DEDICATED CREDIT REPAIR

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Who is DCR?

- Tiffany Cross is the founder and CEO of Dedicated Credit Repair. DCR has been in operation for over 16 years and is one of only 3 percent of all credit restoration organizations in the State of California that has been approved and vetted by the Dept of Justice.
- DCR has been featured on LA's KTIE and ESPN Real Estate Network countless times and was recently featured in the books "Rapid Results" and "The Credit Bible" by credit analyst/expert John Harris.
- Tiffany is a consumer advocate and considers herself to be a watch dog in the credit restoration industry fighting for consumer awareness and financial freedom through education and advocacy.
- Dedicated Credit Repair has helped tens of thousands of families repair their credit and become FICO healthy.
- Tiffany is a business owner and a mother to two little boys Avery and Zane (ages 12 and 10).
- My favorite phrase "We have the choice to RISE with Grace or Fall Without It".

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Credit Defined

The term “Credit” is defined as:

The granting of money or something of value in exchange for a promise of future payment.

Today’s focus is on who gets credit and why.

Why do people get credit?

What is the difference between “Debt Settlement” and “Credit Repair”?

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Credit Basics

Questions:

Who are the main 3 Credit Bureaus?

What do the Credit Bureaus have in common with Fair Isaac Corporation?

Credit Myths

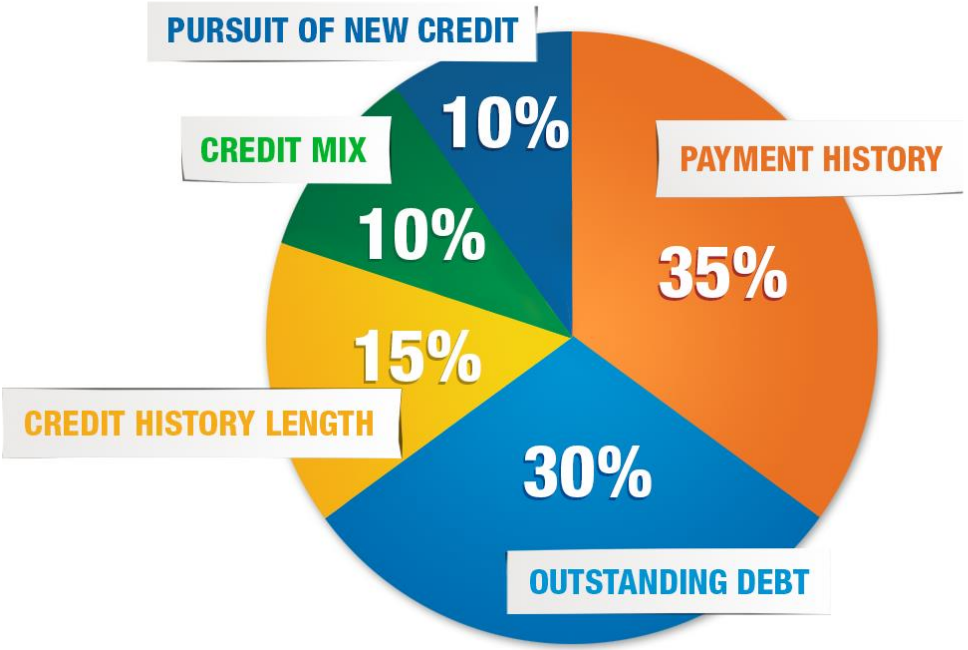
Common Credit Misconceptions:

High Income Does NOT Equal High Credit

There's More to Credit Than Just Paying Bills on Time

Approximately 1 Out of Every 5 People Has Mistakes on Their Credit Report

How Credit Scores are Determined



What are the 5 factors that make up your credit score?

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CREDIT STORIES

Wealthy widow cancels her husband's credit cards after he dies and her credit plummets 200 points overnight!

Evaluating a client's credit mix and use of credit helped him go from a mid-700 score to 843 in just 60 days!

Who Determines the Factors of a FICO Score?

