

FINISHED FILE  
NATIONAL DISABILITY INSTITUTE (NDI)  
CREDIT RECOVERY  
JUNE 17, 2026  
1:45 P.M. ET

This text, document, or file is based on live transcription. Communication Access Realtime Translation (CART), captioning, and/or live transcription are provided in order to facilitate communication accessibility and may not be a totally verbatim record of the proceedings. This text, document, or file is not to be distributed or used in any way that may violate copyright law.

>> LEXI: And before I hand it over to Kathy to take us through credit 101, I'm going to read our funder's disclaimer into the recording. The concepts of this webinar were developed under grant H 421F 240198. From the U.S. Department of Education. The department. The department does not (reading). Now I'm pleased to turn it over to Kathy to take us through credit 101. It's all yours, Kathy.

>> KATHY: Thank you so much for that introduction. So, my name is Kathy, I have been working for Heartland Credit Restoration for about 13 years. We strictly work on personal credit but we like to start there even with a small business because the first couple years of owning your business it's a very hard to get business credit and they do look at personal credit first. So, you want to make sure your personal credit is on track. There are some companies you can pay to get a better business rating right away but it's thousands of dollars and it's just easier if... and it helps you in the long run too if your personal credit's good anyway you're going to need to back it with that so that's what I'm here to explain. So dos and don'ts. Some myths that are out there about credit so let's start with just this, what is a credit score? It's basically a number that defines how likely you are to pay back a loan or a debt. You know, obviously a bank doesn't want to give you money if they don't know how well you are at paying it back. Some people have lots of money, but they're still really bad at making their payments and some people are really good at making payments and don't quite have the money and need to juggle things around so that's what a credit score is. It's your history. It's like your transcript in school. Each account is kind of like an AB, C or D and they average it together and that's how you get your GPA or credit score. There's lots of different credit scoring model out there but on average scores will be from 350 to 850 that's the common range. So next.

And like I mentioned this is kind of how they grade it. An 800 score is very, very hard to get. So people get kind of upset thinking they're not a straight A student and they're not doing well. 800 score is really, you have to have credit open for quite some time and some history so anything over that 740-750 you are doing amazing so that's just how we kind of grade it. If you're below the 500, 520 mark, there's some work to be done. You're not going to get a lot of loans and things like that

typically if you hit the 3-400s, it typically tells a lender that you have something currently past due like your car loan's 30 days late or your credit card is 60 days late that's where those come in. But on an average people out there are in that C + B minus area the early sixes just because of the and you have to use credit cards and things like that. We'll get more into how those credit cards are impacting that score. Next. So, a negative can mean multiple things the higher rates you're going to get on not only your business loans, your personal loans, car loans, mortgages, but it also has an impact on car insurance, people don't realize that not just your driving record but your credit score determines what rates they're going to give you your credit card interest rates will be higher and that's thousands and thousands of dollars.

When you're talking, you know, over 30-50 year timeframe the interest is human you always want to try to get the highest score you possibly can when you know you're going to get some kind of a loan because that's going to get you those best rates and allow you to save so much more money that you can allocate towards something else. Next. Also your employment now a lot of the places, it used to just be financial institutions, banks and people doing bookkeeping and things like that they would check credit scores but more and more companies are checking your credit rate even before they determine whether you are a good fit for their position. They do this because obviously they want to see are you responsible? Are you paying your bills? Are you just trying to go out there and get a whole bunch of cell phones and then never pay and go someplace else and do that. That boils down to your personality and ethics and things like that. Credit score is huge when it comes to that as well and starting a new business, that's exactly what they're going to look at. They'll say hey, are you going to do what you say you will do with this money, when you get grants are you using it for what you should be or are you out there opening up a bunch of things, new car loans here, and taking trips here, all of that is on your credit report, you know? How much are you using that credit and what you're opening and doing. So that's why it is so important to keep that credit report clean and that is what will determine whether you get the loan or not is based on your score and there are quite a few grant places too. Everyone's different. I don't know, you know, states have grants first of all, businesses. There's federal grants, there's community grants, lots of different kinds, and they all have different rules but just by rule of thumb, you can be denied for grants based on your credit score as well. Next. All right. So, this is just kind of breaking it down for you a little bit. What the difference is in those interest rates.

