

## First-Aid For Your Credit

One of the best things about getting a fresh start through bankruptcy is it allows you a chance to rebuild your credit rating. However, your credit rating won't improve as long as all your old, negative information is still listed with credit reporting agencies.

All three major credit reporting agencies collected information about you before your bankruptcy, including late payments, charge-offs and judgments. After your discharge, all these debts should be listed on your credit report as "Included in BK." If they are not listed that way, they appear to still be active accounts in collection status, which could limit your ability to get credit.

Unfortunately, creditors rarely report updates in credit records after a bankruptcy discharge. A couple of months after your discharge, you should order credit reports to make sure all your discharged debts are listed as being included in your bankruptcy.

You can contact the three major credit reporting agencies at the following numbers:

Trans Union (800) 888-4213

Equifax (888) 397-3742

Experian (800) 997-2493

Here are some other tips to help you rebuild and improve your credit rating after your bankruptcy discharge:

### **Give Yourself Credit:**

The best way to rebuild your credit after a bankruptcy is to establish accounts that will report positive information on you. Get a single credit card with a small credit limit, use it very sparingly and pay the entire balance every month before the due date.

### **Read the Small Print:**

After your discharge, you may get several offers for credit cards and other loans. Know what you're getting into before you accept these offers. Make sure you understand the interest rate, any other fees and the expected payments before you open a new credit account.

### **Prove It:**

Even after your debts are discharged, you may need proof that you don't owe these creditors any more. Keep a couple of copies of your discharge papers from the court so that you can prove certain debts were discharged if you need to in the future.

### **Pay on Time:**

Most credit cards and utilities report late payments to credit reporting agencies. If you make late payments every month, potential lenders will continue to see you as a poor credit risk. Also, most credit cards add a late fee whenever you're late with a payment. Avoid late fees and reports of late payments by paying your accounts in full before the due date.