

FREE CREDIT GUIDE


5 STEPS TO IMPROVE YOUR CREDIT SCORE BY 50 POINTS IN 50 DAYS OR LESS



By: Michael Houg



Before we start with the steps, I will share with you why I am qualified to provide this guide to you. I have been a mortgage loan originator since 1998. I would estimate that I have looked at well over 7,000 credit reports in my career. I have seen it all. I also have spoken to multiple credit repair companies over the years.



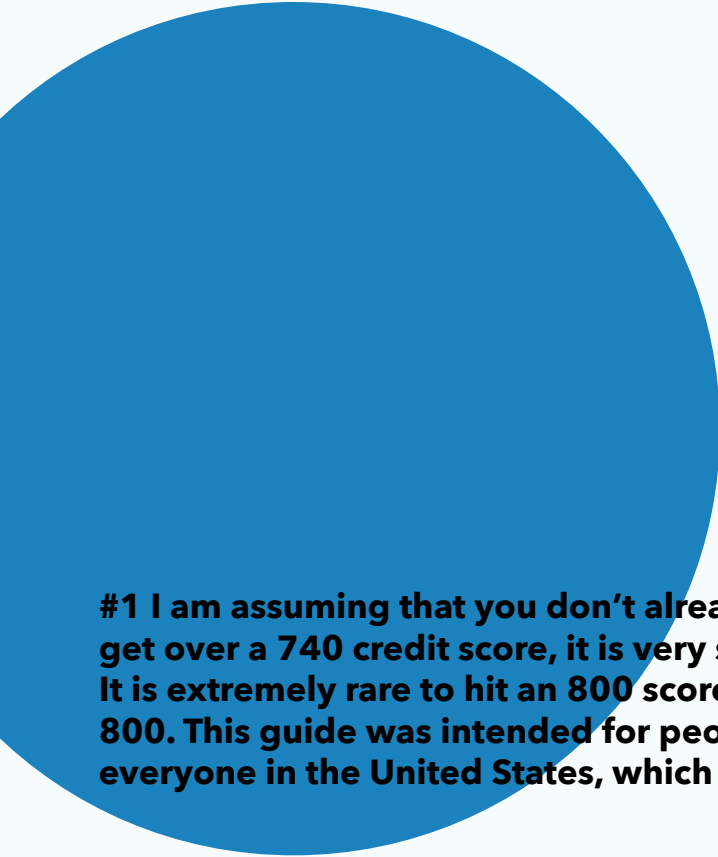
Let me start by saying that the people that have the highest credit scores attainable, have 4 or more credit lines that could be used at any given time. This is the goal to shoot for.

Examples of lines of credit that people with perfect credit have available to them, are: VISA, MasterCard, Discover, American Express, and/or store cards like Target, JC Penny, etc.

People that have credit with the highest credit scores attainable, rarely use their cards, but when they do, they immediately pay the bill in full as soon as it is due. They never ever pay interest - ever.

My disclaimer: The reason I am making the claim that your score can go up by so much in so little time, is because I am making a few assumptions.



