

## How to Rebuild Credit for Consumers

*This information was prepared by Busby & Associates P.C., 2909 Hillcroft Suite 350, Houston, Texas 77057: Telephone: 713-974-1151 Fax: 713-974-1181(English and Spanish). You can also visit our website at [www.busby-lee.com](http://www.busby-lee.com) or email us at [consumerlaw@busby-lee.com](mailto:consumerlaw@busby-lee.com)*

### HOW CAN I REBUILD MY CREDIT FAST?

Once your finances are stabilized, you can re-establish credit: in fact “INSTANT CREDIT” is a reality. HOW? The first step is getting a SECURED CREDIT CARD. Anyone can have a Visa card or MasterCard from that is a line of credit based on your savings balance. With the card, you are covered for emergencies, car rentals or hotel reservations. Your good payment record on this card will start your “new” credit record off right.

Below are a few companies you can contact for a secured card:

Capital One  
P.O. Box 85547  
Richmond, VA 23286  
(800) 955-7070 (ok)  
[www.capitalone.com](http://www.capitalone.com)

HSBC  
P.O. Box 60102  
City of Industry, CA 91716-0102  
(800) 753-6529  
[www.hsbccreditcard.com](http://www.hsbccreditcard.com)

Merrick Bank  
P.O. Box 9201  
Old Bethpage, NY 11804-9001  
(800) 253-2322  
[www.merrickbank.com/products.aspx](http://www.merrickbank.com/products.aspx)

HSBC/Orchard Bank  
P.O. Box 60102  
City of Insustry, CA 91716-0102  
(800) 283-8373  
[www.orchardbank.com](http://www.orchardbank.com)

Bank of America-Secured Visa Card  
P.O. Box 53132  
Phoenix, AZ 85072-3132  
(800) 732-9194  
[www.bankofamerica.com/creditcards/](http://www.bankofamerica.com/creditcards/)

Some companies may issue you an unsecured credit card after you have discharged your debt and have a steady source of income. Below are some companies you can contact for an unsecured card:

Aspire Card  
1148 Broadway  
Columbus, GA 31901

Juniper Credit Card  
P.O Box 8801  
Wilmington, DE 19899-8801

First Premier Bank  
PO Box 5147  
Sioux Falls, SD 57117-5147  
[www.centennialcard.com/multiOfferLanding.aspx](http://www.centennialcard.com/multiOfferLanding.aspx)  
[www.firstpremierbankgold.com](http://www.firstpremierbankgold.com)

HSBC/Orchard Bank  
PO Box 60102  
City of Industry, CA 91716-0102  
(800) 283-8373  
[www.orchardbank.com](http://www.orchardbank.com)

Merrick Bank  
PO Box 9021  
Old Bethpage, NY 11804-9001  
(800) 253-2322  
[www.merrickbank.com/products.aspx](http://www.merrickbank.com/products.aspx)

A second option for establishing credit is with department store credit cards. Once you have obtained a secured credit card, many department store credit departments will issue a department store credit card without running a credit check when you show them your MasterCard or Visa. Below are a few companies where you can get department credit cards:

Star Fine Furniture  
3727 Broadway  
Galveston, Texas 77550  
(409) 762-7821  
[starfurnituregalveston.com](http://starfurnituregalveston.com)

Gallery Furniture  
2411 Post Oak Blvd.  
Houston, TX 77056  
(713) 694-5570  
[www.galleryfurniture.com](http://www.galleryfurniture.com)

Lacks Home Furnishings  
2501 Texas Avenue  
College Station, Texas 77840  
(979) 695-9022  
<http://www.lacks.com/>

Galveston Furniture  
4214 Broadway  
Galveston, TX 77550  
(409) 762-3213  
<http://www.galvestonfurniture.com/>

A third step is to get a secured bank loan. Go to a bank officer and explain that you are trying to get reestablished. Ask his or her assistance in opening a savings account and obtaining a personal loan secured by the savings account. Keep trying until you find a bank that will help.

A fourth step to establish credit is by purchasing an automobile from a local car dealer who advertises that it specializes in making car loans to persons with bad credit or recent bankruptcies. There are lenders available who understand people who have gone

through financial difficulties and can assist you in rebuilding your credit. Below are a few companies you can contact for an automobile loan:

HED Auto Sales  
1311 N. Shepherd (at 610 North Loop)  
Houston, TX 77008  
(713) 863-1477

Joe Myers Ford  
16634 Northwest Freeway  
Houston, TX 77040  
(866) 374-9554  
[www.joemyersfor.com](http://www.joemyersfor.com)

Joe Myers Kia Mazda  
16634 Northwest Freeway  
Houston, TX 77040  
(866) 374-9554  
[www.joemyerskia.com](http://www.joemyerskia.com)

