



PRACTICAL STRATEGIES

FOR GETTING OUT OF DEBT AND IMPROVING
YOUR CREDITWORTHINESS

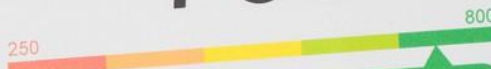
eBook Series: Volume 1



Credit Report

Your Credit Score is:

765



Credit Rating: EXCELLENT

Excellent:	700 -
Good:	501 -
Fair:	351 -
Uncertain:	301 -
Poor:	250

Report Summary

Timeline Overview	
37	
32	
0	

Account Status

Current Past Due:	\$0
Accts Paid:	1
Account Balance:	\$ 193,450
Monthly Payment:	\$1,842

You Deserve to Win — and We're Here to Make It Happen!

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01

About Creditworthy

Creditworthy is a team of Certified Credit Professionals, Bankers, and Financial Specialists with over sixty-five (65) years of combined credit restoration and financial experience. Our core objectives are to educate, empower, and protect the rights of borrowers faced with the hardships and challenges of dealing with debt and financial obligations. Also, to provide expert funding and business development solutions.

With the introduction of The Bahamas Credit Bureau and recent, alarming delinquency statistics released by the Central Bank of The Bahamas & the Clearing Banks Association, Creditworthy was formed to fill a gap in the local financial services industry.

Our services include:





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Introduction

There comes a time in all our lives when we may find ourselves burdened by debt. Maybe you've taken on too much credit card debt, you're struggling to repay car loans or a student loan, or maybe you've simply made some bad investment decisions. Whatever the reason may be, it's never an easy situation to be in.

Debt is a huge burden for many families. It can make you feel locked down and unable to move forward financially. You want to get out of debt, but the thought of doing it is overwhelming. Debt can be a source of stress, but it doesn't have to be. It all starts with taking the right actions and understanding that you are in control of your future.

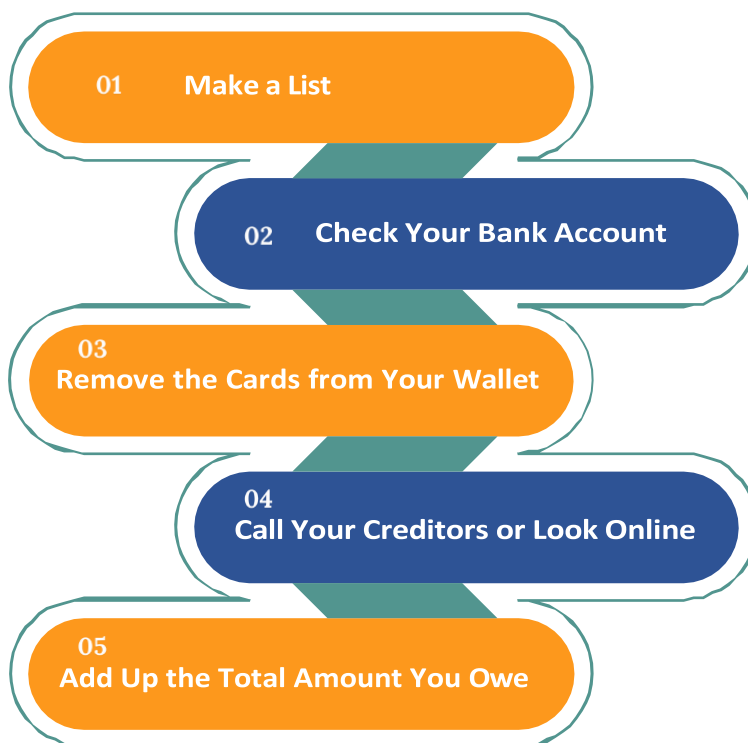
Achieving financial freedom isn't about slaving away and never having fun it's quite the opposite. So, what can you do? Here are some simple steps you should take to get out of debt and start building wealth today.



03

How To Get Your Debts Organized

When you decide to start getting control of your debt, the first part of this process is to assemble your debts so that you know the real-world picture. You may think that you know what you owe, but most people who aren't actively keeping track underestimate how far in debt they are.



Make a List

Start with your memory and make a list of your creditors. Organize them by type of debt: secured, unsecured, educational, and basic living. Every kind of debt needs to be handled in a slightly different way.

Check Your Bank Account

Double-check what has come out of your bank account for payments. That can jog your memory about creditors that you may have forgotten about. Plus, if you check your credit report and something is new, it may not be reported. If you pay rent, that too is not going to be reported.

Remove the Cards from Your Wallet

Now take all the cards out of your wallet and make sure you have listed these cards. You want to move these cards to a safe place once you note them. You're not going to keep credit cards in your wallet while you're working on paying down the debt.

Call Your Creditors or Look Online

Once you've got a good list going and you're sure it's all the debt you have, take the time to double-check each individual account to get a real balance. Of course, the daily living expenses should have nothing to do with credit unless you have a mortgage. By each creditor, list interest rate as well as the minimum payment currently required and the full balance you owe.

Add Up the Total Amount You Owe

Now you'll want to add up the total that you owe in each category. Pay close attention to the amount you owe on your unsecured debt. This is the debt that you want to pay off first. For now, only pay the minimum amount you must pay for everything while you work on a pay-off method.

