

Credit Factors

When you receive a credit score from a lender, the CRCs and even some educational websites, it could contain up to four reason codes, which are also known as score factor codes. These codes, and their brief descriptions, are meant to help you understand how information in your credit files affects your credit score and explain why you may not have a perfect score.

Negative Factors

Reason	Code	Factor Information
Reason 1	32	BALANCES ON BANKCARD OR REVOLVING ACCOUNTS TOO HIGH COMPARED TO CREDIT LIMITS
		<p>Explanation Bankcard accounts include credit cards and charge cards from a bank and are frequently revolving accounts. Revolving accounts allow you to carry a balance and your monthly payment will vary, based on the amount of your balance. You have bankcard or revolving accounts in your credit file with balances that are high compared to the credit limit on the account, which is a proven indicator of increased risk.</p> <p>What You Can Do Pay down balances on your accounts and keep them below 8% of the total credit limit on that account. Over time this will have a positive impact on your score.</p>
Reason 2	11	THE TOTAL OF YOUR DELINQUENT OR DEROGATORY ACCOUNT BALANCES IS TOO HIGH
		<p>Explanation The total of the balances is high on your accounts with late payments or on which a lender has reported the account derogatory. Late payments are a proven indicator of risk. When credit line balances approach credit limits, risk is further increased because you don't have much credit available should it be needed, creating a greater chance of becoming overextended.</p> <p>What You Can Do Paying bills on time every month is important to maintaining a good credit score. If you remain behind with any payments, bring them current as soon as possible, and then make future payments on time. Whenever possible, pay down balances on your accounts. Over time these actions will benefit your score.</p>
Reason 3	04	THE BALANCES ON YOUR ACCOUNTS ARE TOO HIGH COMPARED TO LOAN AMOUNTS
		<p>Explanation The balances on your accounts are high compared to the original loan amounts. These balances are lowering your score.</p> <p>What You Can Do Paying down the balances on your accounts will benefit your score.</p>
Reason 4	12	THE DATE THAT YOU OPENED YOUR OLDEST ACCOUNT IS TOO RECENT
		<p>Explanation Your oldest account is still too recent. A credit file containing older accounts will have a positive impact on your credit score because it demonstrates that you are experienced managing credit.</p> <p>What You Can Do Don't open more accounts than you actually need. Research shows that new accounts indicate greater risk. Your score will benefit as your accounts get older.</p>

Positive Factors

Reason	Code	Factor Information
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Reason 1	P95	YOU HAVE FEW OR NO UNPAID COLLECTION AGENCY ACCOUNTS	<p>Explanation Some collection agencies report account information to credit bureaus just like lenders do. Your credit file has no or few accounts that have been sent to a collection agency and remain unpaid, which increases your score.</p> <p>What You Can Do The impact that negative items such as collections accounts have on your credit score will diminish over time.</p>
Reason 2	P08	ONE OR MORE OF YOUR ACCOUNTS WERE PAID ON TIME IN RECENT MONTHS	<p>Explanation Paying your bills on time improves your score. Recently at least one of your accounts was paid on time.</p> <p>What You Can Do Keep paying bills on time every month since it is important to maintaining a good credit score. If you remain behind with any payments, bring them current as soon as possible, and then make future payments on time.</p>
Reason 3	P14	YOUR CREDIT FILE CONTAINS ENOUGH INFORMATION ABOUT YOUR USE OF CREDIT	<p>Explanation A credit file with sufficient accounts and credit history reflects more experience in handling credit. More experience can have a positive impact on your score.</p> <p>What You Can Do Maintaining open and active credit accounts in good standing can help improve your credit score.</p>
Reason 4	P88	YOU HAVE NO RECENT DEROGATORY PUBLIC RECORDS ON YOUR CREDIT REPORT	<p>Explanation Public records include information filed or recorded by local, state, federal or other government agencies that is available to the general public. The types of public records that can affect your score include legal judgments against you and tax liens levied by a government authority. You have few or no public records on your credit report, which increases your score.</p> <p>What You Can Do Pay all bills on-time. The impact that negative items such as public records have on your credit score will diminish over time.</p>

Frequently Asked Questions

Errors & Omissions on your credit report

Understanding that studies have shown 79% of credit reports contain errors which is understandable since millions upon millions of consumers and their credit data is being touched daily. Unfortunately, some errors will affect your credit score negatively.

The number on complaint filed to the Consumer Financial Protection Bureau (CFPB) involves the reporting of information on consumers reports. Also, a study by the Federal Trade Commission shows 26% of the participants had at least one error on their credit report which put them in a higher risk category to a lender.

The potential negative ramification from those errors on your credit report will alter your ability to obtain loans, new lines of credit, and/or better interest rates and lending terms.

The credit reports we provide you have items highlighted in red where most errors occur on a credit report which will cause the most damage. This is why it's important to check your report regularly. We have also added an audit section so you may search the best response to send to the credit bureau to help correct the error.