Mac Haik Ford/Chevrolet  
11711 Katy Freeway  
Houston, TX 77079  
(281) 509-9085  
[www.machaikchevy.com](http://www.machaikchevy.com)

Joe Myers Toyota  
19010 Northwest Freeway  
Houston, TX 77065  
(866) 374-7400  
[www.joemyerstoyota.com](http://www.joemyerstoyota.com)

Caldwell Country Pre-Owned  
2310 Harvey Mitchell Parkway South  
College Station, Texas 77845  
(979)260-6569

Champion Ford  
(Horace Sutter)  
20777 Katy Freeway  
Katy, TX 77450  
Phone:281-5199100  
Fax: 281-675-4777

Davis Chevrolet (Cory Middleton)  
2277 South Loop West  
Houston, TX 77054  
Phone: 713-794-2500/  
Fax: 713-794-2589

Gillman Mitsubishi (Cruz Gonzalez)  
12311 Katy Freeway  
Houston, TX, 77079  
281-496-8709

Gillman Lincoln-Mercury  
3501 BF Terry Blvd.  
Houston, TX 77471  
281-342-6363

HSBC Auto Finance-National Lender  
941 Corporate Center Drive  
Pomona, CA 91768  
(877) 367-4222  
[www.hsbcauto loans.com](http://www.hsbcauto loans.com)

Douglass Nissan  
1001 Earl Rudder Freeway S  
College Station, TX 77845  
(979) 764-7726  
<http://www.douglassnissan.com/>

Another option in getting back in control of your finances is to get lower automobile insurance rates. Most people use State Farm, Farmers Insurance, to name a few. These agencies are middlemen for the insurance companies and thus charge a fee for this service. However, you can usually save up to 15% on your insurance premiums. Consider checking with these following companies:

GEICO Toll Free: 1-800-861-8380

Nationwide Insurance: Barhorst Agency 713-856-5533 (five locations)  
 AUTO INSURANCE DISCOUNTERS: 713-789-2886 (numerous Houston locations)

Stay away from the high interest easy credit that you will be offered. Take steps to budget properly: do not spend beyond your means, and resist the temptation to incur debt beyond your reasonable ability to repay just for the purpose of re-establishing credit. The best thing to do is not charge anything unless you know you can pay if of when the bill comes in! After you have made payments, have your account re-verified and your credit file updated by the credit bureau.

The fifth step in reestablishing your credit is to purchase a home. Within one year after eliminating your debt, you can qualify for a bank loan to purchase a home. Within two years, you can qualify for a bank loan to purchase a home, and can qualify for the lowest interest rate loans for the purchase of a home-the FHA/VA backed government loans that people with the best credit rating get. This can be done with having good credit since you eliminated your debt in bankruptcy, even though your credit record still shows the bankruptcy or debt consolidation bankruptcy, it will not prevent your from qualifying.

**IF YOU ARE INTERESTED IN PURCHASING A HOME OR REFINANCING A HOME, THE FOLLOWING LOCAL MORTGAGE BROKERS MAY BE ABLE TO HELP:**

Call your bank institution or mortgage company ( if this is for a refinance)	Aames Home Loan (David Plachy) 11011 Richmond Ave. #980 Houston, TX 77042 713-334-4553 ext. 204
TransTexas Mortgage (Nicole Kibodeaux) 1120 NASA Rd. One #540 Houston, TX 77058 281-335-8073	Century Mortgage (Sam Masri) 8401 Westheimer Rd. #102 Houston, TX 77057 713-532-2222
CBP Mortgage Inc. (Scott Region) Houston, TX 281-648-9700 ext. 102	NovaStar Hoome Mortgage Inc. (Katy Langeregger) 3131 Turtle Creek Blvd. #400 Dallas, TX 75219 214-389-2739
TMG Mortgage Inc. (Michael Matthews) 2909 Hillcroft #275 Houston, TX 77057 832-237-5626	New Alliance Mortgage (Kelly Molnari) 330 N. Sam Houston Pkwy. #218 Houston, TX 77060 281-272-5900
New Century Mortgage (Misael Garza) 3050 Post Oak Blvd. #660 Houston, TX 77056	New Century Mortgage Corporation (Kim Kuanchai) 18400 Von Karman #1000 Irvine, CA 92612