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Utilization of Credit

How does Credit Card utilization work?

What are "Best Practices" regarding the use of credit?

Installment Debt

What is Installment Debt?

What role does it play in the FICO score algorithm?

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Lack of Credit

What happens when you are "Credit Avoidant" and have no established credit?

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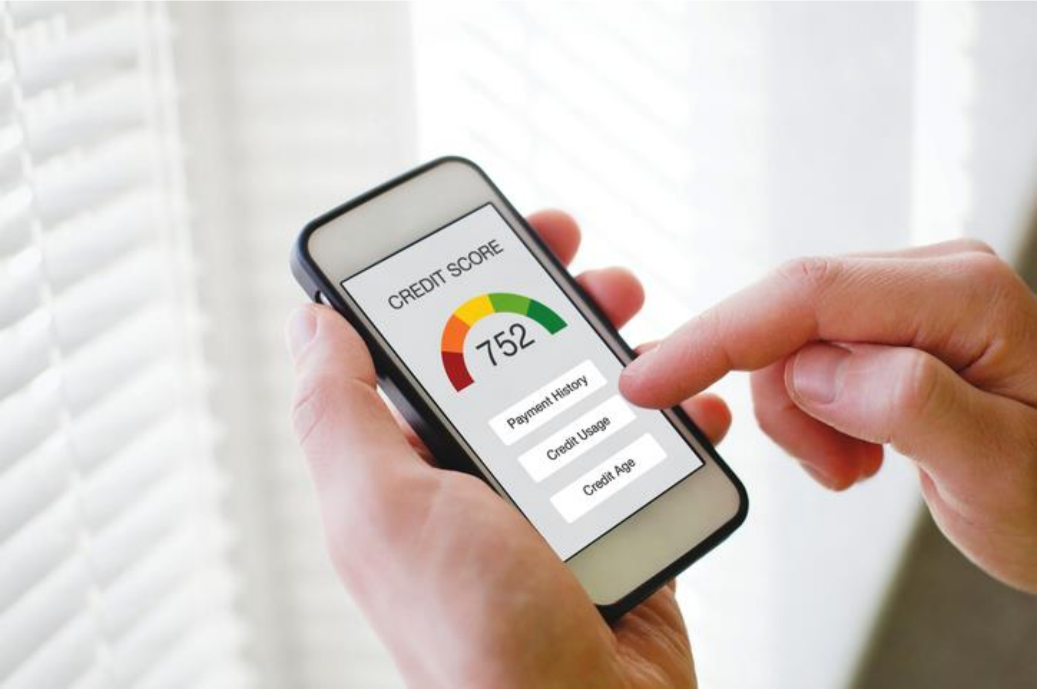
The Truth About Credit Inquiries



How do credit inquiries REALLY affect your scores?

What is the difference between Hard and Soft inquiries?

Why Are There So Many Varying Scores?

Where can I go to obtain ACCURATE FICO scores and reports?