And they change all the time we can't keep this updated because home loans and everything has different constantly through the board. So, this is just an example. If you were to buy a home at 20,000 dollars and your score's in that mid 700s and you get a 5%. If your score's more down in those 500s you're paying 8% over a 30-year loan that is 142,000 dollars difference that you are going to be paying just because of that credit score. And you don't notice it on a month-to-month basis but like cars. If you have eight cars, this is exaggerated so they're showing you this. But if it's at 7%, yeah, 7%, at a, at a 740 versus an 8% at a 580 that's 62,000 dollars over 40 year span and so on so you look at the credit cards and those interest rates and in toys I figured motorcycles, boats, campers, when we were trying to put together the slide so over 40 years if you just had a few cards, a couple cars, a home loan and recreational things, 293,000 dollars is the difference in interest. When you look at it that way what can you do with that money versus just throwing it away? So very important, the higher the score, the better. Next, all right. This is just talking about the different bureaus. There's three main bureaus that reporting.

TransUnion, Experian and Equifax, these are three totally separate companies and sometimes you'll go to get a loan or grant or anything they're trying to do and they might hook at one bureau a lot of people have credit karma which only has two bureaus on it.

When you are trying to get your credit where it needs to be you want to look at all three because it does cost creditors money to report so there are smaller companies that might only put your information on one bureau. I live in a small town. And you get a card and they may only pull it on TransUnion. Your TransUnion may be perfect because there's four or five loans on there but your Experian and Equifax may be lower because you don't have history on that report at all because that bank only paid to report to TransUnion so that's why the scores can be different and most of the time, I would say 95% of the time the three scores are different. Medical bills. Credit cards will be on all three. But there could be a mistake and one is not reporting. You want to look at all three and since they are their own company say you have a Capital One and Capital One sends the information to the three bureaus to get updated, well since they're three different companies they have three different processes. TransUnion may change the score in the next 48 hours. Experian may take a couple weeks before you see the updated report and Equifax may take a month or two before you see something you paid off show up so that can make a huge difference in those scores. Next. There are a lot of errors on credit reports these days. There's identify theft, fraud, you

know, places getting hacked, just information in general, you know, everything starts by a data entry point so if somebody accidentally transposes two numbers in your social somebody else's stuff might be on your report so it's very, very good, there's an annual credit report where you can get a free report each year. Credit karma's not my favorite place because they don't really give a lot of the information if you're serious about your credit but any of the monitoring, I encourage people to just keep an eye and look at those things, especially if you're starting a business and you're trying to get your name out there and get credit built up and things like that.

I had a young man it was kind of sad because the scores looked great but he was trying to get his first time home loan and we're going through the report together and he had a 400,000 dollar mortgage on there and I said aren't you a first time home buyer so unfortunately we had to get that off of there and it made the scores drop a lot because that was a really good account paid on time but he was not going to get another mortgage with a \$400,000 debt on his report. Even if it's a good credit you don't want it on there because it will hurt your credit one way or another. Look at those credit reports. I have monitoring and because I've done this for so long, I literally go on my bank app and look pretty much every day just to make sure that everything looks good and things are good, you know, and you'll get alerts if somebody new's open. Things like that. So just be aware because when you do start applying for things word gets out and then you see tons of e-mails and tons of calls from all these places. We want to loan you money. No, come here. We can approve you for this and this gets spam all over the place and so when that happens the information can get messed up. Watch that. If you have any questions, we're here for things like that. We do free consultations and we answer questions and things like that. So just make sure. If something doesn't look right it probably didn't and you want to get that fixed right away. Next. Okay. This I pretty much, there we go, here... so this breaks out how those scores are factored in and, again, some scoring systems might do things a little different. Pay history maybe only 30%. Amount owed might be 35% but in general this is the close to what most places are. The biggest thing is the pay history that means paying your bills on time. You don't want any late payments in there. When it come to late payments, here's a little tip. Not that I want you to pay anything late but the way credit works, say your car payment is due the 5th of every month and you get paid on the 10th of every month you pay it on the 10th. That institution or that place can charge you a late payment because you technically paid it late but they will not mark it late on a

