

[Insider Methods To Raise Your Credit Score... Quickly!](#)

The most common question asked by consumers regarding credit is "what is the fastest way to raise my credit score?" The answer never changes; "how high do you want to raise it to?"

The method used to raise a credit score from 580 to 650 will be considerably different than going from 670 to 725. This is simply because of the starting point and the starting point is why it takes a different approach. Naturally, removing negative items from the credit report will result in an increase of the score this is a rudimentary concept. This article offers the inside methods known by only a select few and fewer yet who specialize in it.

If you are looking to simply remove the negative items you can use the following techniques; these can be used even if you have no negative information on you report as well. The first strategy given is often the most overlooked but should be your first step.

DEBT to CREDIT RATIO: The most widely accepted assumption about credit is the thought that because you pay all of your bills off in full each month you have excellent credit. This can be a dangerous and false belief; a thorough understanding of your debt to credit ration will prove to be the key to resetting your credit mind.

Your personal debt to credit ratio is figured by using your total credit available against all of your debt. Only the revolving accounts are used in the analysis of debt to credit ratio. For instance, if you have a total of \$10,000 in unsecured revolving credit and you are in debt of \$2500 your debt to credit ratio is 25%. Lenders make their money by charging interest, therefore one element of the credit scoring system is in your ability to maintain balances and pay over time; not all at once. This offers a picture of your long term credit and the profits the lenders can make with the interest you pay.

Over time it has been realized that it is by holding the proper debt to credit ration that can boost your score more quickly than paying off all your bills each month in full. Of course despite the number of arguments with the Better Business Bureau on this topic they continue to disagree. Even proof from Fair Isaacs website, myfico, who invented the credit scoring software used by the credit bureaus does not sway their beliefs.

Then there is the question of what to do when you are like most Americans whose debt to credit ration is too high? For instance, if you have that same \$10,000 in unsecured revolving credit; however, you owe \$8500 you end up with an 85% debt to credit ratio! Is there a way to bring that ratio down without selling all of your possessions? Actually, the answer is the basis of the next technique!

SUB-PRIME MERCHANDISE CARDS: Likely, the most powerful and cost effective method of decreasing the debt to credit ratio is with the use of Sub-Prime Merchandise Cards. This increases the credit limit and most of these cards report to at least one of the major credit bureaus.

Although very understood, these cards have a lot of benefits. The confusion surrounding these cards is mainly due to misrepresentation from marketers as well as the number of companies that are promoting them. Once these cards are fully understood you will better understand the misrepresentations that surround these cards.

The Sub-Prime Merchandise Card is simply a card that has a line of credit from a specific vendor that allows you to purchase their merchandise. In many cases the merchandise will be purchased either from a specific online location or through a catalog.

The largest problem surrounding these cards is in the method of marketing; the cards are generally marketed by telemarketing, direct mail and e-mail. Have you seen the offers that promise "\$5,000 Credit Card GUARANTEED! No Credit Check! No Cosigner! Everyone is accepted!?" These are the ads used by the marketers for Sub-Prime Merchandise Cards.

The unfortunate truth is many companies market this way and can be considered shady; however, there are a few legitimate marketers that will help to build your credit quickly. You simply need to be able to determine the good from the bad.

The way it works is simple: everyone can get a card from \$2,500 up to \$12,500. There are no credit checks or cosigners needed; if you breathe you get a card. The catch is that the card can only be used for the merchandise that is offered through the specific website or catalog. The bigger catch is that the consumer has to put down a deposit on their purchases; it is the remaining balance that is financed on the sub-prime merchandise card.

This can be better understood by imagining that you buy \$1,000 of merchandise. You pay a deposit of \$300 and the remaining \$700 is financed on the merchandise card which you will make payments to. Most people feel this is just a scam; if you are one of them then you are overlooking the big

picture.

A legitimate Sub-Prime Merchandise Card when used WILL be reported to at least one of the major credit bureaus and will look like any other credit card on your credit report. So if you have a \$5000 merchandise card and you finance \$500 you are achieving 3 major things:

- 1) Your current credit limit is increased by \$5000 virtually overnight; the merchandise card appears like any other unsecured revolving account.
- 2) Carrying a small outstanding balance (not paying it off at once) you can impact your credit report in a positive way. This will not only build your credit but also demonstrate to potential lenders your credit worthiness.
- 3) By maintaining a good payment history you are guaranteeing yourself pre-approved credit offers from "real" credit cards. Credit bureaus lease your name to other lenders who are looking for credit worthy people. Remember, they make money from your interest.

