

THE EXCELLENCE DISTRICT — CREDIT & FINANCIAL HEALTH GUIDE

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PURPOSE

Help members understand credit reports, improve credit habits, identify errors, reduce avoidable costs, and recognize credit-repair scams.

1. REVIEW YOUR CREDIT REPORTS

Official education source:

<https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/>

Official report access: <https://www.annualcreditreport.com/>

Review all available reports for:

- Accounts that are not yours
- Incorrect balances or credit limits
- Closed accounts reported as open
- Incorrect late-payment status
- Duplicate debts
- Incorrect dates
- Identity information that belongs to someone else

Requesting your own credit report does not reduce your credit score.

2. DISPUTE ACTUAL ERRORS

CFPB guidance states that consumers can dispute inaccurate information with both the credit reporting company and the company that furnished the information.

Official source:

<https://www.consumerfinance.gov/ask-cfpb/how-do-i-dispute-an-error-on-my-credit-report-en-314/>

Good dispute practice:

- Identify the exact item
- State why it is inaccurate
- Attach copies of supporting records
- Keep copies of everything sent
- Track dates and responses
- Avoid altering or fabricating records

3. DO NOT CONFUSE ACCURATE NEGATIVE INFORMATION WITH AN ERROR

Accurate negative information generally cannot simply be erased because it is unfavorable. Be cautious of anyone promising to remove accurate current negative information.

Official source:

<https://www.consumerfinance.gov/ask-cfpb/is-it-possible-to-remove-accurate-but-negative-information-from-my-credit-report-en-1249/>

4. CORE CREDIT HABITS

- Pay obligations on time.
- Keep revolving balances manageable relative to limits.
- Avoid opening multiple accounts without a purpose.
- Keep older well-managed accounts open when appropriate.
- Review statements for unauthorized charges.
- Use alerts and autopay carefully, while still reviewing statements.
- Know when an inquiry will be hard vs. soft before applying.
- Do not co-sign casually; co-signing can create full repayment exposure.
- Keep personal and business credit activity organized separately where appropriate.

5. CREDIT UTILIZATION

A lower revolving balance relative to the available revolving credit can generally be healthier than consistently operating near the limit. Do not spend merely to “build credit.”

6. CREDIT-BUILDING METHODS

Potential tools, depending on fit:

- Secured credit card
- Credit-builder loan
- Responsible authorized-user relationship
- Small recurring charge paid in full
- Rent-reporting service where appropriate
- Business trade accounts that actually report, if building business credit

Verify fees, reporting practices, and cancellation terms before enrolling.

7. CREDIT-REPAIR SCAM FILTER

Red flags include:

- Guaranteed score increases
- Guaranteed removal of accurate negative items
- Instructions to dispute information known to be accurate
- Instructions to create a false identity or credit profile
- Large upfront fees with vague deliverables
- Pressure to stop communicating with legitimate creditors
- Requests to misstate income or business facts

8. DEBT ORGANIZATION

Create one table with:

Creditor | Balance | APR | Minimum | Due Date | Status | Secured/Unsecured | Notes

Common payoff approaches:

- Avalanche: prioritize highest interest rate
- Snowball: prioritize smallest balance
- Hybrid: protect essential accounts and high-risk obligations first, then optimize cost

9. CREDIT BEFORE FUNDING

Before seeking business funding:

- ☐ Review personal and business credit
- ☐ Resolve factual report errors
- ☐ Bring bookkeeping current
- ☐ Know current debt-service obligations
- ☐ Avoid unnecessary new inquiries
- ☐ Prepare an explanation for unusual one-time events where relevant
- ☐ Compare total borrowing cost, not just monthly payment

This guide is general financial education, not individualized credit, legal, tax, lending, or investment advice.