While you're in this process, put your cards away and stop using any type of unsecured consumer credit. This process may take you a couple of weeks. In the meantime, you're going to stick to your minimal required living expenses and minimum payments.

Note: If the minimum payment required on your card is not paying the entire interest amount owed, pay and list at least that while you're in this process. That way, the amount doesn't continue to go up.

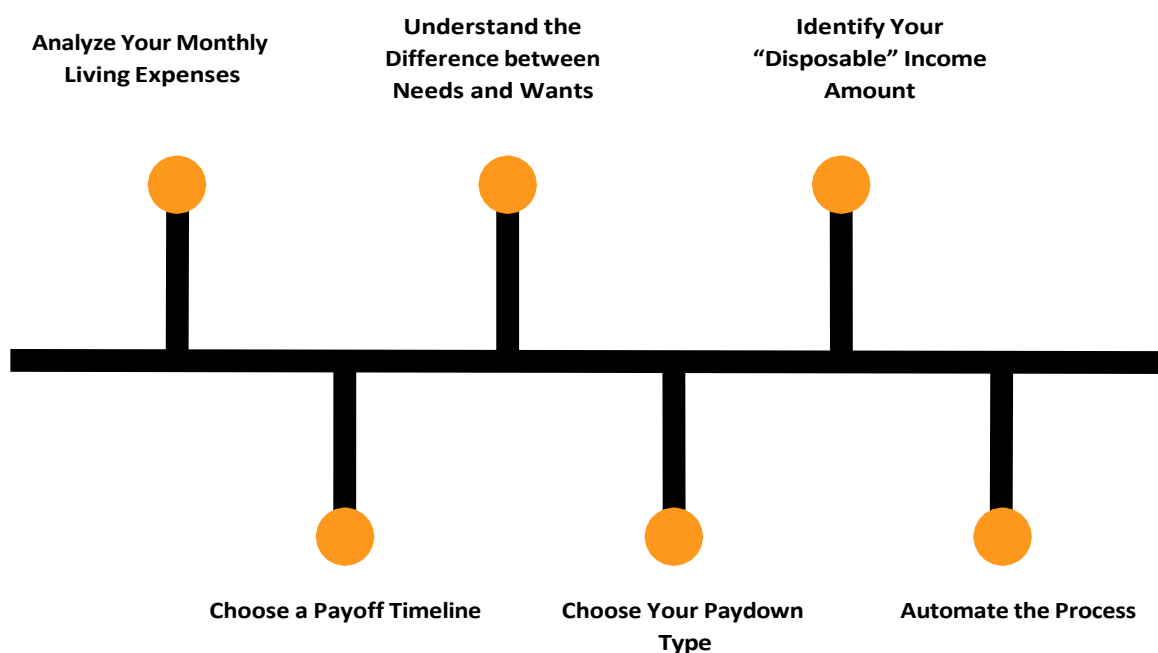




04

How To Set Your Budget While You're In Debt

Last time you worked on figuring out how much you owe, and how much you need for your basic daily living expenses. Now, let's set a budget that works so that you can get those unsecured debts paid off as fast as possible.



Analyze Your Monthly Living Expenses

Add up how much you need for food, clothing, transportation, medical care including medication, housing including utilities, and so forth. These are the must-have items to keep your job and live every day in a healthy way.

Understand the Difference between Needs and Wants

Remember when you're listing your monthly living expenses it's imperative to understand the difference between needs and wants. It's not that you cannot have any of your wants, but it does depend on how much debt you need to pay off.

You don't have to do this forever, just until you pay down the debt and build your emergency fund. You can do anything short term.

Identify Your "Disposable" Income Amount

Once you add up all your living expenses, which will include your automobile (if it's necessary for work), food, housing, clothing, taxes, insurance, medical care, minimum debt payments, and medicine as listed above. Subtract that amount from your income. What you have left over is your disposable income.

If you're unsure about how much is appropriate to spend on things like food in your situation, you can use online help to find out. For example, a short Google search reveals that most people spend 6 to 11 percent of their income on food, including groceries and eating out.

Choose a Payoff Timeline

After you have your disposable income number, which is all your essential expenses subtracted from your income, it's time to choose a payoff timeline. You can choose to use the entire disposable income amount to start paying down the debt, or you can do the math to figure out how long it will take you to pay off your debt using that amount.

When you do that math, you may discover you can add a little more back to your daily budget for a couple extras, or you may decide you'd rather pay things off faster. You may even realize that you're in more trouble than you thought.

Choose Your Paydown Type

There are a couple of popular methods for paying down your debt. Each of them asks that you pay minimum payments to all but the one you're working toward paying off first. You pile all your disposable income into that one debt and pay minimums everywhere else.

Once you have paid that one debt, you take that entire amount and put it on the next bill. You can choose to pay the smallest bill first, which is the snowball method, or you can start with your highest interest rate first, which is the stacking method.

The stacking method (also called the debt avalanche strategy) saves the most interest, but the snowball method helps people stick to it because it shows results faster since you end up with fewer debts more quickly even if the balance is higher.

Automate the Process

As you are making your plan, if you realize you don't have enough money to pay down your debt in the timeline you've hoped or you don't have extra money once the minimum payments are paid to start paying down your debt, you may need to find a way to earn more money or get professional help.