So you see, the Sub-Prime Merchandise Card technique is difficult to beat for its effectiveness and cost. The chief principal is in knowing which cards report to the credit bureau and what offers the best rates. This can be unfortunate to those who stumble upon the wrong cards.

PIGGYBACKING: This technique has just about unlimited potential, yet is rarely used. This method is simple, effective and works very fast; unfortunately, it is used mostly by parents and siblings and neglected by those who can benefit from it most.

Nearly every credit card or account allows the primary holder to add someone to be an authorized user on the account. Often this is also called a secondary account holder, what ever they call it the benefit is the same; benefits! Most of the time when you are added to an account the entire account history is posted to the secondary user's credit report.

A credit card with a \$10,000 limit has been held and paid as agreed for the last 10 years; that complete history is then posted on your credit report. Once person who used this technique with hi mother when he was just 24 and already had a \$15,000 Gold credit card on his credit report that has a history going back 11 years. Without the Piggybacking technique this kid would have had to have been 13 when he was approved for this card.

So you can see this technique, while generally used by parents and their children, is most effective! It has been due to the benefits of Piggybacking that has led to people that have excellent credit scores to "lease" authorized users on one or more credit cards for a certain price. There was even an ad in USA TODAY for just this kind of chance. Of course, like most credit loopholes this technique will be "fixed" in much of the same way as this next technique.

ADVANCED CREDIT PROFILING is a strategy that is simple in design but can be taken to a rather complex level. This technique is overlooked by many and even in the most basic form is taken advantage of by few. With Advanced Credit Profiling you build your credit report in a way that creates the type of profile that fits most creditors' criteria. Although this method can be performed in very complex ways it is effective for its simplicity and this is where we will take a closer look.

You may find many consumers who brag about having anywhere from 10 thousand to 50 thousand dollars in credit cards on their credit reports; however, many of these consumers do not have items such as mortgage, auto loans, or even equipment loans. Some of these same people do not even hold a line of credit with a local bank or credit union. Having these other types of credit on your report offers a well rounded profile and shows good credit diversity and experience. Holding multiple types of credit is far more powerful than single type credit no matter what the credit amount is.

For instance, if you have \$50,000 worth of credit cards you are not showing near the credit experience of a person with that same \$50,000 along with a mortgage and auto loan or lease. People who want to build a more diverse credit report often will lease a vehicle simply to create a better credit profile that can position them to achieve the lowest interest rate on a mortgage when they need it.

As mentioned before Advance Credit Profiling can be taken to more complex levels and this involves subscribing to affluent business as well as professional publications and organizations. This would be subscriptions to magazines, newsletters, trade journals and national associations with a goal of putting your name in the databases. Why would you want to do that? To get your name on highly targeted lists that creditors use to offer credit lines to.

The credit offer marketers often find that renting names of consumers from the credit bureaus do not provide enough information to fully understand the credit risk like they did at one time. Due to this, many credit marketers will not only rent the names from the credit bureaus but will then cross

reference it with the aforementioned lists and databases.

By cross referencing the two sources of information the marketers are provided with a targeted list of people to mail their offers of credit to. This will in effect shorten the process of securing quality account holders that is cost effective and simple.

Learning to intentionally place yourself into the databases will inherently lead you to refined lists and begin to build your credit profile quickly. Naturally skeptics will consider this highly speculative; undeniable however, this method works. Another highly speculative method that is truly hard to believe follows.

DEPOSIT LOAN PROGRAMS: This technique takes even the most credit savvy people time to fully believe; however, researching the facts proves its effectiveness. This technique allows the consumer to have a \$25,000 and up to a \$250,000 loan appear on their credit report as Paid as Agreed as a method of creative financing. Although very effective it is often just out of the reach of people trying to build their credit as it requires anywhere from \$750 to \$7,500 upfront. This technique is also subject to unavailability if certain banking laws were to change. Deposit Loan Programs are currently available though and can be used with consumer credit files on social security numbers as well as business and corporate files that are done on TIN's and Dunn and Bradstreet.

When all is said and done, what we all really need to remember is that our credit score is more important now than it ever has been. It is true that credit miracles are not going to occur overnight; however, you can start to create you own credit miracles by using a few of these insider techniques consistently. You may not go to bed with a score of 560 and wake up with a score of 685 but with these techniques you can begin to see your credit score rise. You may even find yourself a member of the exclusive 700 plus credit score club!

About the Author

J Stromsteen has many years expertise in the finance, real estate, and insurance industry. She contributes to various websites such as [First Time Home Buyer](#) where you can find detailed information on getting a [First Time Home Buyers Loan](#).

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