713-355-8980	949-440-7030
<p>Davis Mortgage Services  7016 Williams Dr  Galveston, TX 77551  409-771-6893 (Office)  866-586-6558 (Toll Free)  <a href="mailto:jdavis@davismortgageservices.com">jdavis@davismortgageservices.com</a></p>	<p>FHA Loan Houston  Tommy Xintaris  Envoy Mortgage, Ltd.  3815 E. 52nd  Odessa, TX 79762  Phone: 832-212-6969  <a href="mailto:Tommy@FHALoanHouston.com">Tommy@FHALoanHouston.com</a></p>
<p>VA Loans Houston  7514 Shadyvilla Ln  Houston, TX 77055  281-606-0490  <a href="mailto:info@valoanshouston.com">info@valoanshouston.com</a></p>	<p>Cornerstone Mortgage Co  307 Arguello Drive  College Station, TX 77840-1811  (979) 260-1448</p>

IF YOU HAVE HAD DIFFICULTY IN OPENING A CHECKING ACCOUNT; THE FOLLOWING LOCAL BANKS MAY BE ABLE TO HELP:

WoodForest National Bank  
1-866-BANK-24  
[www.woodforest.com](http://www.woodforest.com)

Second Chance Banking

Woodforest is located in most Wal-Mart stores in Harris and Surrounding Counties. Woodforest National Bank's unlimited check writing account is ideal for debtors who have experienced previous credit or bank account obstacles.

Features:

- Unlimited check writing
- ATM/Debit Card
- Free Online Banking
- Free Daily E-mail Notification
- Free 24-hour, 7-day a week account access
- Imaged item truncation
- FDIC Insurance
- Minimum to Open: \$50

First National Bank of Texas

(800) 677-9801

[www.1stnb.com](http://www.1stnb.com)

First National is a second chance bank and is mostly located in Kroger stores.

Bank of Texas

Second Chance Checking Account

(800) 346-5312 or (713) 578-3500

[www.bankoftexas.com](http://www.bankoftexas.com)

Bank of Texas has 13 Houston locations

IBC Bank

(713) 526-1211

[www.ibc.com](http://www.ibc.com)

various Houston locations

IBC does verify accounts through Chex Systems, but if the problem is over a year old your most likely can open a checking account

Prosperity Bank

(713) 693-9250

[www.statebanktx.com](http://www.statebanktx.com)

various Houston locations

Prosperity verifies accounts through Tele-Check: not Chex Systems

Wells Fargo

Opportunity Checking

(800) 869-3557

[www.wellsfargo.com](http://www.wellsfargo.com)

Various Houston locations

Avoid being enticed by so called “credit repair” agencies. These are often simply unregulated rip-offs, who prey on the financially-distressed, and who do nothing more than what you can do for yourself by exercising your legal right to have your credit reports properly list your outstanding obligations or use temporary tactics to remove negative marks on your credit report that come back on your report in thirty days. The credit report agencies have wised up to these tactics. Be aware that credit approval is based on a composite “score” including several elements. The most significant elements of a positive up to date credit report, a home with mortgage payments current, a job you’ve held for a year or more, a current or paid off bank loan, current credit card payments and a telephone and checking account in your name.

Establish or strengthen as many of these elements as possible. You can start reestablishing your credit right away after filing bankruptcy or debt consolidation. Learn to control your finances and avoid using credit improperly. Be aware of your “Credit of

Rights". Under the Federal Fair Credit Reporting Act and Related laws, you have the right to:

1. Obtain from a credit bureau a report of what is in your credit file.
2. Know how has inquired into your credit file-stores, bankers, employers, others.
3. Request verification by the credit bureau if information is incorrect.
4. Get missing data added to your file.
5. Have detrimental credit information removed from your file after seven years and bankruptcy information after ten years. Most agencies will remove your debt consolidation bankruptcy after six years.
6. Put your side of the story in your credit file.
7. Privacy of the information in your file from anyone other than legitimate members of the credit-reporting agency.
8. Have your credit report transferred from one area to another any time you move.
9. Use small claims court to resolve any disputes with the credit bureau about incorrect, inaccurate information in your file.
10. Know exactly why you were refused credit. You must contact the institution refusing credit within ten days.
11. Remain silent about poor credit information that does not currently appear in our file.

#### WHAT OPTIONS AND ALTERNATIVES DO I HAVE REGARDING MY DEBT?

If you are having trouble paying your bills, you can take control of your debts now! We offer no hassle consultation that will give you all of your alternatives regarding your unique financial situation. We do not work for bill collectors or credit card companies. We represent families and individuals like you. My firm has helped thousands of families and small businesses with the same problems you are facing right now. You need to have an open mind to explore all of your options for yourself and for your family.

The First Priority is to get your finances under control. You need to work out the best strategy for your specific situation. Do not be controlled by what you think will look good on your credit report. Most of us get our information about credit and debt from biased sources like card companies, bill collectors, and the media. In most cases, we get information from family members and friends that are well intentioned but are uninformed, or have incorrect information.