If you can add something to your debt over and above the minimum payments, choose your method and stick to it during the timeline you picked.

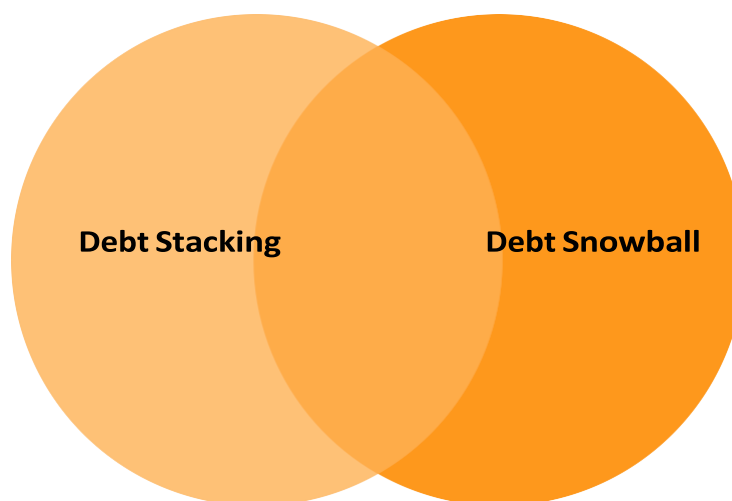


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Which Debt Paydown Method Is Right for You?

Human nature is an interesting subject to study, and you can really learn a lot about people by how they deal with their debt and getting it paid off. Some people are more focused on numbers while others are more focused on feeling as if they're accomplishing something. Both strategies accomplish the same thing – getting your debt paid down fast to save you a lot of interest.

Let's understand the difference between the debt stacking method and the debt snowball method.



Debt Stacking

You pay minimum payments on all your debt other than the highest interest debt, which you pay down by funneling all your disposable income to it. Once you're done, you move on to the next highest interest rate debt and do the same thing, combining the money you used for each debt.

Debt Snowball

This method is the same as the debt stacking method except that you start with the lowest balance debt instead of the highest interest debt. You funnel all your disposable income to the debt which has the lowest balance. When one is paid off in full, you combine that money to pay down the next lowest balance fast.

If you need to see results fast to give yourself the motivation to keep going, choose the snowball method. Having said that, this method works much better if you do have some low-balance debts to get paid off in a couple of months. If your consumer debt consists of all equally high balances, you're going to save a lot more money using the debt stacking or avalanche method.

The debt stacking method allows you to save more money on your interest due to tackling the highest interest rate debt first. However, if your highest interest rate loan is exceptionally large, it might feel frustrating for a while as you feel like you're not making an impact even though you are.

The best thing to do is to know who you are and what you need to stay motivated. Regardless of which method you choose, if you stick to it, the debt will eventually be paid off.

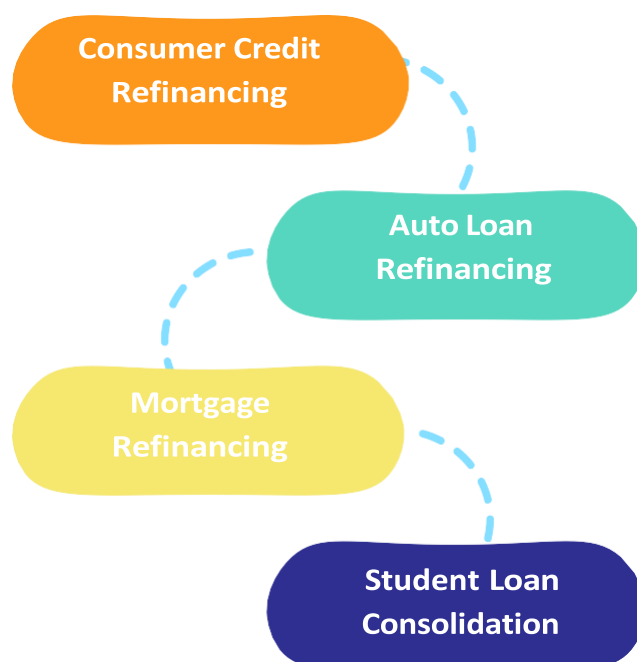


06

Should I Refinance My Debt?

Whether you have a mortgage, a car loan, or unsecured debt, you may have wondered if an easy way to get a handle on your debt is to refinance it.

In case you don't know, refinancing simply means that you take out a new loan to pay off the old loan. Sometimes you can get a lower interest rate that will help you pay off your loans faster. However, often this comes with additional fees. So, should you do it or not?



Consumer Credit Refinancing

If you have a lot of consumer debt across several different credit facilities, you may have considered getting a personal or another type of loan to refinance the debt into one payment. This is a good idea if you can get a lower interest rate than what you have now. However, you must be committed to not charging up the cards again or getting new personal loans.

The problem is that most people who need to refinance their credit cards are already so far in debt that they cannot get a good loan that pays off the entire amount to make it worth it. In other words, it's usually a fantasy for most people because most people won't qualify.

Auto Loan Refinancing

Most auto loans are front-loaded, meaning that you pay off your interest in the first couple of years of the loan. The amount you're paying on interest is less toward the end of the loan. This means that most of the time, refinancing a loan will just end up costing you more money.

