



*Everyone deserves a New Start!*

## **“Myths about Credit Counseling”**

Credit counseling is not a quick fix to a perfect score, no matter what the late night commercials say. Reputable credit counseling firms will ensure that you know all of the facts before they sign you as a client, including what your real expected results are.

Beware the following credit counseling myths:

1. Credit counseling will make your credit score worse – Working with a credit counseling service will NOT reflect poorly on your credit. Before you do agree to work with a service, however, do your homework and make sure the company is accredited with a reputable accrediting body. You can also do research with friends, your loan officer, and on the internet to determine the reputation of the companies you are considering working with.
2. Paying off all of your debts will automatically result in a perfect credit score – A credit report is a history of your payments, not just how much you owe in the moment. You cannot change the past, even if you have no current debts. What you can do is make payments on time to improve your score and make sure that all of the information on your credit report is correct.
3. Cancelling credit cards can raise your score – Experts tend to agree that open credit reflects positively on your score so it is better to have at least a few cards with a zero balance. This active credit can prove that you are responsible with debt and can help your credit score.
4. Checking your own credit can harm your credit score – Personal requests do not reflect poorly on your score. Checking your own credit ensures that you are checking your credit often enough to notice potential problems or fraud...and handle them quickly, before they become more difficult later on.
5. Credit scores don't change for six months – Credit scores actually reflect up to date information. Every time someone checks your credit, they are getting the most recent result and changes, both negative and positive, so you do not have to wait six months to see positive changes with your score. In fact, some scores can change immediately!



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6. Credit reports are all the same – Not true. Most creditors report information to three major agencies – Equifax, Experian, and TransUnion – but they are separate companies and they may all have different results when reviewed. You need to look at all three reports on a regular basis to make sure that the information being reported is correct.
7. You can just pay someone to make your “bad” report to just go away – Sorry, but no. If you hear your counselor say that they can do this, it may be a scam. You want to make sure you are looking for a company that is willing to speak to you about your credit without asking for a large payment up front. Instead, work with someone who will sit down with you and give you honest feedback about your credit repair potential. The company you are considering using should also help you to understand what steps you can take on your own in order to repair your own credit. Companies who are willing to do this are more likely to be legitimate and looking out for your best interests.

Choosing whether or not to use a credit counseling company is a personal decision. Make sure that you are making the right choice for you by working with a credit counselor who is open and honest with you and makes sure that you understand your rights as well as who will give you an honest appraisal of your repair timeline and chances.

For more information on credit counseling, or to schedule a free consultation, please contact New Start Credit Consulting at 916-367-7768, by email at [info@newstartcreditcc.com](mailto:info@newstartcreditcc.com), or please visit our website at [www.newstartccc.com](http://www.newstartccc.com).