *The widely used FICO (Fair Isaac Corporation) score is based on the work of engineer Bill Fair and mathematician Earl Isaac who founded the firm Fair Isaac in 1956. They developed the first credit bureau-based scoring system in the mid-1980s.formula to decide whether to accept or reject applications.*

How much money can you save with a good credit score?

A little number won't make a big difference, right? Too often, that's the mentality consumers have when purchasing things and using debt to pay for it, whether it's a new car, putting that big vacation on a credit card, or even taking out a mortgage loan for their house. Wrapped up in the minutiae and excited about the purchase, consumers often take the first loan that is given to them or don't adequately research or shop around for the best interest rates. But the difference in payments you make over the life of the loan can be HUGE!

Mortgage savings:

Let's assume that today's national averages are around 4.5% on a 30-year fixed mortgage loan. By the way, those rates are near historical lows as the all time national average is closer to 7.5%. So if we compare those two numbers on a $250,000 home purchase over 30 years…

Loan amount: **$250,000**
Interest Rate: **7.5%**
Monthly Payment: **$1,748**

Total Payments: **$629,280**
Total Interest Paid over Life of Loan: **$379,280**

Now, let's look at that same home loan but with a good interest rate these days, 4.5%.

Loan amount: **$250,000**
Interest Rate: **4.5%**
Monthly Payment: **$1,266**

Total Payments: **$455,760**
Total Interest Paid over Life of Loan: **$205,760**

Total Savings: **$173,520**

Car Loans Savings:

Interest Rate: **4.5%**
Monthly Payment: **$466**
Total Payments: **$27,960**
Total Interest Paid over Life of Loan: **$2,960**

Or…

Loan amount: **$25,000**
Interest Rate: **7.0%**
Monthly Payment: **495**
Total Payments: **$29,700**

Total Interest Paid over Life of Loan: **$4,700**

Total Savings: **$1,740**

Credit Card Savings:

Loan amount: **$20,000**
Interest Rate: **18.0%**
Monthly Payment: **$500**
Total Payments: **$31,000**
Total Interest Paid over Life of Loan: **$11,000**

Or…

Loan amount: **$20,000**
Interest Rate: **10.0%**
Monthly Payment: **$500**
Total Payments: **$24,500**

Total Interest Paid over Life of Loan: **$4,500**

Total Savings: **$6,500**

As you can see, increasing your credit score before making a big purchase or taking out a loan can add up to huge savings. So how is it possible to increase your credit score by 30 points in 30 days? We'll now present the seven tactics to help you do just that!

Strategy # 1- Don't trust the credit bureaus to Do their job!

There's a high risk of erroneous credit reporting which jeopardizes your credit score.

Ordering and scrutinizing your credit report is the #1 thing people need to do if they want to see a 30-point increase in 30 days. Why is it so important? You'd be shocked how many errors there are on most credit reports! The credit bureaus are in the business of selling information first and foremost so duplicates, wrong addresses, misspelled names or aliases, identity theft, and old items that should have fallen off are all examples of the common mistakes that show up. According to the Consumer Data Industry Association, a trade organization for credit reporting agencies, credit repair disputes account for no less than 30% of disputes received by the credit reporting agencies.

A 2012 study by the Federal Trade Commission reported that at least 20% of consumers have an error on at least one of their three credit reports (which largely determine your credit score.) That's 1 in 5 of you who have something glaringly wrong on your credit reports!

Getting a copy of your credit report and reviewing it carefully is also essential because of the risk of identity theft. In fact, identity theft impacts about 8% of the population every single year in the United States, and it's the fastest growing crime. Approximately 15 million people have their identities used fraudulently each year, costing consumers upwards of $50 billion dollars. That's three times more than the combined $14 billion in losses from all other types of consumer theft (burglary, motor vehicle theft, property theft, etc.) combined! On average, each identity theft victim suffers direct losses of $9,650, up from just $3,500 a few years ago.