You should not refinance an auto loan unless you're at risk of losing it if you don't lower your payments, and you need your car for work. If you can substantially reduce the interest by at least three to five percent over what you're now paying, and you still owe a lot of your interest, this may work for you.

Mortgage Refinancing

Sometimes you can get a truly excellent deal for refinancing a mortgage loan. But again, it needs to be at least two or three percentage points different, without fees being turned back into the loan. The best way to figure this out is to do the math in full regarding your savings.

If you have a lot of equity in your house, you may be tempted to refinance and take some of your equity for paying off your consumer debt. The problem with this is that it's only going to work long term for you if you're committed to not charging up the cards again or take on new loans. Sometimes paying them off the "long" way is much better for your future. You must do the math and know who you are.

Student Loan Consolidation

This is one area where consolidation will help you tremendously. If you have a lot of different student loans, contact your lender to find out if you can consolidate all your student loans into one. This will save interest and make it easier to handle payments.

Having said that, if your credit score has been harmed by your debt service ratio (DSR), even if you never miss a payment, you likely won't be able to get any good consolidation loans that make it worth it anyway.





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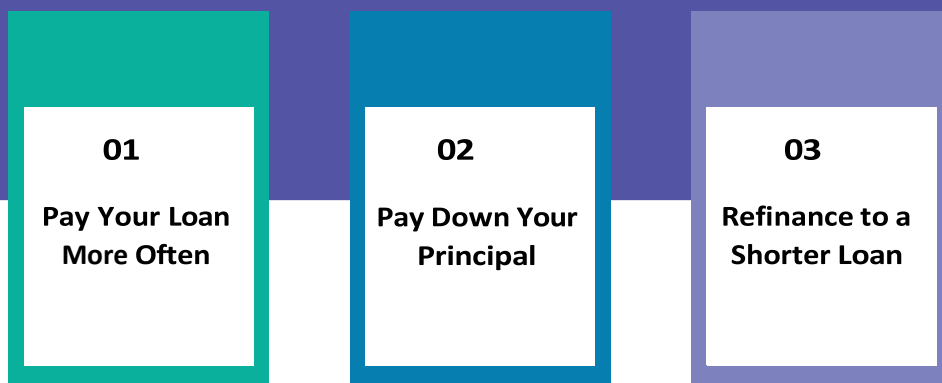
Paying Your Mortgage Off Fast

If you have a mortgage, understanding different ways that you can pay your loan faster to save money is an important part of personal finance that will make a difference in your life.

It may seem like a good idea to always pay down your debts, regardless of the type. However, a word of caution first. If you still have high-interest consumer debt or a car loan with higher interest than your home, and your mortgage loan has low interest, you should focus your efforts on paying down higher-interest loans first.

Once everything else is taken care of, though, you may want to pay off your home for a variety of reasons. Maybe you want to be debt-free so you can quit your job or for other reasons. That's okay. But the problem is, with some lenders offering interest rates on mortgages less than 5 percent, you can often earn more money by investing your money elsewhere. So, it depends on your personal goals regarding this issue.

If you do determine that you still want to pay down your mortgage fast, you can do that more quickly than you think. Most 30-year mortgages can be paid off in 10 to 15 years without being too hardcore and broke all the time.



Pay Your Loan More Often

One way to pay down your loan without really trying too hard is to work with your bank to pay your mortgage bi-weekly instead of monthly. They'll divide the payment in half, and you'll pay it 26 times a year instead of 12. This will add one extra payment to your principal each year (be sure to tell them to put that additional payment to the principal in full) and by paying more often, you'll lower the principal faster.

Pay Down Your Principal

If you come across extra cash, pay it toward your principal. Put all your birthday, holiday, and bonuses right toward the principal. When you do pay an extra payment of any sort to your mortgage lender, it's important that you specify that you want the extra payment to go toward the principal. When you do this, you'll save money on your interest.

Refinance to a Shorter Loan

Another way to save money is to go ahead and refinance your loan for a shorter mortgage loan period. If you have a 30-year loan right now, you may be able to refinance to pay your loan in 15 years instead. But do understand that you don't need to refinance to accomplish this. You can simply pay more to your principal on your own and avoid the refinance fees.

Now that you've learned the various ways you can pay down your mortgage, let's talk about cars. Do you have a car? If you do or are thinking about borrowing to pay for a new or used vehicle, there are a few issues with auto loans that you need to know about.



08

Paying Down Your Car Loan

If you have a loan on a car, you know that it's usually a frustrating experience. Your car lost a ton of value the moment you drove it off the lot. The interest you pay for car loans is front-loaded, meaning you pay that first, with very little going to the principal. It often looks like it's never going to be paid off. However, it will be paid off in the number of months it's financed for if you keep paying like you normally do.

Depending on your credit history, you may have a reasonable interest rate or a bad one. Either way, you may at first be upside down on your loan – owing more than you could ever sell the car for, and that can be frustrating. If you want to pay down the loan faster, consider a few factors first.

1

Is Your Loan Low or High Interest?

2

Do You Owe Money on Higher Interest Loans?

3

Do You Have an Emergency Fund?

Is Your Loan Low or High Interest?

Look at the interest rate on your auto loan and compare it to other interest rates you have. Car loans can be as low as three percent for individuals with perfect credit and a high down payment, and as high as 25 percent like a credit card loan.