credit report until it hits 30 days past due. It won't have a negative impact on your credit but a single late payment or current past due can drop your scores we've seen, it depends on your credit profile but we've seen from 30-80 points just from a single late payment and it does take some time to recuperate from that. The next is the amount owed. This is basically just credit cards. Credit cards are very important. I know there's tons of people that believe in the cash only and things like that but in this day and age if you don't have some kind of credit in there they don't like to give you points for that so this 30% mark means credit cards. There is some rules to that a 30/30 rule. As long as you have some open active credit this is good. However you want to keep your balance to limit under 30%. So each month having it open you'll get more of that history, you'll have another month added to that history and this orange amount owed category. So you'll get points for having it open but if it's over 30% you could lose some points so to get the maximum points on a credit you do want to have that under 30% at the time of reporting. So what that means, again, let's go back to a Capital One. If Capital One does their data drop they do that one time a month so whatever date or whatever your balance is on that date get reported. Let's say you pay your balance to zero. It is going to show maxed out on your credit report because you make the payment after they've already sent it. So the next time they send it next month on the 10th. Your balance could be high again so you can legally call them and ask what day they report. And I always tell our clients, do maybe three or four days prior to that date just to make sure the payment posts. And you're good to go so if it's 0 when they report it will show zero on your credit report and then the day after the report if you max it out, and pay it off again before that next report date it will never show a balance on there. So that helps your debt to income once people are pulling up your credit report because they don't see a balance even though you know they're using them and it helps your credit tremendously because it's under 30%. And just to give an example of how much impact this 30% is, we have had people who example five cards, credit looks great, great. We say, okay, you have this money, you have a loan, pay those all under 30%, we've seen people to up 100 points just by paying those down under that 30%. And then the next thing.

The 15%. The next biggest on here is the length of credit. So, the longer you have something open the more impact on your score. Credit cards are factoring into this one big time. Because scar loans, people have them everywhere 3-7 years and then you pay them off. You may get a new card but it starts at one month again and so forth. So even a home loan most people

refinance. You pay it off and you're back to zero and there's no credit again. The credit card they hope you will leave open forever. A lot of people say this one has a better rate so I'm going to transfer everything over and they close that original one and they're starting completely over. So those 800 scores usually you have to have a few things, you know, ten, fifteen twenty years and the longer you have it the higher that score's going to go so credit cards are the way to do it because if you have one and it's permanent it's going to give you a longer length of history.

Yes, it's good to have open accounts you don't want to keep opening them every month. If you have too many new credits that's what they're looking at in this category. How many... how much credit do you have? How, recently was it opened? Some people may think you have too much credit. You opened a car loan and a personal loan. That tells a few things. One, why did you need all those personal loans, what's going on? What is happening. When you're starting a business, you have to buy office equipment, buy supplies, do all of that so that's a little bit different category.

But in personal if a bank sees that you keep opening all these new accounts they're going to panic. Are you not working? Are your texts not enough? Are you struggling to pay your bills? Do we want to give you more money that will make that worse to where you can afford to pay someone. They look at new credit, how open it is and how many you have and the last one is types of credits you don't want to put everything in one category. So sometimes I saw another business where they had seven or eight car loans because they were all trucks for his business but he didn't have credit cards, personal loans or anything like that. A food mixture is what they're looking at here. Do you have a couple of credit cards or a personal loan. You've had a car loan and been great on a lot of them so they are looking at different types of credit. It's not a huge part of your credit score but it is 10%. That category they are looking at the types of credit you have so you want a mixture. Next. And the 10% is the number of accounts you recently opened. How many inquiries. I didn't talk about that. If you are planning on getting cars for your business or anything like that. I always do recommend going to, like, your bank or your credit union or something first and getting approved because if you go to a dealership, this happens more types than you know on a daily basis I see this and I deal with people with bad credit so it's really bad but they put your information into a general system. And it shoots out to the first place if they say no it goes to the next one, if that says no they go to the next one and it keeps going until they have that approval and that salesperson