Hackers and identity thieves are targeting large corporate databases – easy pickings to steal your date. About 100 million Americans have their personal information put at risk of identity theft each year from government or corporate databases. But only about 45% of data theft was discovered by those financial institutions, which notified their compromised consumers. And if the consumer's information was used to open new, fraudulent accounts, the financial institution sounded the alarm only 15% of the time. 21% of victims were alerted to the malfeasance when an outside company or agency reach out, and 13% found out when they received unpaid bills in the mail.

Once identity theft occurs, it's difficult to trace the source of the leak. Only 32% of identity theft victims ever find out how and where their information was stolen. Errors on your report or identity theft will cost you dearly – you might not qualify for that home you're trying to buy or even pay hundreds of thousands of dollars more in higher interest rates – all for no reason but the bureau's errors!
So it's essential you review all three credit reports thoroughly and address any errors. If you don't know exactly what's hurting you and what needs improvement, it's going to be hard to achieve a 30-point increase within 30 days!

Bonus Tip: Blue Water Credit can obtain a copy of your full credit report and examine it with you during their no-risk consultation, which could lead to a huge credit score increase. Contact Blue Water here to schedule your no-risk credit report evaluation.

Strategy #2- FICO's top-secret scoring ratios

Remember that FICO's credit utilization ratio accounts for 30% of your score!

The surefire way to increase your credit score in a hurry is to pay down your debt, which improves your credit utilization ratio. But it's so important you do this correctly. Knowing which accounts to pay down and how much makes all the difference between a skyrocketing score and one mired in mediocrity.

It's usually wise to focus on paying off credit card debt because the algorithms used to compute credit score weigh credit card debt more negatively. By paying your debt down, you'll be improving your "credit utilization ratio," which is the amount you owe versus the total spending limit. While general wisdom is to pay down your debt lower than 30% of your total limit (about $3,000 or less for a $10,000 limit,) that's actually inaccurate information. It's recommended you pay down to 10% or less.

Remember that car loans, mortgages, utilities, and student loans are not counted against the credit utilization ratio, so focus on paying down your credit card debt below 10% for the best quick score boost!

This means you don't have to be debt free in order to have a great score. In fact, you can have hundreds of thousands of dollars of mortgage debt and easily have scores over 800.

How should you go about paying down debts?

1. It's recommended you first track your expenses and itemize all of your debts and financial obligations accurately on one chart.

2. Analyzing that chart, separate needs from wants.

3. Once that's done, create a reasonable budget you will follow as you set aside money to pay down your bills.

4. When you pay down debt, use the strategy of "stacking" or "snowballing" is the fastest and most efficient way of paying down your debts. You'll pay the minimum on all of your accounts except one – the credit card with the highest interest rate.

Start by "stacking" as much money as possible toward that one account until you pay it down to the desired level, and then move all of your excess funds to the credit card with the next-highest interest rate. This also works with paying off the smallest debt first.

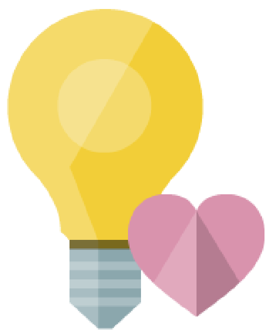
Bonus Tip: FICO reports that borrowers with the best credit scores – 785 or higher – use keep an average of only 7% of their credit card limit!

Did you know? In 2011, a portion of the Dodd-Frank financial reform bill required lenders to disclose credit scores to applicants.

Strategy #3- The shockingly simple tactic to increase your credit scores by up to 100 points…without paying off debt!

Who in their right mind would tell you to add credit when you're trying to increase your score? We would!

If you don't have the means to pay down your credit card debt immediately, you may want to consider another effective option. A consumer can call up their credit card company and ask for an increase of their spending limit. If approved, the account will immediately show the higher available credit, and your credit utilization ratio will be greatly improved, even without paying down your debt at all! In fact, achieving a very low or zero debt utilization ratio can improve your credit score up to 100 points in most cases!