Look at your statement to determine your interest rate. How much from your payment is going toward the principal versus the interest each month? Understanding how this is affecting your loan is essential.

Do You Owe Money on Higher Interest Loans?

If you owe money on other loans with higher interest, it's important that you work toward paying those down before you tackle the auto loan with the lower interest. You're going to save a lot more money if you focus your payments toward revolving consumer credit rather than your automobile loan in this case. Credit cards aren't like that and can keep growing again when paying only minimum payments, even if you don't use them.

Do You Have an Emergency Fund?

Even if you don't owe anything on your credit cards, another thing to look at is whether you have filled your emergency fund. If you don't have six months of emergency funding, make it a priority to fully fund that before you pay down a car loan. The reason is that a car loan is set. You have only a certain number of months before it's paid off.



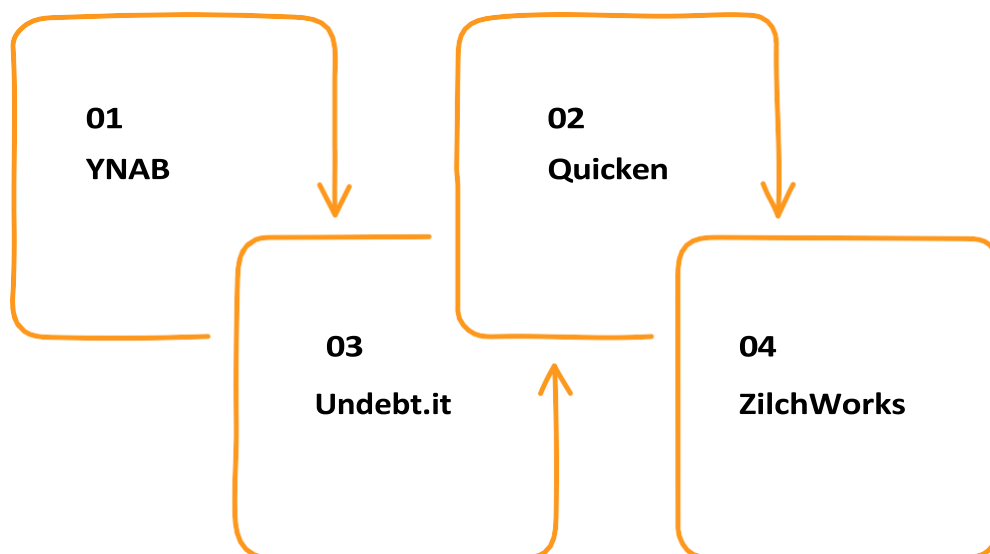


09

Debt Management Tools to Manage Your Finances

So far, we've given a lot of information here. Thankfully, there is technology that can help. The debt management tools and technology that exist today help most people get their finances in order.

If you are serious about paying down your debt, you'll need to do a lot of math. Math with compounding interest can be confusing, but if you have one of these programs, you'll easily be able to see when you're going to be debt-free if you stick to the plan.



YNAB

You Need a Budget is a budgeting app that helps you set up a budget and then gives you the tools to stick to it. You can try this app free for 34 days to provide you with a full month to figure out if it'll work for your needs. Check it out here: youneedabudget.com

Quicken

This software does more than help you manage your debts; it enables you to manage all your finances. Use it to create a budget and follow the budget by tracking everything easily. Quicken will use the debt stack method for choosing which debt to pay down first. quicken.com

Undebt.it

This is a free tool that you can use to set your budget and pay off your debts faster. You can choose the debt payoff method that works best for your needs, from the debt stack to the debt snowball. This even lets you see your debt payoff dates. undebt.it

ZilchWorks

Want to find out how to pay off your debts in 18 to 24 months? This software will help you figure it out. It's not free, but it is a fantastic product to help you work out a debt payoff plan that works. You'll know the amount you saved, and you'll easily see when. zilchworks.com



10

How To Find Extra Cash For Debt Payoff?

When you make a choice to pay off your debt, you'll probably want to start figuring out ways to bring in some extra cash to help. This is especially true if you find out during your budgeting process that things are worse than you thought they were. In any case, there are lots of ways to find extra cash for debt payoff.



Start a Homebased Business

Turn that hobby into cash! Whether it's baking, cooking, painting, or writing stories or poetry, all these activities can generate income from your home or online. Social media platforms like YouTube, Facebook, Instagram, and TikTok have become cash cows for persistent creatives. For those who are not as tech-savvy, the traditional side hustles like babysitting, dog grooming, house sitting, and house cleaning, are still viable options and can generate cash fast.

Find a Part-Time Job

No one wants to work two jobs for any length of time, but if you have a serious budget shortfall or if you want to get out of debt, then this may be a good short-term solution to your problem. If you are going to take a second job, make sure it is worth the time. It may not make sense to get a job at your nearest fast-food joint if you have the skills and ability to work at a higher-paying job. You may also be able to work as a freelancer or put in overtime at your current position. Another option is to work at a job that offers tips because you can earn much higher than minimum wage if you work the correct shifts. We recommend visiting The Department of Labour's Bahamas Online Skills Bank at jobseekers.bahamas.gov.bs for employment opportunities.

