



## ***FAQ - Questions on Credit Management, Reports, and Your Credit Score***

Because we spend massive amounts of time researching finance and the credit repair industry in particular, we've seen almost every problem out there. We know how credit works, and in our FAQ section, we've put together general information on a variety of the more common credit questions.

If you can't find a satisfactory answer here, please [email us](#). Whether you have questions about our credit management solution, credit repair in general, or if you need information more attuned to *your* credit problems, we have the answers you need.

### ***About Managed Credit Service's Process***

Q: What is the difference between credit repair and credit management?

A: Credit repair as it stands today, in our opinion is nothing more than just disputing everything negative and hoping it gets deleted. We choose to take a different approach; a common sense approach. Using our tools, you will map out a plan which includes your income, your bad credit, new credit and your future goals. Then we will show you how to work on your bad credit as well as negotiate with your creditors in an effort to reduce your credit card bills. Then we'll help you establish new lines of positive credit and teach you everything we know about properly managing it. Simply put it's a well rounded, practical approach to solving your credit problems.

Q: What are the expected results of the services?

A: Provided you follow everything we suggest and you don't accumulate more debt outside of what you tell us, you should begin to see positive change within 60-90 days.

Q: What will happen to the credit information I enter into the system?

A: It will be encrypted so that no one associated with our organization will ever see or have access to it. You will be the only person with a password to access your information.

## ***About Your Credit***

Q: How can a poor credit score affect me negatively?

A: According to a study by the Federal Reserve Board, 80% of credit reports have errors or inaccuracies. It is those inaccuracies that can cause potential lenders to see you as a "credit risk," making it difficult for you, as a consumer, to procure car loans, home mortgages and lower credit card APRs.

Even if you can obtain a car loan or a home mortgage, a poor credit score can still be costly by way of inflated interest rates and penalties.

Q: What makes up my credit score?

A: Credit scores are used by creditors to measure the 'risk factor' of a consumer who is applying for a loan or credit line. The credit score was out in place to reflect the financial responsibility of a consumer, through past and present credit use. Creditors use the score to 'predict' how a consumer will treat their potential financial obligation.

1. Payment History - 35%
2. Amount Owed - 30%
3. Length of Credit History - 15%
4. New Credit - 10%
5. Types of Credit in Use - 10%

As a 'snapshot' of your financial history, your credit report is essentially your 'financial fingerprint' and contains information that can be grouped into the five categories listed below.

While we have the above information we still do not know the specific formula to calculate credit scores. The credit score algorithm is closely guarded by its originator: Fair Isaac Co. (also known as FICO).

Q: How can my credit be legally and effectively repaired?

A: Managed Credit Services helps you improve your credit score by showing you how to remove false or erroneous information from your credit report. Your credit score is determined by the information on your credit report, so by ensuring the details are both fair and accurate, Managed Credit Services helps you ensure that your credit score reaches its maximum potential.

The Federal Fair Credit Reporting Act (FCRA) states that, upon request, credit bureaus investigate and verify the accuracy and integrity of information in existing credit reports within 45 days. In that time, all information must be verified accurately or removed from the credit report entirely. Upon correction, bureaus are required to send the consumer a fresh, updated credit report.

Helping you navigate complex credit laws, decipher credit reports, choose which information to dispute and manage your credit score, are Managed Credit Services' goals. By properly and legally removing inaccurate and false information from your credit report, your credit score can increase significantly.

By understanding the details that affect your credit score in both good and bad ways, and by creating a specific strategy, Managed Credit Services can assist in getting your credit score back on track, so that you may obtain the quality financing you both deserve and need.

Q: Does paying my bills restore my credit?

A: You would think that would be true, but the credit reporting system just doesn't work that way.

When you pay an old debt, the negative credit listing doesn't disappear. Once paid, it may appear on your credit report as a paid delinquency, charge off or collection (whatever the case may be.)

Unfortunately, if your goal is simply to repair your credit, merely paying off your debts won't get you there. You also need to work to restore your credit at the same time. Of course, paying your debts in a timely manner may prevent future problems with your credit report.

### ***About The Law***

Q: What is the Fair Credit Reporting Act?

A: [Click here to download a copy](#)

Q: Is credit repair legal?

A: Absolutely! It is your legal right to dispute items on your credit report. Managed Credit Services helps you exercise your legal rights pursuant to the Fair Credit Reporting Act, the Fair Credit Billing Act, Truth in Lending Act, and Fair Debt Collection Practices Act, as well as other applicable Federal statutes. Managed Credit Services helps consumers with credit reports that contain information that is inaccurate, misleading, incomplete or unverifiable.

Be cautious of any company that claims it can improve or remove items on your credit reports that are 100% accurate and correct, they may be violating Federal Statutes. We recommend that you stay away from services that recommend that you attempt to obtain a new/alternate social security number, attempt to create a consumer credit profile under a EIN, or create "fake" credit profiles by intentionally reporting false data. These tactics can be illegal and/or unethical and, if caught, can result in significant personal liability.