Your credit is determined by a number of things. It is not enough to be current on your credit cards to have good credit. We have always been told that if you pay all of your bills and credit cards then you have good credit. This is not true. The question that any banker wants to know is how much money do you have left at the end of the month after you pay all of your living expenses and credit card bills. If you have no money left, then you have what is called a negative debt ratio and no bank will loan you money. You do not have to believe me, go ask your banker. Ask for a personal loan and find out what

he or she says. Why won't they loan you any money? Because you have no money left to pay for any additional monthly payments.

What about those minimum payments you make on credit cards? Do you make your minimum payments and see the balances go down very little? You have a number of options regarding your debt. Some options work and some do not.

Your first option is to borrow money from family and friends. I seldom recommend this option because if you are having trouble paying bills you may not be able to pay back the loan and you might injure valuable personal relationships.

Your second option is to go to a bank for a loan. Banks look at two things. First, you have to be current on all of your credit cards and bills and you have to have money left at the end of the month to afford another loan payment. In most cases this option is not available.

A third option is to use a bill consolidation service. Most of these services advertise as being non-profit organizations and state that they are a free service. This should concern you, as all companies have to pay rent and salaries. However, it sounds good and many people choose this option. In some cases they are able to combine your credit cards into one payment and may reduce the interest. They can only help with credit card companies and some credit card companies will not agree to the arrangement. With a bill consolidation service, you pay a monthly payment based on what you have left at the end of the month and it all goes toward the credit cards. The consolidation service gets a percentage of what you pay from the credit card companies. You pay the full amount of the debt, and in most cases it takes five years to pay off the debt. During this time you have no money left at the end of the money, no money for emergencies, you have negative credit the entire time and you cannot start rebuilding credit until after you pay the debt in full.

A fourth option is to consider using federal law to help with your debt problems. In most cases you can eliminate debt and start rebuilding credit after only four month instead of four to six years. This handout also services as a "Credit Repair Kit" for you to rebuild credit. The responsible use of the federal bankruptcy laws can allow you some much-needed breathing room and a fresh start on our financial matters. Actually, filing under the bankruptcy code can be the first step in re-establishing your credit!

"What do you mean? I've heard a bankruptcy case stays on my credit report for ten years!" true, although most credit bureaus remove a bill consolidation bankruptcy after six years. Other negative information stays on the report for seven years, so that's not better, and if you do not do something, your credit report just keeps getting worse and worse. The fact is a bankruptcy or debt consolidation bankruptcy provides a CUT OFF POINT for a FRESH START (once you set a discharge, you balance on the debts discharged should be-0-zeroed out). You can get credit right away after a bankruptcy case. All you have to do is follow the steps in this handout and you can rebuild credit fast.

There are two types of bankruptcy cases available. Straight bankruptcy, chapter 7, & and debt consolidation bankruptcy, chapter 13. Today you will learn the difference between the two, and how they apply to your financial situation.

We offer a No-Hassle consultation for you to evaluate all of your options. My opinion is that you cannot make the best decision about what to do with your financial situation until you know all of the facts about all of your options. We provide that information.

The debt consolidation services and banks do not want you to know this information. Why? Because they make money when you sign up with them. The debt consolidation services want you to believe the old line that your financial life will be over if you consider filing bankruptcy. This is simply not true. What does your financial life look like right now? Can you easily manage your payments? Can you borrow money from a bank? Do you have money saved for emergencies, for retirement? If you qualify, bankruptcy or debt consolidation may be your best alternative and on the other hand, it may not.

So for the moment, read my lips! FORGET CREDIT!! Focus on getting back on your feet financially. Credit problems begin with denial of the problem. You may have a credit problem if...

- You cannot afford the minimum monthly payment on your bills.
- You only send in minimum monthly payment on your bills.
- You don't have a budget worked out.
- You have recently been turned down for credit or a loan.
- Your creditors keep calling you for payment.
- You carry a balance on your gas card.
- You carry a balance on your department store cards.
- You don't have two months living expenses in the bank.

Concentrate on getting your finances straightened out. At the same time, break loose from the SNOW JOB constantly pushed at us that credit is good for you. Consumer credit earns huge profits for credit card companies from interest charges which you and I pay with money we could much better use for our family and for savings. One of the most important financial lessons anyone can learn is: avoid credit except for buying something that can increase in value, like a home.

What about leaving a credit card out of your bankruptcy or debt consolidation? If you owe a balance, the law requires that you list the creditor. Some argue that you needn't list a card with a zero balance. Keeping a card can be dangerous, though, because it is all too easy to get right back into trouble with credit!

We extend our sincere best wishes in your efforts to achieve financial control and the peace of mind that goes with it! Thank you for coming in today to learn about all of your options. Our telephone number is 1-(866)-912-9832, and please visit us at [www.busby-lee.com](http://www.busby-lee.com).