www.MYFICO.com

UNDERSTANDING THE VALUE OF VANTAGE SCORE VS FICO

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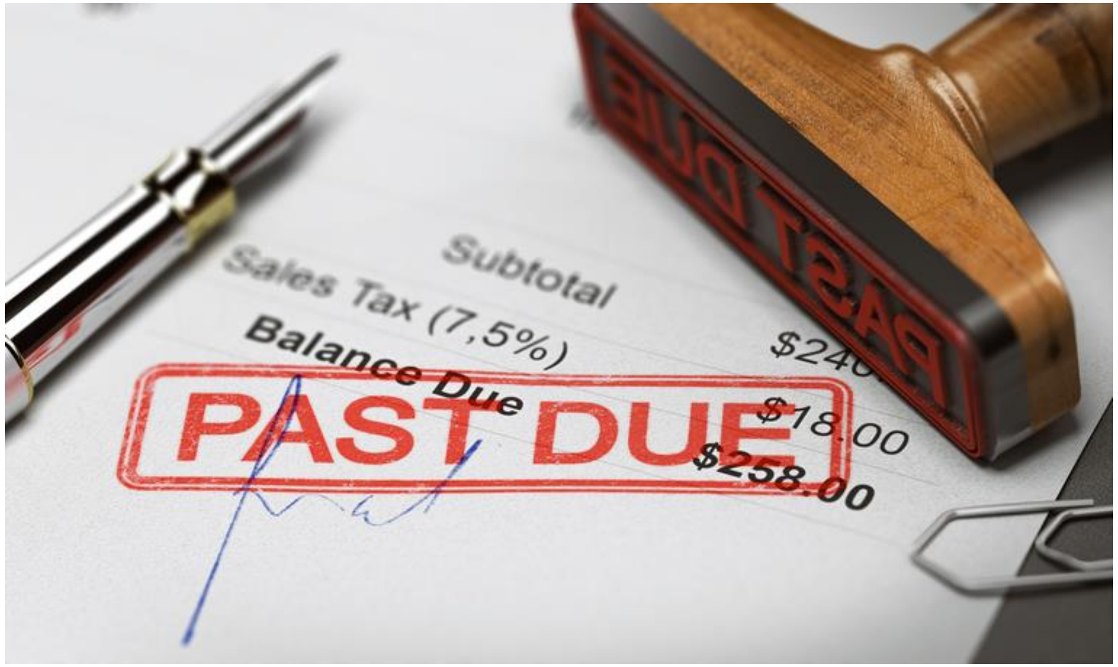
Collection Accounts



What are Collection Accounts?

How do they impact my score?

What happens when a Collection Account is sold?

What happens when I pay a Collection balance off vs settle it for less than the amount owed?

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Financial Wisdom vs FICO Wisdom

What is the difference between Financial Wisdom and FICO Wisdom?

When is "Financial Wellness" in conflict with "FICO Wellness"?

Debt Payoff Strategies

Installment Loan Payoffs

Credit Avoidance

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The Power of Annual Reviews

Checkit.Credit

Higher credit scores lead to lower payments and more money in your clients' pockets!

You can help them achieve:

Lower Mortgage Rates
Lower Car Payments
Lower Credit Card Rates

MORE MONEY TO INVEST

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PUTTING PEN TO PAPER

Hypothetical Example:

$600,000 mortgage at 3.875% = $2,821/mo

$600,000 mortgage at 4.5% = $3,040/mo

$60,000 car at 2.5% = $1,064/mo

$60,000 car at $12.99% = $1,364/mo

Top tier credit scores save over $500/mo on home/car payments.

An Advisor with 200 clients who can improve their credit scores from “poor” or “average” to ”top tier” can help each client save over $500/mo.

This translates into a $1,200,000 increase in the net worth of the Advisor’s book of business.

Working with next-gen clients over a 30-year period, this becomes a $57,000,000 potential increase in investable assets within the Advisor’s book of business.

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How to Build Credit When You Don't Have Any??

How do I typically advise people to obtain credit?

Authorized Usership

Corporate Tradelines

Secured Cards

Credit Building Account

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CREDIT BUREAU TIMELINES

How long does it take for…

Balances to Reflect Paid on Credit Cards

Scores to Drop After a Late Payment

Credit Dispute Timelines with the Credit Bureaus

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The Credit Dispute Process

FCRA

FDCPA

CARES Act

The Potential Pitfalls

What Pitfalls Can Happen When Disputing Data?

New Late Payments of Collection Accounts

Credit Inquiries/Establishing NEW Credit

Paying Collections Incorrectly

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Forbearance vs Deferment

Forbearance:

When you work with your mortgage servicer to temporarily pause your monthly mortgage payments.

Servicers typically do this in response to a financial hardship, such as job loss or an unexpected medical event.

Almost always, they will request documentation surrounding income, assets and expenses.

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FORBEARANCE VS DEFERMENT

Deferment:

Deferment is one possible option for repayment of past-due amounts when exiting forbearance.