Sell Your Junk

If you have a house (or a garage, and especially a storage unit) full of stuff you don't even use, it's time to sell it. You can sell things on Facebook Marketplace, at a garage sale, and on consignment at one of the local thrift shops.

Use Your Credit Card Rewards

Many of you have local and international credit cards, check out the rewards you're not using. You never know when you can add some cash to your pocket from these awards.

Set a Realistic Budget

Make sure you've set a realistic budget, especially when it comes to the items in your budget that are flexible. You can probably save a lot more on groceries than you think, for example.

Stop Eating Out for Lunch

Eating out, buying coffee, and doing anything about food at the last minute gets very expensive. For the 10 to 20 dollars a day you spend eating out, you can eat quite well if you make it yourself.

Go on a Spending Diet

This can be a fun activity. Pick a date and try not to spend anything for a month other than on things you really need. Don't buy food unless you really need it. Don't buy cleaning products; in fact, don't buy a thing unless it's on the needed list.

Rent Out a Room

If you have an extra bedroom, consider renting it out. Depending on where you live, this can add up to several hundred dollars each month to use to pay down your debt.

Cash in Your Non-Retirement Investments

If you are paying a higher interest rate than you're earning on any investments you currently have outside of your emergency fund, use it to pay down high-interest debt.

Save Money on Food

There are numerous ways to save money on food. You can grow some of your own, you can shop locally at your farmers markets. According to Unlockfood.ca, below are several other practical ways to save money on food.

- 1. See what's on sale.** Look at grocery store flyers, newspaper ads and online to see what items are on sale.
- 2. Make a grocery list and stick to it.** Your grocery list should include the ingredients that you need to make healthy meals and snacks. Make a menu plan to help you put together your grocery list, so you buy only what you need.
- 3. Use coupons wisely.** Coupons can help you save money only if you eat or use the food. Check the expiry date on the coupons.

- 4. Bring a calculator.** As you shop, add up your grocery bill to help you stay on budget.
- 5. Shop at grocery stores or supermarkets.** These stores offer more variety and usually cheaper prices than convenience stores or small specialty shops
- 6. Get to know the food prices.** Write down the regular prices of foods you buy often. This will help you figure out which stores have the best prices and if you are getting a good deal on sale items.
- 7. Avoid shopping when you're hungry.** When you shop on an empty stomach, everything suddenly looks delicious! You may be more tempted to buy unhealthy choices and foods you don't need.
- 8. Get to know the supermarket layout and where the healthy foods are located.** On the perimeter (or outside aisles) of the store, you will usually find fresh vegetables, fruit, fish, lean meat, eggs, and lower-fat milk products. Go to the inside aisles for other nutritious staples such as grain products, beans, nuts, seeds, peanut butter, and whole grains. Skip the aisles with the pop, candy, and chips.
- 9. Buy in season.** Vegetables and fruit are cheaper when they are in season. Avoid waste by buying fresh fruit at different stages of ripeness. Choose some fruit that is ripe and ready to eat, and some that will ripen in a few days. That way you'll have enough time to eat all your purchases.
- 10. Buy frozen or canned.** When fresh is out of season or too expensive, buy frozen or canned vegetables and fruit. They are just as nutritious. If using canned vegetables, rinse them under cold water first to wash away some of the sodium.
- 11. Look high and low – not in the middle.** The most expensive items are usually put on the shelves where you can easily see and reach them. Some of the less expensive items may be on the higher or lower shelves.
- 12. Look at the “best before” and expiry dates.** Choose foods with a best-before or expiry date that will give you enough time to eat it all and prevent waste.
- 13. Check out the “reduced” section.** Reduced vegetables are good for soups and stews. Ripe bananas are perfect for making muffins or banana bread. Day-old bread is fine for eating and makes good French toast or grilled sandwiches. Ripe melons can be diced and frozen or puréed to make smoothies.

14. Choose generic brands. No-name or store-brand items are nutritious and are usually cheaper than the brands with fancy packaging. Try no-name or store-brand products such as cereal, pasta, vegetables, and canned goods.

15. Compare the unit price for similar items. The unit price tells you how much something costs per “unit” or per 100 grams (g) or 100 milliliters (mL). Don’t worry about using a calculator to figure this out. You can usually find the unit price in small print under the main price. This price can help you compare whether a large or small size of an item is a better buy.

Ask Your Lender To Lower Your Interest Rate

When you contact your lender to find out your balance owed and your interest rate, ask them to lower your rate. If you’ve been a good customer, have a good debt service ratio, and have good credit, there is no reason they won’t do it.

Switch to a Low Fee Bank

If you currently have a bank that charges high service fees, find one with lower fees. While you’re at it, find an account that pays interest on your balance. Credit unions are good options to lower your fees. Five dollars here and there does make a difference.

Change Your Monthly Subscription Plans

Revisiting your phone, cable, Netflix, and any other monthly fee is an opportunity to reduce your expenses and discover extra cash that you may not have realized was available to you.



11

Where to Get Professional Help with Your Debt Problems

Now that you know how to get extra cash, you may still need additional help to become debt-free if you have a real problem. Don't be embarrassed; it happens to the best of us. In fact, consumer debt is created to get you into trouble.

Regardless of how bad things look to you right now, don't skip the steps regarding adding up your debt, your income, and figuring out how much disposable income, if any, you have available to put toward your consumer debt. Even if you find out you have a serious shortfall, you at least know the truth, and you can now do something about it.

