

Defeat Debt

Credit Advisors Foundation

Volume 47, Issue 4

The Real Story—the Myth and Reality of Credit Reports

My credit report shows my credit rating: Myth.

Technically, there is no such thing as a credit rating. Credit reports are only useful by their ability to accurately reflect a consumer's credit history and ability to make repayment of debts on time.

My credit report and credit score are the same thing: Myth.

Your credit report is a listing of demographic information, credit accounts and your payment history. A credit score is a point system that the majority of creditors use to determine the amount of risk involved in lending you money — will you repay it according to the agreed terms? Credit scores can

make a significant difference in the interest rate terms you'll be offered for future credit.

My credit score is a set number: Myth.

Your credit score is re-calculated each time your credit report file is accessed. Credit scores are determined by placing a point value on your payment history, how much you owe on all your accounts compared to the credit available to you, length of your credit history, amount of new credit you have sought, and the types of credit you are using.

Only myself and creditors I allow may view my credit report: Myth.

Not only do creditors view your credit report but also insurance companies, employers and landlords. Your private information can and is sold to others by the credit bureau without your permission or knowledge. Examples of these activities are the many credit solicitations you receive in the mail each month.

As long as I make my

payments on time I don't have to worry about my credit report: Myth.

Experts now recommend you review your credit report on a least an annual basis. Careful monitoring of your credit report is often the first indication available that you have been a victim of identity fraud.

Credit reports contain only accurate information: Myth.

Some estimates say ninety percent of all credit reports contain inaccuracies. As many as 80% could have errors that would negatively affect a credit score. The types of errors surveys and searches have found on credit reports include errors of personal identifying or demographic information, such as name, address, social security number, inaccurate reporting of consumers' account status and data, such as limit, balance, or terms, improper or inadequate purging of outdated information, missing information or data and information or data from the credit reports of other

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Savvy consumers need to understand the reality of credit reports

The Myth of Credit Reports (continued)

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consumers. Even more serious errors include accounts incorrectly marked 'delinquent', credit accounts listed that do not belong to the consumer, and reports listing public records or judgments that belong to someone else. The prevalence of errors on credit reports has sprouted numerous companies that will review your credit report for you (at a premium price, of course) and report any errors found to you. Many of these companies are offshoots of the same credit reporting agencies that list the errors on your credit report, creating lingering questions about conflict of interest.

There are companies who will fix my credit: Myth.

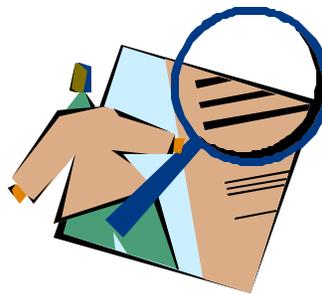
A search of the World Wide Web also shows a number of companies that claim they can remove derogatory information from your credit report for you or correct errors, again, at a premium price. As a smart consumer you should recognize that as the scam it is and that some of these companies make recommendations to their 'clients' that encourage dishonesty and in some situations, illegal behavior. First, only you can complete the process to correct errors on your credit report, and secondly, accurate information (even if it is derogatory) will not be removed from your credit report. The only remedy for accurate derogatory marks on your credit report is time and an improved repayment history.

My 'bad' credit will drop off of my credit report after 7 years: Myth.

While there are some parts of your credit report that will be deleted after 7 years, this does not apply to all listings. There are many different factors and limitations that affect the length of time listings remain on a credit report. More important to your ability to get future credit, is the debt resolved or paid in full?

I must hire a company to review and monitor my credit report: Myth.

Credit Advisors Foundation reviews and monitors your credit report as part of your debt management program service. What does CAF look for during a credit report review? Within the first six months of your program CAF conducts an initial review of your credit report. At that time, your credit report is compared to your debt management program application. Any differences or inaccuracies we note may be reported to you to confirm our findings. (Are the accounts yours? Were you aware of them? Should they be included in your DMP?) If these differences or inaccuracies are determined to be errors, CAF Client Care can walk you through the process necessary to request corrections by the credit



CAF assists clients to monitor their credit reports on an annual basis.

reporting agencies.

After the initial review, CAF completes periodic reviews of your credit report. During these reviews any changes or new differences may also be reported to you and we will again assist you in completing the process to correct any determined errors.