will come back and say, hey, I got you an approval let's talk about the rates and the payments. That can put a ton of inquiries on your report. We've seen 200 credit pulls you're allowed about five or six a year before it hurts your credit in any way, shape or form, a few more after that it could be a point or two here and there but when you talk hundreds of them you can use a lot of credit points and then that's going to make all those interest rates higher and things like that so you don't want to just be out there doing a ton of credit. You want to look at monitoring and talk to someone, know what your credit is ahead of time before you're applying for too many loans because obviously if somebody is a 500 score and they're trying to get a car loan and they're bouncing from place to place to place every time they do that it's making it worse and more impossible to get that loan because they have way too many credit pulls and there's no way they're going to get approved with that score. So they look at what possibly could happen so you don't have too much open-ended on your credit cards either. Next, and then payment history, the importance of a late payment. Think of it like this, you have a car loan or a credit card and I am going to give you five points this month because you have it open, it's active and it's paid on time and next month you get five points and that's how you build the length of history and history and general. You get a late payment and they ding you 30 points. For the next few months instead of saying hey I got five points I did a great job again my scores are going up you're just trying to recuperate from the amount you already dropped a few months ago so always pay on time. That's a number one rule in credit. Next. And again here's the amount owed just to recap. That is only the 30% is only credit cards. So a car loan, personal loan, mortgage, those as long as you're paying on time every month it's like an A + on your report. But the credit cards that's a little bit different. If you are at 50% it's kind of like having a B on there. You're paying on time. You're doing good but you need to get under that 30% to make that at an A + that's only credit cards. I tell people if I have them over the limit or over the 30% some people get their taxes back and say oh, I'm going to pay off my car loan. That hurts in two ways. One is when you pay it off that'll close the account and no longer opening and factoring into your credit score anymore because it's closed now and two, your credit card is over the 30% so instead of paying off a car you can pay it down so you have a payment for a couple more months while building in credit and put that money on the credit card because that will make the scores go up. A double car payment doesn't do anything. You get the set amount just for paying on time no matter if it's 1-3 payments but for a credit

card you will get extra points by getting it under that 30% and the length of history. How long you've had thing big things open. In big letters do not close your trade lines you do not have to use credit cards every single month. You can buy a water bottle and then pay it off but you don't want to close it because then you're going to lose that history and have to start over. So you never want -- that's how you're going to get that 5-20 year trade line. So unless you have a ton of them. Like we've seen people maybe have 20 credit cards then I may recommend closing them but you always want to close the ones that are the most recently open because you want the longer ones to stay open as long as possible. Next. Now this is where it gets really tricky because you're trying to get your business going and you might see some things on your credit report and the first instinct, let's get these collections paid and maybe there was a hardship and things fell apart and you couldn't pay some things but paying collections off can actually hurt your credit score if it's not doing the correct way. The reason is the score is date of the last activity. That's the date of the activity. You say that's on your credit report and your hardship was back in 2021. So now you're doing credit, you're back on your feet, you're making money, you want to fix this issue so you call them up, you make a payment. They'll take your money but what happens is the balance will go to zero. That date of last activity would change to 2026. And an item can be on your report from seven years from the date it's paid off. The scoring system is going to see those words, charge off, or collection and what's going to happen is they'll see that new date, think it's brand new and it can cause your score so drop because you just paid it off and typically what you want to do is first ask them, hey, what can I do to get this removed from my credit report in some companies will want you to pay the full amount, some companies settle for less and may agree to delete it. Some companies may say nope, it's our right. And we don't want to delete that but we still need -- say you have a repo on here, with that debt being non-medical you need to pay this off before we can get you approved. Sometimes you have to bite the bullet and doing it but there's always ways to dispute things and try to clean up after the fact too. So I'm sorry sometimes you have to do things you don't want to do. But if there's some things you're unsure give me a call. I will look it over and walk through dos and don'ts. Because we've had people take all their tax money or some inheritance and pay everything off and call after the fact and say my score went down 150 points what's going on and it's very frustrating. That's the downside as far as medical bills go a medical bill is not be put on your report unless it's over \$500.