Common mistakes that cause credit report errors

It is important you stay consistent when applying for credit, for example, if your name is Robert Woods, you shouldn't apply as Bob Woods, Rob Woods, Bobby Woods, or Robby Woods. Always use the same first name and middle initial so your report will less likely contain information from others with a similar name. Also, stay consistent with your social security, date of birth and address.

Other Common errors to look for:

- Someone else made a clerical error in reading or entering your name or address information from a hand-written application.
- Similarly, loan or credit card payments may have been inadvertently applied to the wrong account.
- Errors may have lenders seeing double because accounts have been reported more than once, making it appear you have more open lines of credit or higher debt than you actually do.
- If you closed a credit account, make sure that your report does reflect that it was "closed by grantor"? making it appear that the creditor closed the account, and not you.
- If you're divorced, make sure that your former spouse's debts are not reflected on your report.
- Likewise, make sure that older bad debts that should have been removed from your credit report have been, because credit-reporting companies should remove them from your report after seven years.
- Your credit limit or high credit and balance on revolving credit has a big impact on your score.
- Finally, mysterious accounts and bad debts could be the work of identity thieves who have gotten ahold of your personal information.

Fixing credit report errors

Section 611 of the Fair Credit Reporting Act (FCRA) entitles everyone to a complete accurate credit report. To ensure the errors and omissions are corrected in a timely manner, contact the credit bureau and/or the creditor who provided the information to the bureau.

The quickest way is to utilize the credit bureau sites to initiate a dispute online. TransUnion, Equifax, and Experian all offer dispute initiation online. You will receive a conformation from them your dispute has been processed and notified of the results. We have provided for you in the audit section the most common reasons. When you select an option or create your own statement, it will be saved in other information on your credit file. This will make it easier to select the options on the credit bureau sites.

Links to Bureaus

Experian - <https://www.experian.com/ncaonline/creditreport>

Equifax - <https://my.equifax.com/consumer-registration/UCSC/#/personal-info>

TransUnion - <https://www.transunion.com/credit-disputes/dispute-your-credit>

Credit Bureaus must investigate the item(s) in question within 30 to 45 days from receipt unless they feel your dispute is frivolous. If needed, include copies (Not Originals) of documents to support your dispute. Be sure to use your correct email address and save your user name and password to check the results.

Should you choose to sent your correspondence my mail you want to make sure you send it certified mail, return receipt requested, so you can document when the credit bureau received your dispute. Keep copies of your dispute letters and enclosures.

How will accepted disputes affect your Credit Score?

Often your score will improve when errors on your credit report are corrected especially the items we have highlighted in red. In some situations, however, your score may not improve when credit information is corrected or updated.

For example:

- It is often thought that closing credit card accounts will improve your score. This is not true. Closing an account will neither remove it from your credit report, nor will it prevent the payment history from continuing to be displayed and considered in the calculation of your Credit Score.
- Other than Public Record Information, (Bankruptcy, Judgement, Lien), everything on your report has point value but not everything has a point deduction. So, removing negative information from your credit report may not have the impact on your Credit Score that you expect. There could be additional negative information remaining that will prevent an immediate increase in your Credit Score.
- Credit Scores only consider credit-related information on your credit report. If you change personal information (address, SSN, employer, date of birth, etc.), the credit information on your report will not be impacted and your Credit Score will not change. The Credit Score only considers credit account, collection, and public record information.

It typically takes the credit bureau 30-45 days to respond to your dispute.

How to Establish Your Credit History

Creating a credit history today has to be done strategically. Back in the day, before credit scoring, you would just apply to many companies and eventually someone would take a chance on you. We strongly suggest you taking the sure route and follow the recommendations we provide.

With credit scoring in play, having your credit pulled multiple time or even once will affect your score. The inquiry is less severe over time should you obtain the credit. It's difficult obtaining credit unless you already have it. It's the old catch-22, you have to have it to get it.

No worries, we have proven methods that will work for you. These recommendations will work for both establishing credit and re-establishing credit.

First, apply for a secured credit card, in fact it would help to obtain two or three. A secured card is a card where you provide cash collateral for the line of credit. You can click the credit card tab to get the ones we recommend. The cards we list allow you to open an account with a minimum of \$200.00. Your deposit is held in savings and returned once you've paid your entire balance and close the account. Credit scoring looks at secured cards the same as any credit card. The banks and lending institutions not only offer secured cards, but most also report secured card activity to the credit bureaus.

Second, see if you can get family member with good credit to include you as an authorized user on their card. This will help you establish and re-establish your credit history.

Third, utilization but keeping your balance to credit history in line and paying on time should be your long term strategy. This method also covers pay history. Follow our recommendations when to charge, when to pay, maintain recommended balances, and your score will rapidly grow.