



Jamison Law Group, P.C.
11500 W. Olympic Blvd. St 360
Los Angeles, CA. 90064
Phone: (310) 268 0580
Fax: (310) 268 0590

Credit Repair: The Truth About What Can and Cannot be Done

By Edward Jamison, Esq.

Contrary to what the credit bureaus would like you to believe, credit repair does work and can work for 100% of people in most circumstances. This is, of course, provided you are getting the best advice and have an experienced professional working on your case.

Any one with a credit score below 720 can benefit long-term from the advice and information provided through credit repair; however, there are times when your own limitations make adhering to this advice impossible. The two limiting factors are: (1) your financial situation and (2) the time frame within you need to reach your results. It is possible to remove anything from a credit report, even accurate items, if the creditor does not adhere to the law the outlines what needs to be done and by when. Just because you have a certain type of account removed at one time does not mean other, similar items are going to be able to be removed, even with the same circumstances. A hit-or-miss aspect exists in credit repair, because credit repair relies not only on the strategies of the person attempting to repair the credit, but also on the effectiveness or ineffectiveness of the creditors and credit bureaus in adhering to the laws. Sometimes you want the credit bureaus and credit bureaus to follow the law, sometimes you don't-it all depends on your particular situation.

The reason credit repair has received such a bad name is due to the abundance of scam artists who flock to the easy money made available by people desperate for this type of service. This unfortunate reality leads the credit bureaus and the FTC to make blanket, untrue statements such as, "Credit repair does not work ever and there is nothing a credit repair company can do for you that you can't do for yourself." Given that more than 90% of credit repair companies are scam artists, promising the world and then disappearing when you pay, the credit bureaus and the FTC are forced to make such bold statements. It would be impossible for them to explain the truth to consumers without causing them to make a bad choice that would result in the getting scammed. As a result, the credit bureaus and the FTC must adhere to the "credit repair does not work" position.

As I have stated, credit repair does work, but...don't let anyone tell you that credit repair is effective every time. Its success varies with the number of players in the game, some of whom never perform consistently. Even if you have a true master of credit repair on your side, you have to take into account that sometimes the other players perform in a way that throws your master of his game. Take Shaquille O'Neal. Although he has the ability to win every game for his team, there are going to be times when the other team has a formation that takes him off his game and causes his results to be less than optimal. Given that fact, you still cannot predict to any level of certainty whether or not he will perform well or poorly the next time he faces that team. Credit repair is similar. Sometimes the opposing side shows up strong, other times they don't. Even if you follow the same approach with every situation that arises when doing credit repair, your results will still vary due to the other players involved. So the next time someone tells you they can get everything repaired on your credit, run the other way, because, at best, the pendulum will swing widely both ways for the same situation.

Credit repair limitations occur almost 100% of the time under the following situations. These situations make it nearly impossible for credit repair to help someone needing results within six months to a year. Please keep in mind even when you can't be helped in the short term, the advice that can be given now, if coming from a professional, can prevent you from making a

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mistake in the near future that may worsen your situation. Here are examples of situations where not much can be done with-in a six to twelve month period.

1. If more than 50% of the negative accounts showing on the credit report appear as unpaid collections, charge-offs, repossessions, or foreclosures and you do not have the money to either pay the accounts in full or settle them. Due to the negative accounts remaining unpaid, these items will simply reappear on your report once removed. Any negatives, even unpaid accounts, can be removed-but, unless the negative account is current, paid or settled, it will simply reappear in 10-90 days.

The only way to prevent this is to bring the account current by paying the past due amount, or, in the case of a collection, charge-off, repossession, or foreclosure, pay the balance in full or settle it for pennies on the dollar. Unpaid accounts that do not have collection, charge-off, repossession or foreclosure status require only that the past due balance be paid to be considered current. Unless the negative account is a public record, the only way to keep it from being re-reported is to make sure the status is "current, paid, settled, transferred or sold." In other words, if deleted, any negative account that does not show one of those five statuses will most likely get re-reported, unless the account is a public record.

Public records are the only negative items that do not need to be paid to prevent re-reporting. Because they are only reported once, public records, such as unpaid judgments and tax liens, can remain unpaid and yet will not reappear once they are removed. In fact, the only time they reappear is when the initial reason for removal was the public record agency failing to respond the credit bureaus' verification request with-in the 30 day period outlined by the Fair Credit Reporting Act, in which case the credit bureau would reinsert the public record if and when the public record agency responds to the credit bureaus after that 30 day period.

2. Credit repair is nearly impossible if you can't pay your minimum monthly payments and you keep adding new late payments to your report. This is a "spinning wheels" scenario that rarely yields much improvement to your credit score.

In conclusion, you can repair your credit if you hire a pro and listen to his or her professional advice. The effectiveness of the credit repair depends not only on the skill of the professional you hire and your ability to cooperate with his or her advice, but also, a little luck.