With a deferment, some of the past-due payments are set aside to be paid off at the end of the loan.

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Repayment Options After Forbearance

Your options after forbearance may vary depending on what you qualify for, your mortgage investor and the type of forbearance. Here are a few common scenarios:

- **Repayment plan:** Part of your past-due amount is added to your monthly mortgage payment.
- **Deferment:** Under this option, a portion or all of your past-due balance is set aside for payment when your mortgage is either paid in full, when you refinance, or when you sell the home.
- **Modification:** If you qualify, your mortgage payment may be modified in order to include your past-due balance.
- **Reinstatement:** We know this option isn't for everyone, but if able, this is the fastest way to get your mortgage back on track. If you have the funds, you can pay the past-due amount upon exiting the forbearance.

Also, depending on your loan servicer's forbearance terms, you may have to pay more interest and additional fees as a result of paused payments. Please be sure to clarify the terms with your loan servicer.

OTHER COMMON QUESTIONS

Can Forbearances or Deferments Hurt Your Credit?

How a forbearance affects your credit depends on your situation and the type of forbearance you're approved for.
The best thing to do is to talk to your servicer.

Which Option is Best for You?

The real question is not whether deferment or forbearance is best for you, but rather…

"Which repayment options are available to you?"

This can only be answered by your loan servicer, who will explain your options.

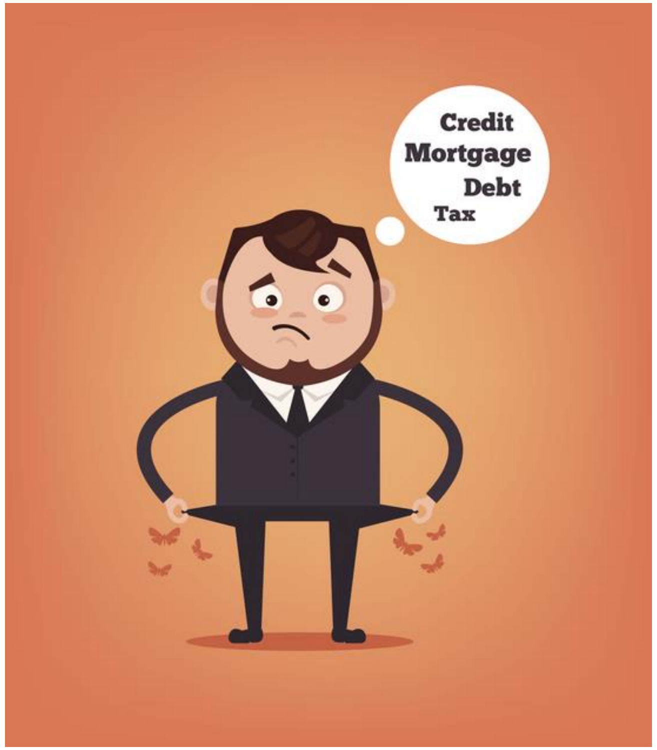
The Bottom Line…

It is important to understand that **Forbearance is not loan forgiveness**, it is simply a postponement of your monthly payments. You will be expected to eventually pay the missed payments, and there are several methods that loan servicers will use to collect missed payments, interest, and possibly added fees.

Deferment is one of the possible options that services can utilize for repayment of the past-due amounts, once the forbearance term ends.

There are various types of forbearance, and each type can vary in terms of its effects on your credit and your future mortgage qualification ability. Before entering forbearance, borrowers must make sure they understand the exact terms, and this information must come from the loan servicer.