If you can't pay down your balances to the proper ratio (around 10 %,) a credit line increase with your existing credit card accounts will achieve the same goal. You can do this easily just by calling your existing lender, usually without any paperwork or credit pulls. If they do increase it, your credit utilization ratio will be better (even with the same amount of debt,) and therefore your score will get a quick boost. Or, if you have two or more accounts with the same bank, they may consolidate into one. Blending a newer account into an older account will start reporting as a longer term, seasoned debt and give your score a positive jump.

What's the best way to request a credit line increase?

1. You'll have the best chance to get approved for a credit line increase if you've demonstrate reliability by making 6 months of timely payments.

2. Carefully choose which card you'll request the increase. Asking for an increase could trigger a credit score check, or a "hard pull," so you want to request them discriminately.

3. Collect documentation to make your case to the bank or creditor. For instance, if your income has increased in the past months, if you have a better new job, paid off other debts, or have more savings, you'll be more attractive to the bank.

4. You may want to request the increase with one of your oldest accounts, as your loyalty and long term good standing will be a factor in their approval.

5. Request a specific amount – that's reasonable and easy to justify – not just asking for "as much money as possible."

6. Some credit card companies have an online option for requesting credit limit increases, but we recommend calling them on the phone and requesting to speak to a supervisor. A human connection still goes a long way to getting your request approved.

Strategy #4- The counterintuitive trick to paying off harmful revolving debt.

FICO loves installment debt, so use personal loans to pay down your credit cards!

Most people don't have enough money in savings to immediately pay down their credit card debt to boost their score. But there is another option – taking out a personal loan.

Your bank or credit union will let you apply for a personal loan based on your total financial picture. If approved, you can easily use that money to pay down credit card debt.

Why is that helpful? Personal loans are factored as installment debt for the credit bureaus, not revolving debt, so your credit score won't take a hit. In fact, it should shoot up as you reduce your "bad" credit card debt and improve your ratios. Additionally, private loans usually have fixed interest rates are on average 2% less than credit card debt!

Installment accounts have a fixed payment for a fixed period of time until the loan is paid in full. Lenders make their money by charging you an annual percentage rate (also known as an APR.)

Common installment loans include:

- ✓ Mortgage loans
- ✓ Auto loans
- ✓ Signature loans
- ✓ Loans for some retail purchases, like furniture or jewelry
- ✓ Private student loans
- ✓ Home equity loans

Bonus Tip: Ask the bank or lender what their guidelines are for approving installment loans before you apply, which will result in a "hard" inquiry showing up on your report.

> **Did you know?** In 2011, a portion of the Dodd-Frank financial reform bill required lenders to disclose credit scores to applicants.

Strategy #5- What you don't know WILL hurt you!

Be careful because paying off and closing the wrong accounts can do more harm than good.

Even though you may have good intentions when paying off and closing an account, you'll want to exercise caution. Like we mentioned, a major factor of credit scoring is the length of time or seasoning accounts have been open. The older a credit line, the more it displays an established history, so don't close down old accounts or your score may move backward.

Instead, Focus on paying down credit card debt first, but not necessarily closing accounts. The same thing applies for paying off collections and other accounts – if items are very old, inactive, or certain kinds of installment debts, paying them off could actually make them re-report to the bureaus, and therefore hurt your score.

Also, it's not recommended you close more than one account at a time, or it may look like volatile behavior or a sign of something wrong to the bureaus. To achieve a 30-point increase in 30 days we need to make sure you pay off the right debt so you don't move backwards.

Bonus Tip: Have a professional credit repair company like Blue Water Credit review your credit score with you to find out exactly what you should pay down or off before you do anything!

Did you know? More than 8 million people fall victim to identity theft in the U.S. each year. Consumers spend hundreds of millions of hours trying to resolve the problem, stop the fraud, and clear up their credit reports.