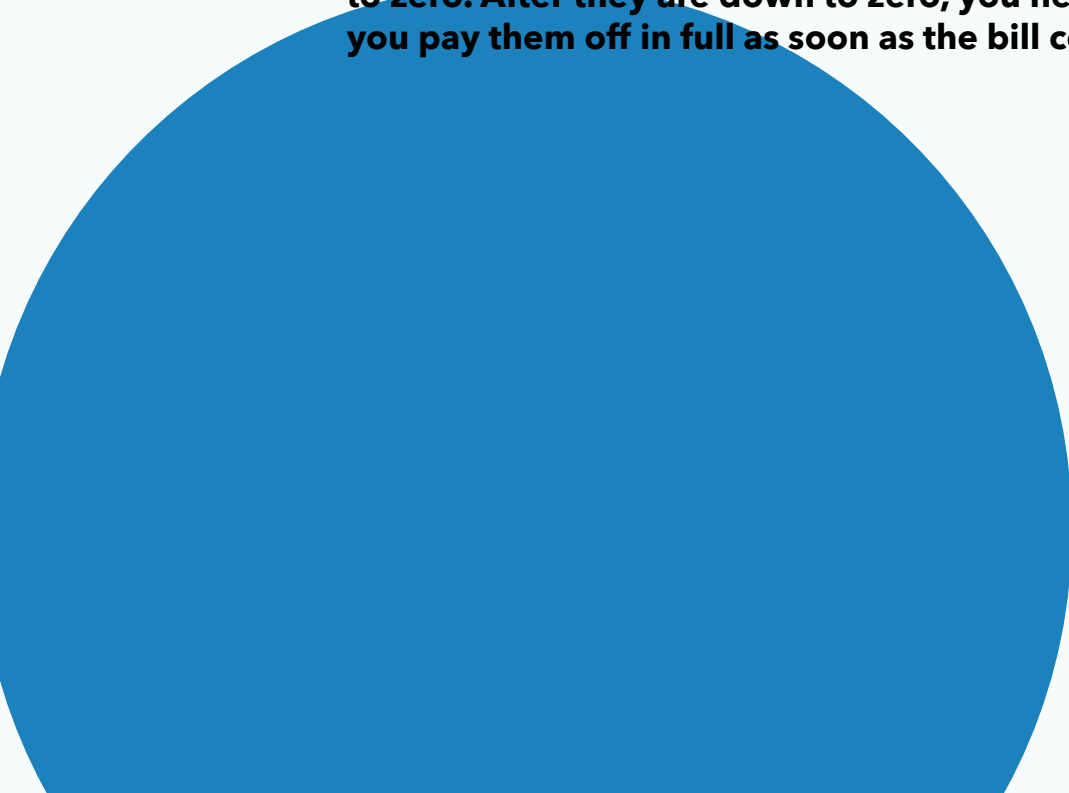


#1 I am assuming that you don't already have a perfect credit. Once you get over a 740 credit score, it is very slow going to improve your score. It is extremely rare to hit an 800 score, and almost no one ever exceeds 800. This guide was intended for people below the median credit score of everyone in the United States, which generally hovers just below 700.

#2 I am assuming you will not have any late payments going forward.



#3 I am assuming you currently have less than four lines of credit. If you already have for example a VISA, MasterCard, Discover, and American Express, then the only thing left to do to improve your score, is to lower your balances as much as possible, as fast as possible, until they are down to zero. After they are down to zero, you never again maintain a balance - you pay them off in full as soon as the bill comes due.



The easiest way to illustrate such a massive improvement in credit score, is to use the example of someone that hasn't established, or hasn't re-established their credit yet. So here are the 5 steps for that scenario:

#1 Go to rentalkharma.com so you can add 24 months of past rent payments to your credit report. The average time to see your results is in 2 weeks. This only works of course if you have been keeping your rent payment on time.

#2 ask someone you can trust, that has always paid their credit card off in full every month, and will continue to pay their credit card off in full every month, if you can be an "authorized user" on their credit card. Their good credit becomes your good credit - Yay!

#3 obtain as many credit cards as necessary, as to have a total of four different items reporting on your credit. So if you for example, you already have done step 1 and 2, then you can either repeat step 2 two more times, or get two credit cards of your own. The point being is that you want a total of four.

#4 when using your credit, only put extremely small charges on your card - I am talking like \$20 or less extreme. The less you charge the better.

#5 as soon as you get your bill, immediately pay it off in full. Never maintain a balance.

FAQ

Question: I have tried many times to get a credit card, but I always get declined

Answer: Go to your bank and apply for a "secured credit card", or do a Google search and type "secured credit card". You will never be declined for a secured credit card, and they are just as good at improving your credit as a normal credit card.

Question: I always pay all my loans and credit cards on time. I have never missed a payment. Why won't my score go up?