What some places do if you've got multiple co-pays may might add them argument. Making it 500 and put it on your credit court but medical bills, the CARES Act states now that if you pay off a medical collection, whether you pay in full or negotiate a settlement once it's paid off those do have to come off your credit report. Sometimes it takes a while and you may need to dispute it and call them a few times but legally it has to come off the credit report once you pay it. Any questions about collections feel free to give us a call. Next. All right so what does good credit for you? More participant power. Whether a home or a car. Obviously the lower your rate is going to be. Say they tell you you can afford a 500 a month payment and that was in your budget, if the interest rate's less it means I can get a 10,000-dollar loan and have that monthly payment. But if your score is lower, they might say we're only going to qualify you for seven thousand instead of ten. The higher the score the better purchasing power because the lower interest rates the more you're going to get, the best terms and overall thousands of dollars you'll save in that interest over your lifetime so that is basically what good credit is going to mean. And here is my information. Feel free to call, text the number on the screen, 319-2161-9629. Maybe something you paid it two or three years ago and it's still showing a balance on there, so we go over all of that. We do have a credit prepare program obviously if there's things on there and it's overwhelming and you say, I don't want to do any of this, I want you to despite, I want you to negotiate, to take care of it then we'll talk about different programs but the conversation part is free you're not locked into anything that's going to give you some options, some answered adverse. But again, we can only do that on permanent credit you have to have special licenses to be able to do business.

They have different rules on what you can do with the credit bureaus and how that works being a business. Again, it stems back to your personal credit. And about paying the bills on time and having the same business credit card. We just can't dispute or negotiate business credit but for the first couple of years they'll look at that. But to be able to get it I recommend in kind of tell people look at Capital One in different places have business, credit cards, which you will still have to put your personal information in there but when they list it as a business one and they get your EIN numbers that's where your credit builds up and now, I think we're open to the questions.

>> LEXI: All right. We have had a few questions come in. And, you know, please keep adding them to the Q&A if you think of others. Kathy is the first one is just do hard pulls count in a

new credit category?

>> KATHY: They don't. New credit is when something is open. In the pie chart inquiries do not show up there, but they do show up at the end of the credit report so that's more of just, it's kind of its own category they don't even factor it into the percentages so it's not new unless you actually open an account but they do look at these and if you have more than 5 or 6 a year it will start to drop your credit score from having it pulled too many times.

>> LEXI: Someone asked about adding a train line.

>> Say your credit is not high enough you get keep getting denied you can do a secure card. Those are different than prepaid cards it's not going to Wal-Mart and target. A secure card and we do have some on our link, our website too for our cards like that if your scores are lower but basically, you would put like a deposit, a security deposit so say you put \$200 down they give you a credit card with a limit.

Means there's a credit card they're holding that 200 dollars in a savings for you in case in case you cannot pay it they're insured. Most of the companies that do those after a few months, 3-6 months most of them will up it to an unsecured card and give you your deposit back so those are things you need to look at when you're getting a secured card. Do I get my money back, how long will that take and make sure they talk to all three boroughs, you want those things because some companies will say yeah, we need a 500-dollar deposit but you don't get that back. That's processing fees. You don't want those. That's one way to develop a trade line. The second is if I can get a credit card that will add a trade line and the third way is more of a temporary way by it does help quickly for people. So, say your scores are low and you have a family or friend let's say the account has been open for fifteen years, you can do it right on apps usually now and add authorized users. That is not a co-applicant. It does not make you joint on that account. It's still mom's account. You don't get a card unless she specifically asks you to have one. You have nothing to do with it and your daughter says I just used 100 dollars I will pay you back.

They won't take your payment because it's not your account but if she's had the open, I will show it up like you had it for 10-20 years so that will open up the trade line and your link of history expand so it was originally meant for kids going off to college. Parents would get that card and say, hey, in case of emergency or gas or food you have this, we will pay the bill. It's ours but this isn't an emergency thing but now they allow any family or friend to do that. But you have to remember that the bad comes with it as well so if you don't trust that person

and they max it out or they get a late payment that's going to show up on yours as well and I say it's a temporary fix because especially in the mortgage business that we help people with a lot getting home loans if that is your only trade line, it might get you in the 700 score but they may say we need to see something of your own. Because I know the organized user, you're not paying that payment on so it doesn't give your credit worthiness but to a credit card company if you get aided on there and the scores up go in the next couple months then the credit card company is only looking at that score and say, we'll get you rates for a car or loan or credit card. It's good to get you started but you still want to have your own. That's the three ways, your story is good, secured cards or loans or an authorized user, those are the three ways to get a trade line.

>> LEXI: Thank you, that's wonderful. Great strategy that I hadn't heard before.