Credit report reviews are just one more advantage you receive in your debt management program with Credit Advisors Foundation. By including this credit report review service, the average savings for our clients' is \$60 to \$100 annually, as well as, lowering your risk of identity theft. Learning how to complete a credit report error complaint can save you time, and stress and lower the amount of interest you pay on future credit. All of which, assists you to maintain diligence in monitoring your credit report yourself in

Credit report reviews are another advantage of your Credit Advisors Foundation DMP.

Now is the Time To Grow Your Savings by Jenny McVay—Certified Credit Counselor

Not only is it time to do your taxes, it's also time to think of spring and new life emerging from the long hibernation of winter. Being a member of CAF you have already started taking steps similar to those changing seasons bring. You are in the process of beginning anew and growing the financial side of your life. So why stop there? Why not go a little further to help cut grocery costs and enjoy some outdoor activity? Why not start a

small garden?

Gardening has many benefits that most people overlook. You get to enjoy fresh air and sunshine, amaze at watching your seeds and plants grow and mature, and gardening is a form of exercise (did you know that weightlifting and gardening are the only two forms of exercise recommended for women to build bone density?)

Don't forget to start slow and stretch



Starting a garden can save you money at the grocery

before beginning your gardening sessions—your back will thank you—and always check with your doctor before beginning any exercise program). Your garden will produce a bountiful

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Word Search * Word Search

Take a moment after reading this month's Defeat Debt newsletter and make a try at April's Word Search. Scan the letters to the right to locate the words listed below.

Good luck and have fun!

BENEFIT

MYTH

CREDIT REPORT

PEPPER

CREDITOR

RECIPE

GARDEN

SCORE

MONITOR

TOMATO

C	Z	B	G	A	R	D	E	N
R	R	Y	E	C	N	R	B	O
E	S	E	T	N	M	O	Q	T
D	U	C	D	F	E	W	L	A
I	Y	V	O	I	P	F	J	M
T	X	E	G	R	T	R	I	O
R	A	K	U	M	E	O	J	T
E	M	O	N	I	T	O	R	K

Gardening (continued)

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harvest for yourself, family, and quite likely enough to share with others. In an area as small as 5 ft X 7 ft, you could raise a couple of tomato plants, peppers, lettuce, onions, carrots, radishes or any other family favorite. Did you know that the average tomato plant yields at least five pounds of tomatoes? Prices of tomatoes at the grocer can run as high as \$1.00 a pound. That means it can cost over \$6 for the same amount of tomatoes you could get from a plant that costs \$.79. And it tastes so much better! Wouldn't it be fun to walk out to your garden to pluck a fresh tomato for that salad or BLT? The average pepper plant can yield six to twelve peppers and peppers at the store can cost over \$2.56 a piece. You can save well over \$30 with one pepper plant! Both, tomatoes and peppers, can be planted in the ground or in three to five gallon buckets for those with limited space. If you buy seeds for onions, radishes, carrots, or beans, the harvest you receive will cost a mere fraction of the prices paid in stores. Best of all, you know your vegetables are fresh, bursting with flavor, and cheap! Give it a try and harvest the rewards!



WELCOME TO E-PROGRESS!

Beginning in April your statements will be delivered online!

Each month we'll send you an e-mail notice —complete with a link taking you directly to our site where you can view your statement, and the award winning *Defeat Debt* newsletter!

E-Progress gives you electronic statements that are updated immediately unlike paper statements which may be delayed by as many as 45 days.

Absolutely free, and more secure than paper documents!

Call our client care department at 1-888-942-9027 today to update your e-mail address with us so you won't miss a statement!

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We're on the Web!

www.creditadvisors.org

Get out of debt, with no regret!

The Kitchen on a Dime

Chicken Cakes

3 cups chicken, cooked and chopped
1/4 cup mayonnaise
1 cup bread crumbs, seasoned, divided
1 egg, beaten
1/3 cup red onion, finely chopped
2 Tbsp. Honey mustard
1/3 cup red and/or green peppers, finely chopped
1 tsp. Hot sauce (optional)

Optional Dip for Chicken Cakes

1/3 cup mayonnaise
2 Tbsp. Honey mustard
Few drops hot sauce

Directions:

In a large bowl, mix chicken, mayonnaise, half of the bread crumbs, egg, onion, honey mustard, peppers and hot sauce.

Shape chicken mixture into cakes. Coat patties using remaining bread crumbs.

Lightly coat and fry in oil over medium heat about 5 — 6 minutes. Drain on paper towels.

Serve with green salad.

(To make the optional dip, mix dip ingredients and drizzle over chicken cakes before serving. Make 6 servings at \$1.03 per serving.)



Chicken Cakes are another option for something new for dinner.