FICO Resilience Index



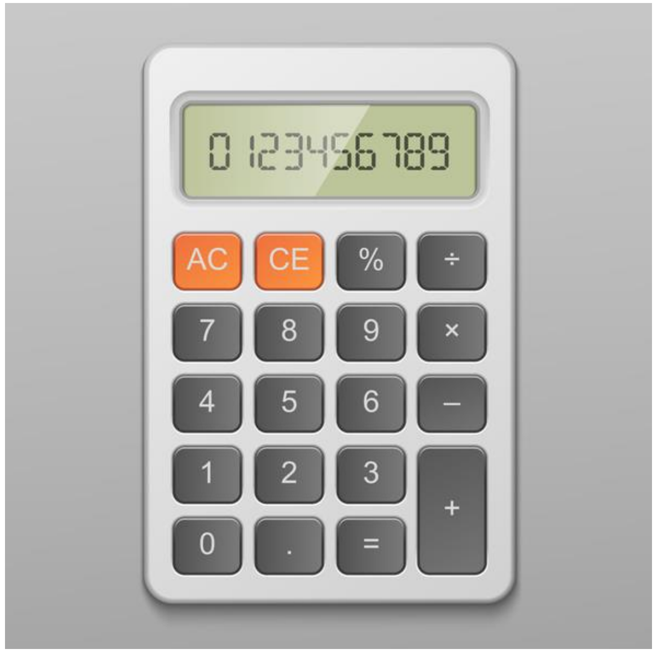
In the past year, millions of people have lost jobs and suffered financial hardships as a result of economic shutdowns during the pandemic.

Not surprisingly, the credit scores of millions of Americans have also plummeted.

In response to this, creditors have developed a new method of predicting how likely a person is to continue paying their bills as a result of an economic downturn.

They are referring to this as "FICO Resilience" where a consumer is assigned a score between 1-99. As opposed to actual credit scores, a LOWER resilience score is better than a high one.

FICO Resilience Index



Resilience Scoring considers factors such as:

- Low balance on revolving credit in comparison to limits
- A lower number of open, active credit accounts
- Fewer hard inquiries within the past 12 months
- A longer credit age, which indicates more experience managing credit

You can keep your resilience score down by refraining from opening new credit accounts and keeping your revolving account (credit card) balances low.

It is worth noting that following the advice we have been giving clients for years will keep your resilience scores down!

FICO Resilience Index

Here's the scoring breakdown:

- 1–44: More resilient to changes in economic conditions
- 45–59: Moderately resilient to changes in economic conditions
- 60–69: Sensitive to changes in economic conditions
- 70–99: Very sensitive to changes in economic conditions

Lenders will likely use the FICO Resilience Index in combination with FICO Scores and other information.

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Credit Report vs Rental Report

What shows on a CREDIT report vs a RENTAL report?

Income is not reflected on a credit report.

Rental history and debit card usage/utilities are not on credit reports…

UNTIL NOW!

Coming Soon!

Checkit.Credit

AI Solutions for Do-it-Yourself Credit Repair

Tiff's Credit Tips…

Always Receive Paper Bills Monthly

Never Close Credit Cards

Always Pay Your Final Payment of a Lease or a Loan

Never Dispute Items Online

Be Hesitant to Put a FREEZE on Your Credit

Be VERY Careful About Co-Signing

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Checking Your Credit

How often should people check their credit?

Every Single Month!

QUESTIONS? COMMENTS?

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www.dcrusa.com

HARD AND SOFT INQUIRIES

HARD INQUIRIES: THEY STAY ON YOUR CREDIT REPORT FOR 2 YEARS.

- CAR DEALERSHIP
- MORTGAGE INQUIRY
- ESTABLISHING UTILITIES

A HARD INQUIRY, OR A "HARD PULL," OCCURS WHEN YOU APPLY FOR A NEW LINE OF CREDIT, SUCH AS A CREDIT CARD OR LOAN. IT MEANS THAT A CREDITOR HAS REQUESTED TO LOOK AT YOUR CREDIT FILE TO DETERMINE HOW MUCH RISK YOU POSE AS A BORROWER.

SOFT INQUIRIES

- CONSUMER CREDIT MONITORING WEBSITES

SOFT INQUIRIES DON'T IMPACT YOUR CREDIT SCORES BECAUSE THEY AREN'T ATTACHED TO A SPECIFIC APPLICATION FOR CREDIT.