Are there specific credit cards or don't recommend?

>> KATHY: Not really. The main thing I tell people is do you want one that gives you cash back? Frequent flyer miles? It depends on what your scores are because Discover usually your scores have to be higher. Open sky, that's a really good one that they don't even pull your credit.

As long as you have your deposit and you have some sort of an income whether it's an SSI or a job and you're able to put the 200 dollars down you get approved and you use the card under the 30% mark. Get things going and once you have done that that score's going to start producing and rising and doing good they're good at giving the money back in a timely American too and moving it from a two hundred to five hundred dollar limit and you have that it might go for a thousand and so forth so they're a very good starter card but I would say in my opinion if you're getting a loan try to get one from a local place first. It's easy to transfer or do an AutoPay if your are banking at the credit union you can put it on AutoPay so you don't forget and have a late payment at any time. It makes life easier because they're all there on the same spot. Always, Capital One, I've heard some people have issues with them but overall, they seem to be really good. They're a big huge company. They approve people. They have a lot of different types of cards. You know, so they're not bad but I would recommend a regular MasterCard Visa type of thing versus a store card. It's good but say you got Ashley furniture or some kind of furniture store you got a card and bought a couch how often are you going back in there to keep that thing active because if you don't use it, they'll close it automatically due to inactivity. And a lot of store cards, this happened with

Wal-Mart a few years ago, Synchrony Bank used to do their credit cards for Wal-Mart.

Well, when the terms came over, came up again to renew they didn't renew with Synchrony Bank. They sold it off to a different credit card company or store cards can close. Go out of business. My boyfriend had a Toys R Us card for many, many years and they closed and that messed up his credit tremendously because he lost all that history. It was done.

So, with the bigger companies, Capital One, you will not run into the risk because they are the same banks that do the store cards and everything. The funding for them. So...

>> Thank you. And actually, a question that kind of connects to that someone asked if your company has ties to Capital One or other lenders?

>> KATHY: No, we do work directly with mortgage companies, and in banks and, you know, lenders for carbon loans. There's some on our website that we have investigated.

We don't have partnerships or anything like that but we have investigated. They report to all three boroughs because there's companies that report every six months, you're making a payment for six months in a row but only getting credit twice a year because they are only telling the credit boroughs two times. Student loans do the same it goes straight to 90 days they wait three months and it reports a 90 day and hits you pretty hard the ones on our website do report to all three bureaus, they're fast acting so you're not waiting and they meet the qualifications but other than that we have no ties to them or anything like that.

We looked into them and found they're good cards as far as the interest rate goes, those fluctuate constantly, I don't know what they are and it is going to be determined by your credit score too. So...

>> And there is a question about interest rates someone asked if you can speak on the annual percentage rate and what that means.

>> So the percentage rate on credit cards are ridiculous. I mean, you can get some down in the decent numbers but nowadays if your credit's not good I have seen card -- interest rates on cards go from 27-33% and so, if you have a 33% rate and you have a huge amount on your card. You're paying 125 and your balance went up because you owed more in interest than what you're paying. That interest adds up and every month they'll put interest on it. They will look at your amount and what is the cycle. And end on that... the interest rate period and they factor that in there and it's bad right now. So, you definitely want to avoid interest at all cost. Another trick I tell people because you don't want to pay the interest. If you have something that is reoccurring maybe Netflix every month and you

have that set on your debit card to come out anyway, get a credit card and put that on your credit card and then do an AutoPay from your bank to that credit card like the day after so it's a cycle you don't have to carry that card around, not doing anything different than you would so if you're paying, you know, a day or two after you used it you won't be paying much interest at all but if you put 500 dollars on there and the next one is 25 you're never going to get anywhere because the interest rate's going to be paying in a monthly payment. Avoid it at all costs.

>> LEXI: There's a question about the authorized user and someone asked if being removed as an authorized user looks like you closed an account on your report?

>> KATHY: Yes and no. So it will be closed. It won't show up on there anymore. A lot of times it completely takes it off of the report. You're not seeing it on this as a closed account anymore it's just not on there anymore but, yeah, unfortunately, if you gain one hundred points by being added to that you can take it off and lose the one hundred points. You want something to make up for it. That's why you get your own and have it a few months that way if you do take it off, you'll not have as big of an impact because that's where you're replacing it.