Answer: Because you are maintaining a balance. If you have things like car loans, student loans, installment loans – things that you are unable to pay off in full every month, your credit score will continue to stay suppressed.

Question: I don't have the ability to pay my credit down to a zero balance every month. Does that mean I am out of luck for improving my credit score?

Answer: You are not out of luck, but your score will improve much more slowly – if at all. When you are unable to pay your credit down to zero every month, the next best thing is #1 have as low of a monthly payment as possible, and #2 have as low of a balance as possible – relative to your credit limit. The less you owe compared to the amount available to you, the greater your chances your score will start slowly improving.

Question: I have used services like Credit Karma, but I have since learned that the credit score they provide is inflated. How can I get an accurate credit score?

Answer: The best way to ensure you are getting accurate credit scores is to have a mortgage professional like myself, run your credit for you. I will run your credit for you for free. Simply go to www.michaelhoug.com/apply

The second best way is go to myfico.com and pay a fee to get accurate credit scores. I do not recommend this, simply because if you think you might want to buy a home in the future – whether it be 5 days, 5 months, or even 5 years from now, you might as well have someone like myself that will run your credit for free. You then have the additional benefit of having a real person, have a free consultation with you. To see if I might be the type of person you would want to have do that for you, simply Google my name – I'll pop up on the first page and you can read all about me.

Question: I am not ready to buy a home right now. When should I apply for a mortgage?

Answer: It is never too early to apply for a mortgage – regardless of how not ready you are. The reason is because if you apply with me, the application is free, the credit report is free, and your approval letter is free. You never pay me anything. You have an extremely qualified & experienced person at your disposal, who is willing to consult with you on all aspects of credit and financing, an unlimited number of times, for unlimited length of time, and never charge you a penny.

Question: I want to buy a home sooner than later, but I feel my credit score is too low. I have heard I need at least a 580 credit score. Should I wait to apply for a mortgage until I have taken the 5 steps you outlined above?

Answer: Again, if you apply through me, the application is free, the credit report is free, and the approval letter is free. You never pay me a penny. That being said, you will want to evaluate where you are at with your credit history. The worse your previous credit damage was, the longer you need to have been doing the 5 steps I outlined above. For example: Lets say had a completely blank credit report – no good no bad, no nothing – completely blank. In this example you could potentially be ready to be approved for a mortgage in as little as 3 or 4 months.

If on the other hand you have a lot of damage on your credit from the past, that has since been fixed, you may need to follow the 5 steps for 6 months or more – depending on the extent of the previous damage to your credit.

The most important thing to understand though, is that it is not about how high your credit score is. If you have been doing the 5 steps for long enough, it is possible to get approved with a credit score of 500.

Question: I have a damage on my credit. I have neither the time nor the expertise to fix it on my own. I know there are lot of places that will offer to fix your credit for you for a fee, but I have heard I should steer clear of them because they don't deliver on what they promise. Is that true?

Answer: Yes, unfortunately there are a lot of companies out there that are very expensive and don't deliver on what they say. The good news is if you would like to have someone repair your credit for you, I can refer you to a reputable company that offers a money back guarantee. Simply give me a call and I will provide you with the contact info.

Question: I am worried that if I have you run my credit, it will cause a hard "inquiry" that will lower my score. Is that true?

Answer: Any inquiry on your credit has the potential to lower your credit score. However, if does go down at all, it is rarely by very much – especially if you already have a good credit score. The most important thing to understand is that unless you already have an extremely low credit score, a credit inquiry that causes your score to go down, will never cause you to be declined for a mortgage. A mortgage credit inquiry reducing your chances of getting approved for a mortgage is one of the biggest misconceptions out there.

Question: I have heard I need at least a 3% down payment to buy a home. Is that true?

Answer: No, there are several ways to do no money down.

Please visit my website www.michaelhoug.com or call me at 612-310-7962 for free consultation.

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