

Seven Simple Steps to Raising Credit Scores in Only Three Weeks

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LOS ANGELES, CA - In the wake of the subprime market fallout, lenders are making it tougher for consumers to get a loan. As a result, borrowers are wise to try to raise their credit scores to qualify for loans, secure better loan terms and receive lower interest rates.

According to Edward Jamison, a Los Angeles-based credit attorney who has appeared as a credit expert several times on the NBC Emmy Award-winning show, *Starting Over*, borrowers can follow seven simple steps to raise their credit scores. "The steps required to raise credit scores may appear counterintuitive," explains Jamison. "In fact, individuals should be warned that without knowledge of how credit scores are derived, individuals can be damaging their credit scores rather than raising them when taking such actions as closing credit cards."

Jamison, whose legal practice is focused on consumer credit repair and restoration, recommends that borrowers wishing to raise their credit scores first check their credit limits and evenly distribute the balances they're carrying to help increase their credit scores, or that they pay them off in full to get the highest score increase. "Make sure your maximum limit is reported," advises Jamison. "When no limit is reported, credit scoring software presumes the account is 'maxed out.'" The credit scoring software scores more favorably the closer a balance is to zero. Balances over 70 percent damage credit the most, followed by the next tier of 50 percent and again by the tier of 30 percent of the maximum credit limit. "Rather than carrying a large balance in an unfavorable tier, redistribute outstanding balances over several credit cards," advises Jamison.

Jamison also advises keeping credit cards open. "Closing credit card accounts can hurt your score unless the accounts were opened less than two years ago, and you have over six credit cards," states Jamison, adding that consumers should make sure to keep their old credit cards open as well. "Fair Isaac's credit scoring software assumes that people who have had credit for a longer time are at less risk of defaulting on payments."

Borrowers also need to get rid of late payments listed on the credit report. "Contact the creditors that report late payments and request a good faith adjustment that removes the late payments reported on your account," instructs Jamison. Since you are a customer in good standing, the creditor may work with you. This may require more than one phone call. "If you're frustrated, rude or unclear with your request, you're making it very difficult for the creditor's representative to help you," adds Jamison.

A very important step is for consumers to rid themselves of any collection accounts by paying them off provided the collection agency agrees to delete them in return. Paying it off can otherwise actually lead to a *decreased* credit score due to the date of last activity getting updated to the current date when you pay. "The consumer should contact the collector and request a letter explicitly stating their agreement to delete the account upon receipt or clearance of the payment," he states. "Although not all collection agencies will delete reporting, it's certainly worth the effort."

Next, consumers should pay off past due amounts on delinquent accounts that are not in

charge-off status. After that, Jamison advises getting rid of charge-offs and liens that are less than two years old. "Charge-offs and liens that are older than 24 months do not affect your credit score nearly as much as ones under 24 months," says Jamison. "But if they're newer than 24 months, they can seriously damage your credit." If you have both charge-offs and collection accounts, but have limited funds, he advises paying off the past due balances first, then paying collection accounts that agree to remove all references to credit bureaus.

"Individuals can positively affect their credit scores in as little as three weeks," explains Jamison. "It's just a matter of getting educated and focused on the best, fastest and most reliable course of action to raise one's credit score."

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