>> LEXI: We have a one about a fraudulent issue.

>> KATHY: You can go online free of charge and do a credit freeze. That doesn't have any impact whatsoever. That's the milder one. And it just means if somebody goes into Target and applies for a Target card before anything's done, I would get an alert saying an inquiry's been made you say no, it doesn't go through, you're good because I did have somebody get a loan in my name a few months ago and my bank and everyone was alerting me. I didn't have my credit pulled I called them and they did tell me your social, your birthday, everything is on here. It's good, the funds are being released and I said it was not me so I have a freeze on me so if I want to apply for something you want to go back on all three sites and click unfreeze, have them pull credit and put the freeze back on so that way nothing can go through without you saying this is me first. If something goes through like with me. Go through a police report. The police will tell you we do not go after these. It doesn't matter. Just having the police report is great if that open account shows up on your credit report and you try to despise it. The credit bureaus are going to send it to the creditor and then they will say, no, it's open and that's it but if you have a police report, your chances of it getting deleted are much, much higher because they'll look at it and say, yes, you're serious, we have people all the time that says this isn't mine and this isn't mine and I will say go get a police report and they say it

might be my sister or this. Credit card companies know that. They know there is so many people who will call them and say this isn't me and hope this debt's removed. You took time, there is something stated in the police record. That you are legally saying. This was not yours. And the chances of them reversing all that and fixing your credit, taking it right off and, you know, you not owing that date is much, much higher so I tell people just do get it even they tell you you can't do anything. You can do things right online so you don't have to go down to the police department. Just Google your local police department. Have that number, keep it on file. That way you're protected, you have some kind of proof that that is what is happening. Credit three's is probably number one that way you know nobody's going to get, like these people actually got the loan. And they sent the money to them and then sent me that payment.

And that would give you a 30 day late on your credit report and that could turn into a correction. So the credit freeze is good by Experian.com, evening we fix.com will take care of that but I got all three of them done in less than fifteen minutes.

>> LEXI: Yes, 10-15 minutes of your time to make the accounts on the website. A little leg work can go a long way.

>> KATHY: That's so much faster than having to fix things after the fact

>> LEXI: And so much less stressful.

>> KATHY: Honestly, I don't really have an answer. There are people who have the identity issues and it's not being fixed and they do hire lawyers. We have fair credit acts Attorneys that work with our company so if they're not fixing things, that lawyer does help and sometimes people won't dispute they will get the lawyer and the lawyer will call them and say, hey, I'm handling this case and this is fraud and that might be fraud but I don't know enough to tell you pros and cons with going straight to a lawyer. I mean I'm sure there's more fees and that involved but hopefully you don't have to get that far but especially if you know who it is or have a paper trail, I might get a lawyer and maybe do after the person themselves for the fraud. And that... then I would definitely recommend a lawyer. Definitely have a lawyer involved for that.

>> LEXI: A few more questions. Someone asked how do you get personal debt consolidation or a personal loan to pay off credit cards?

>> KATHY: We tell people that all the time that are in our program you just have to have your score high enough to qualify and a lot of times, you don't want to go like a debt relief. Let me tell you like national debt relief and stuff line that how that works, and why I say don't ever do that option because

most of those places if, will tell you, hey, we're going to get your rate reduced and help you make this manageable. The credit cards are not settle for less until the account is in the negative status. So, let's say you had 5-6 credit cards to pay on. But your credit core score is good because you pay them on time, they will not make the payments for, you know, usually 120-180 days.

Once it backs collection they approach them and get the settlement we see people go from 1 -- 100 down to 400.

So, you do not want to do those. Because yes, in the long run they're making those payments for you and you might get it paid off faster but for me I say let's look at a couple of things. Bump up your score your local bank or credit union could do a personal loan or consolidation loan because your credit score is now high enough for that that now you can use that money to pay it because of the interest rate. It's a great idea but it all depends on your score before they'll get you approved or not. Again, that's something that we strategize and say, where, you're 20 points off from being able to be approved. Where can we find 20 points in the fastest place possible.

Maybe that's a situation where you get that trade line, it's five years old. And the next 45-60 days your scores are up 50 points. You can get that loan and pay things off even if you pay things off, I don't recommend closing them because you don't want to lose that history on them.