Strategy #6- The #1 credit score hack FICO doesn't want you to know!

Let someone else do the work while you take the credit! (Pun intended!)

One of the most efficient ways to increase your credit score in a short time is by becoming an authorized user on someone else's credit card. Once you're authorized, the new positive trade line will show up on your credit as if you've had it for the duration. It's important you do this correctly – it has to be a credit line in great standing. Additionally, it should be someone you trust well (and they trust you!) because if the primary user runs up big debt, has late payments, or defaults, you'll be on the hook and your credit will actually be damaged! FICO knows a lot of parents do this to build their teen or college-aged children's credit – and it's a perfectly legal practice.

You can also become a joint account holder, which entails even more responsibility or obligation because you are not just authorized to pay the debt; the debt is legally half yours. To become a joint cardholder, the lenders will require you to apply and scrutinize your eligibility just as if you were applying for new debt. Joint accounts are most commonly used by spouses who share their finances.

Before you become an authorized user or joint account holder, contact your bank to check exactly what they'll report to the credit bureaus to make sure it helps your score.

Bonus Tip: When becoming an authorized user, chose a credit card that's been open at least 36 months, paid down below 10% of the available credit, and with a perfect payment history.

> **Did you know?** More than 8 million people fall victim to identity theft in the U.S. each year. Consumers spend hundreds of millions of hours trying to resolve the problem, stop the fraud, and clear up their credit reports.

Strategy #7- Do you hate your cell phone, Internet, and utility bills? There's a secret strategy to make them work for you!

Adding nontraditional bills and accounts to your credit report can help increase your score.

A surefire way to build your credit is to add positive accounts that aren't currently being reported. It's your right to request that unreported accounts start being reflected on your credit. For instance, cell phones, Internet providers, utility companies, and medical billers often don't bother reporting credit (because it's not mandatory.) But if you ask them to do so, they very well might comply – posting a well-seasoned, positive new trade line on your credit score.

The movement to allow non-traditional tradelines to be counted in credit scoring is part of the Credit Access and Inclusion Act, which will make it easier for people who limited or no credit to start building a good credit profile. Research shows that adding rent or a utility would help 74 percent of "credit invisibles" get a credit score. The credit bureaus already are doing this on a limited basis; according to Equifax, they already manages a database of 70 telecom, cable TV and utility companies for credit reporting.

So, contact the credit bureaus and formally request they use your utility, cell phone, or medical billing information for their reporting.

Bonus Tip: Be organized and maintain all records so you can easily fax or email
your account information over to the companies you want to report.

How We Are Different

We Dispute With All Three Bureaus From The Start

Our program is designed to dispute your accounts with all three bureaus right from the start. We don't pick and choose, we attack accounts right away!

Reach Your Goals In Half The Time and Save Money

Don't get stuck in a credit repair program that drags on for months because only a limited amount of accounts are being worked on at any given time. Save your hard earned cash and finish our program quicker than those "other" repair sites.

Each Client Has Their Own Case Manager

You can reach your case manager quickly without being on hold and having to choose numerous options before you are actually transferred to a live person. Your case manager is familiar with your file and will be your guide throughout the entire process.

Personalized Game Plan & Continuous Education

You are given a game plan on how we will proceed with their file and things that you can do on your own to improve your credit. You will receive weekly emails on credit education. Have a question? Just call us and get it answered fast!

We Operate Legally

We are one of the very few credit repair and restoration companies that operate legally. We have set the industry standard as a reputable organization that is built on a foundation of integrity, character and an exceptional commitment to obtaining the best results possible for each client.

Summary

Follow those seven strategies to the letter, and you'll see a huge credit score increase in a short time – maybe even 30 points in 30 days or more. But you don't have to wait – if you're planning to buy a house, get a car loan, start a business, or even apply for a job within the next six months, we can already help you start improving your credit score – and usually by even more than 30 points.

You deserve good credit and peace of mind!

Call Us Today for a Free Credit Review!

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