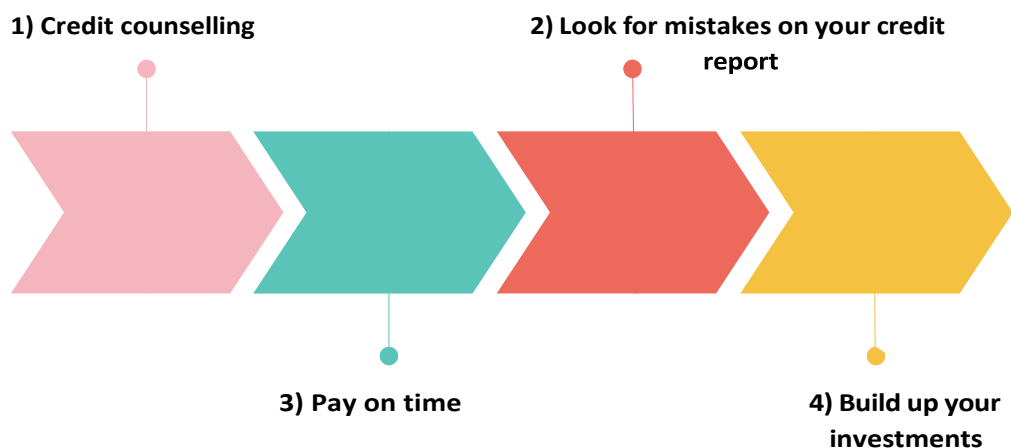
Go to Credit Counseling

Credit counseling is designed to help persons who may be struggling with money issues and debt. From debt counseling to budgeting to advice on home buying or bankruptcy, credit counselors can help you navigate most financial challenges.

At Creditworthy, our Certified Credit Professionals and Credit Coaches will design customized strategies and action plans for your specific situation. Our team has over sixty-five years of combined experience helping Bahamians become debt-free and improving their overall financial position. Visit our website, areyoucreditworthy.com, or send an email to info@areyoucreditworthy.com to make an appointment to meet with one of our counselors.

There are many approaches to improving your creditworthiness. The reality is that if you have bad credit, there are tons of simple solutions. It's very possible to improve your credit and even completely fix it in a very short time.

How? Here are four of the most effective strategies:



1) Credit counselling

This will not only give you strategies for better money management, but the company will negotiate with the creditors on your behalf as well. In many instances, they can reduce the amount you owe substantially.

Our credit professionals are very experienced in the industry and have a much better chance of negotiating better terms for you than if you were to do it yourself.

2) Look for mistakes on your credit report

Do you know that The Bahamas Credit Bureau is up and fully functional as of November 2021? Anyone can get a copy of their report at crif.com.bs/consumers-area/get-a-copy-of-your-credit-report for free at least once every 12 months, so it doesn't cost you a dime. One very simple and easy method to quickly improve your creditworthiness is to just scan your credit report.

What if you find errors?

Then just contact Creditworthy. We will investigate it, and if there is a mistake, we will contact the credit bureau and have it corrected ASAP.

This will instantly improve your creditworthiness. Since The Bahamas Credit Bureau is relatively new, most likely mistakes will be common. Therefore, it is prudent to let one of our professionals address these matters for you.

3) Pay on time

Obviously, there's nothing new in this. Most people want there to be a faster way, but this is one of the quickest methods. Your bad credit is just a result of your history, and the only way to change that is to build new history.

How do you pay on time?

Cut down on your expenses if you must. And just pay a little at a time. The most important thing is that you are staying on top of your payments each month.

Some people make the mistake of missing a payment here or there to try and pay off the total of their debt. This might seem smart, but it only hurts their credit score. Instead, don't miss payments and when you can pay a little extra.

4) Build up your investments

Instead of spending on things you don't need, start putting a certain percentage of your money away every month for investing. This is easily one of the best methods to improving creditworthiness.

By implementing these tips, one at a time, you can improve your overall credit rating.