>> LEXI: Is better to open two credit cards and pay Netflix on one and a monthly bill on a second.

>> KATHY: If you don't have open tradelines, two cards are good. Two to four is ideally the mixture you want for a good credit profile. Having two is credit and the Netflix thing and/or the bottle of water. As long as it's under 30% a month. Think of that if you have late payments. We consider a late payment on an account as a C on your report card as long as it's not a charge on your collection. It has a late payment on there. Even if the Cs, Ds, and Fs stay how they were and you added two As on there. Two As onto your report card your GPA is going to go up because you just added those two goods there whether you did anything about the bad stuff or not, you're still going to increase your score by having those open ones so obviously two is better than one but you don't want to go overboard and have too many of them.

>> LEXI: And then you get them you wonder how to used them. We have a few business questions. Someone asked I have a business card so if I decide to buy another business card will may bank look at my credit? Also, should I apply for a DUNS credit score?

>> KATHY: That is the credit score where you can pay. I don't

know enough people who report 0 back and said whether it helped or not but yes when you get the second business account they will look at your business one. You do have a business profile going they're going to do it just like a personal one but now they're not going to look at your personal because you have a business setup now and you're established they're going to look at strictly business credit profile so they'll look at how many accounts you have open and the same rules apply but in that situation. It would be just the business stuff that they're looking at when you get to that point

>> LEXI: Does net 30 account help you build a business credit?

>> KATHY: It does. Sometimes when you get business loans and things like that too when you're first starting out and it's a smaller business they may say hey, show us some of these net 30 things and receipts that you're paying. It might not factor in the score as much in that time but some banks and institutions will look at how good you are in paying those if you show them, you have these accounts and you're paying them perfectly and all of that that will help build confidence and show that responsibility. Just having them is showing that you're able to pay that in a timely manner.

>> LEXI: I think we're getting towards the end of the questions. If you have questions, you're welcome to put them in the Q&A but I think for you if you could focus on one thing to improve someone's credit score or repair damage to a credit score what would that one tough thing be?

>> KATHY: The one top thing is credit card balances. That is where you get the most points. People have five, six, collections but maybe they're in a hurry and are close with 20 points instead all the money toward the credit card is going to get you more points. One credit card that could be maxed out. Getting it under 30% will give you more points than a deletion of a collection usually so number one thing we look at especially if you're in a hurry to get those points up as fast as possible the first thing we look at is your credit card balances.

>> LEXI: To increase a credit limit is it wise to pay off a small amount.

>> KATHY: They want you to have a balance on there to be honest because that makes them for money so you don't necessarily have to pay it after before you want to make sure that you have had on time payments and have had the core before you asked for an increase and that sometimes can be another big quick fix now that we're on that topic. Say your credit limit is the 2000. You call them and they approve you for to go up to 500 and you only have that hundred on there you're under that 30% and you didn't have to pay any money if you don't have money right now

to pay that balance done. Sometimes asking for a score increase, limit increase will actually help your credit score too because it makes that balance ratio better for you.

>> LEXI: Well thank you, Kathy for addressing all those questions. Sometimes we get almost as much out of the questions as the presentation. But you did a great job breaking down a complex topic for us and really making sure people understand how to get to that solid place where they're going to be able to build for their business. So... we appreciate it.

>> KATHY: There's so many things on YouTube that says 150 points in two days. That is impossible. A law that says any disputes you have the credit bureau has time to change the report. If it's changed you could get very lucky and they may not update it but if you paid off your credit cards today your score wouldn't change or increase for the next 30-35 days. When they say they can pay it for you that's not true, that is the law. Thousand will get in trouble and did they give the creditor the time to say this is true or not.

>> LEXI: It's always a process, isn't it? Right? We got a thank you for sharing your knowledge in the checkbox. I second that.

>> KATHY: Again, if you have any questions or concerns or anything like that reach out because that's exactly what we're here for is to settle those questions for you. Next, I want to encourage you all to do the survey that's going to pop up when the webinar closes, you'll also get an e-mail from Tom in Zoom but we know what to do to improve and be able to celebrate Kathy with us. And everybody we'll see you in July for our next webinar.

>> KATHY: Thanks, everyone, have a great day.