

Credit Repair Service: What to Expect

Google the term "credit repair" and 19 million results are instantly generated. With so much information available, and so much of it conflicting, how do you know which credit repair company is legitimate and which ones are really just looking to take advantage of desperate consumers?

The following are steps you can take to know exactly what to expect from a legitimate credit repair company and the valuable services they provide:

Get a referral from your mortgage professional. Not only do we work with credit repair specialists on a regular basis, our business depends on your success. It's in our best interest to make sure you are represented by professionals who are experienced in dealing with creditors, the credit bureaus, and collection agencies.

Interview your candidates. Make sure they understand and can explain to you how credit scores are calculated. Remember the 5 factors that make up a credit score that we discussed in a previous article? Without a detailed knowledge of the specific elements that make up your credit score, how can they possibly create a successful strategy to increase your score?

Don't believe the hype. Credit repair takes time. Don't fall for advertisements from companies promising miracles in just a few days or weeks. Remember, it took time for your score to get where it is, and it will take a legitimate credit professional time to fix it, depending on your situation. For the most part, expect 3 to 6 months for the best results, and up to a year or more if you have more serious problems like bankruptcies or identity-theft issues.

Don't spend more than \$1,500. Depending on your situation, expect to spend between \$800 and \$1,500 for a legitimate credit repair company. Again, if you have major issues, expect to be in the higher range and vice versa. In today's market, where FICO scores one point below 680 could cost you thousands of dollars in interest and monthly payments, you'll be glad you made this investment in your financial future.

Monitor your progress. Be sure to communicate with both your mortgage professional and your credit repair representative throughout the process. To ensure success, we all need to be on the same page. With the right team of professionals, you can expect your credit score to increase between 10 to 220 points over the course of 6 weeks to 6 months. That's going to save you a lot of money on your mortgage, credit cards, auto loans, and even student loans.

Credit repair is a valuable, worthwhile service when you're working with the right company. If you have questions about credit repair and how it affects your chances of securing a mortgage or refinance, don't hesitate to call. We'll be glad to review your credit and see what, if anything, needs to be done to help you meet your financial goals and needs.

If you or anyone you know has any questions about credit scores or what can be done to repair them, please don't hesitate to call.

