



Credit Repair Clinics

Simply put, there is nothing any credit repair clinic or service can do for you that you cannot do yourself. Most credit repair services are expensive and many are deceptive or fraudulent. Countless complaints have been filed against credit repair services, many of which will take a consumers money today and go out of business tomorrow not having delivered any real service. When they offer evidence of their service, it is usually in the form of a credit report pulled while many items are under dispute. Typically, a credit report service will dispute all negative remarks on the credit report, whether they are correct or not. For a few weeks, while those disputed items are being investigated, a credit report might look very good. The problem is that within a short time, all of the verifiable notations return.

Even if a lawyer is running the clinic, he or she would have to proceed through the system for disputing errors established by the Fair Credit Reporting Act. A lawyer might know more readily if a certain creditor is acting illegally or if legal action is necessary; but legal action probably wouldn't be taken unless all other attempts to delete an error were taken. By proceeding through the steps involved in dispute and documenting all your steps, you will save thousands of dollars in legal fees. If legal action is ultimately required, which is extremely rare, all a lawyer would need is your documentation.

Don't fall for file segregation. Other unscrupulous credit-repair scams suggest that you set up a separate credit file by applying for an EIN or Employer Identification Number, which looks like a social security number. This number is used by employers for tax purposes. They will suggest that you use this number in lieu of you social security number and they claim that this practice is legal.

It is illegal to misrepresent your social security number. If you apply for credit using the EIN instead of your social security number, you are committing a crime. If you send your application through the mail or make your application by phone, you are adding phone or mail fraud to your problems. Don't fall for it.