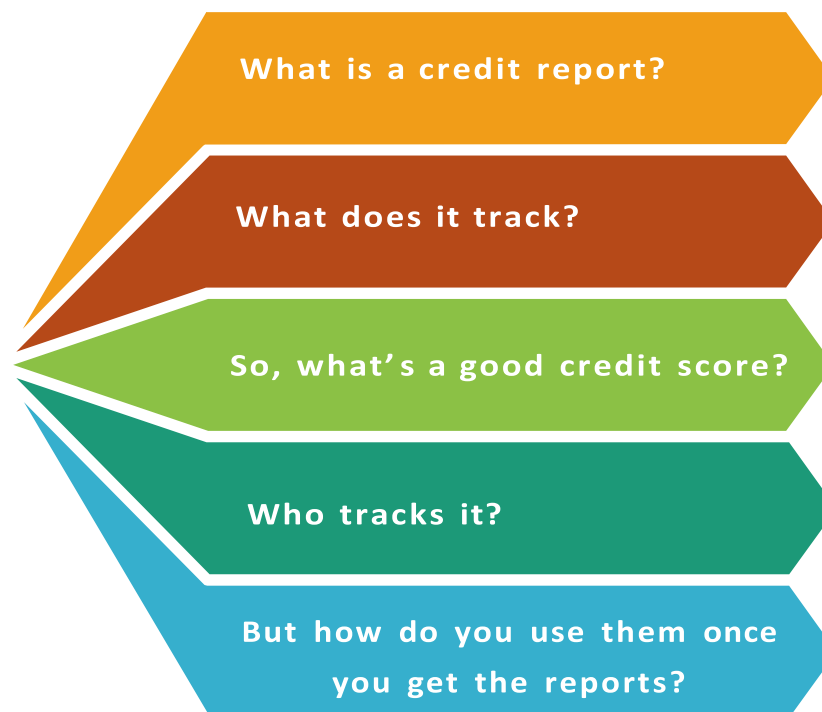




12

How to Get and Use A Credit Report

Those who have closely followed local news reports and the financial industry have probably heard about the introduction of the credit bureau and credit reports. The bureau became fully functional in November 2021. However, many people don't know exactly where to get their credit reports, or what to do with it when they have it.



What is a credit report?

It's basically a track record of your past financial performance.

What does it track?

It looks at when you've paid your bills, the amount of credit you currently have on your cards, how much debt you owe, etc. In other words, it lets any financial company you apply to know your past behavior.

This helps them determine whether to give you a loan or not, mortgage, or credit card. It also determines what the interest rate will be.

So, what's a good credit score?




Generally, a score of seven hundred or above will probably net you the best interest rates. And you will be able to borrow more money as well.

Who tracks it?







The Bahamas' only credit bureau, CRIF Information Services Bahamas, is the only entity licensed by the government to track and report on an individual's credit rating.

According to Central Bank of The Bahamas' Bank Supervision Department, in a published presentation, dated March 04, 2020, the credit bureau will not be able to include in a credit report any information about a borrower's credit history that relates to loans that the borrower would have gotten before the Credit Reporting Act came into effect in 2018.

The only exception is that the credit bureau may share information about judgments against the borrower, but only if the judgment creditor confirms in writing that the judgment debt remains outstanding, in whole or in part, and the confirmation is retained by the credit bureau in the borrower's credit file. The confirmation is also required to set out:

-  The amount of the judgment;
-  Date of the judgment;
-  'The name, and if available, the address of the judgment creditor, or the agent of the judgment creditor at the date of entry of the judgment.'


Also noted in that presentation by the Bank Supervision Department, requirements imposed on the credit bureau include:

-  Credit bureau must capture positive and negative information.
-  Bureau prohibited from collecting information on race, creed, color, medical information, ancestry, ethnic origin, or political affiliation.
-  Data must be current, authentic, legitimate, reliable, accurate and comprehensive.
-  Bureau must ensure data management and quality control.
-  Bureau must institute adequate security and control measures, including use of subscriber agreements.
-  Credit information cannot be disclosed for longer than five (5) years after a loan has been settled or terminated.

But how do you use them once you get the reports?

The most important thing is to ensure there aren't any mistakes. If there are, then a dispute must be filed right away.

Often financial records are recorded incorrectly by bureaus. This is more common than you might think. So not keeping track of your credit report might prevent you from getting the loan or credit card you want.



Mistakes

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Four Credit Repair Mistakes to Avoid

There are indeed some very serious credit repair mistakes you can make that will kill your chances of raising your score. Here are four of the deadliest:

MISTAKE #1)
Not taking
any action

MISTAKE #2)
Not paying
your bills on
time

MISTAKE #3)
Having multiple
credit cards

MISTAKE #4)
Avoid shutting
down each of
your accounts at
the same time

MISTAKE #1) Not taking any action

This situation is quite serious. Often, people procrastinate until it's too late. Unfortunately, most factors that negatively affect your credit score linger for seven years. Consider the impact on your ability to secure loans and mortgages. It's crucial to take action now. Even taking a small step is better than doing nothing at all.

MISTAKE #2) Not paying your bills on time

This is one of the biggest reasons people have bad credit. And some opt not to pay even if they can, to reduce their overall debt.

It's no secret that getting rid of debt is critical. But remember that late payments will hurt your report for a long time, which is even more important. Only worry about your overall debt when your monthly expenditures are taken care of.

MISTAKE #3) Having multiple credit cards

Many people do this to "establish credit." This is probably not a good strategy. Applying for too many cards will negatively impact your score and will also make it more difficult for you to pay on time.

Think about it: having five different payments is much harder to keep track of than one. And the higher your credit line is, the more likely you are going to spend money on things you can't afford. Therefore, you will dig yourself into a further hole.

MISTAKE #4) Avoid shutting down each of your accounts at the same time

You might think you should get rid of all your cards to help your credit. But keep at least one open. If you shut down each of your accounts while you still have bad credit, you don't give yourself the chance to build it back up.



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What's Next?

I hope you've found this guide useful. I'd recommend you print this eBook, if you haven't done so already, and work your way through each section one by one.

It's easy to feel overwhelmed at this point and feel there's a lot to think about.

Start off by deciding which part you want to start with first (it really doesn't matter ... what's important is that you start) and schedule in a 60-minute slot in your diary over the next couple of days.

Create a non-distraction zone; switch off your phone, close your email and shut off social media. Focused time will serve you well.



You Deserve To Win!

Click [HERE](#) to begin the process of restoring your creditworthiness today!