



A weekly question/answer column

**If I'm Having Trouble Getting Credit, Will
A Credit Doctor Help?**

Barbara Rowe answers:*

If you are having trouble getting credit, ads that promise to fix your credit history or clean up your credit report may sound like the answer. Such businesses may offer debt consolidation loans, debt counseling, debt reorganization plans that are “guaranteed” to stop collection efforts or credit report “cleanups.” Before you pay for these services, consider:

- Do it yourself. Under the Fair Credit Reporting Act (FCRA), you have the right to learn what’s in your credit report. If you have been denied credit based on a report from a credit bureau or credit reporting agency, the creditor must provide the name and address of that credit bureau. If you contact that bureau within 30 days, there is no charge. If you simply wish to learn what is in your credit file, check the Yellow Pages under Credit Reporting Agencies. If you have not been denied credit, the bureau will charge a small fee to give you file information.
- If you find inaccurate information in your file, contact the credit bureau. By law, they must investigate and, if your claim is substantiated, the information must be removed. However, if the information is accurate, only time can remove it.
- If you turn to a credit bureau, watch for hidden costs. Consumers who turn to credit clinics or credit doctors for help in fixing a bad credit history might find that consolidation or other large short-term loans have high hidden costs and may require your home as collateral.
- Businesses offering debt counseling or reorganization may charge substantial fees or a percentage of your debts but fail to follow through on the services they sell. Some may do little more than refer you to a bankruptcy lawyer, who charges an additional fee. Credit doctors advertising voluntary debt reorganization plans or Chapter 13 relief may fail to explain that Chapter 13 debt adjustment actually is a form of bankruptcy. To qualify for it, you must have regular sources of income and a plan for repaying your creditors that meets the approval of a bankruptcy court.
- Some credit clinics clean up files by exploiting consumer protection built into the Fair Credit Reporting Act. They instruct consumers to dispute each and every negative item in their file—whether or not it is accurate. The objective is to overwhelm the established credit reporting system so that credit bureaus and credit granters will be unable to verify the data within a reasonable time. If the credit bureau cannot verify the disputed item promptly, the FCRA requires it to be deleted from the file.
- Before you hire a credit repair company, investigate its reputation and performance with the Better Business Bureau. Although many credit repair companies guarantee results to their clients on a money-back basis, remember that a guarantee is only as good as the

company that stands behind it. If you have already paid a credit repair company and believe that it made false promises, check with the consumer protection office. They may be able to help you get a refund.

If you are currently having problems paying your bills and need help, contact the companies to which you owe money and try to work out an adjusted repayment plan yourself or get in touch with Consumer Credit Counseling. CCC's counselors will try to arrange a repayment plan that is acceptable to you and your creditors, and they will also help you set up a realistic budget.

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