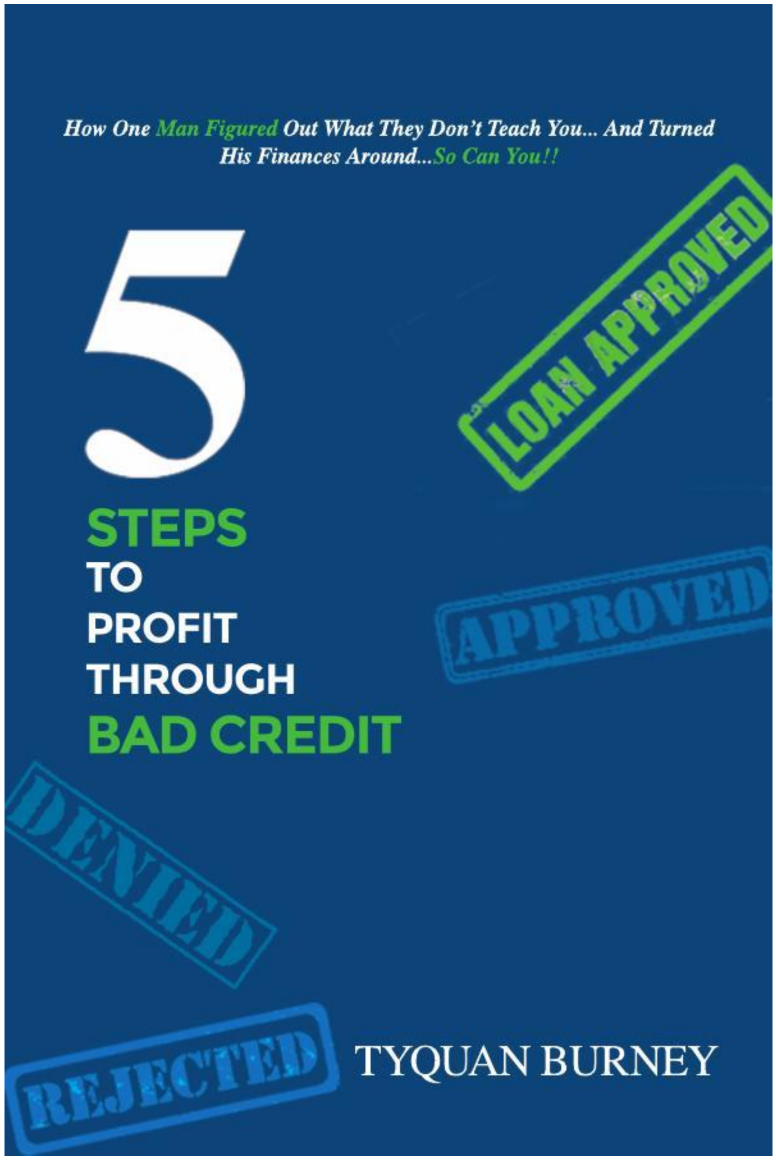

How One Man Figured Out What They Don't Teach You... And Turned His Finances Around...So Can You!!
5
STEPS
TO
PROFIT
THROUGH
BAD CREDIT
LOAN APPROVED
APPROVED
DENIED
REJECTED
TYQUAN BURNEY

What is Credit and Credit Card Debt

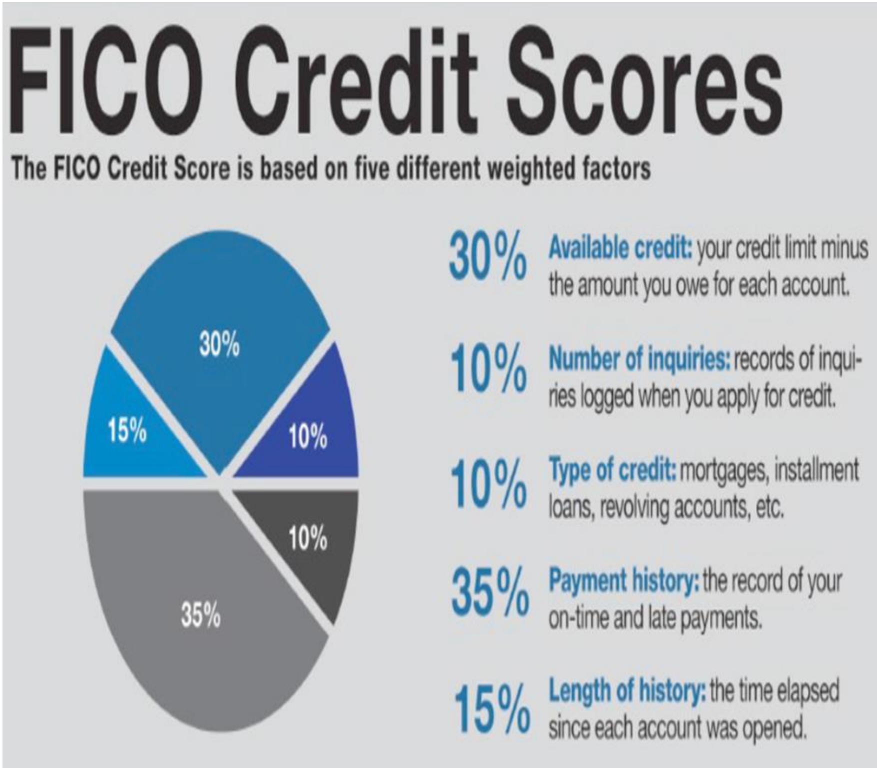
We all know you can’t do much without credit? Credit allows us to buy homes, cars, obtain loans for personal use etc. What is credit though? Credit is the ability of a client to obtain goods or services before payments on the trust that the amount spent or borrowed will be paid back in the near future. This means based off previous relationships you have or have had with other institutions, are you considered a responsible borrower. Do you pay your bills on time? Do you pay back the money you borrowed? Your credit is a representation of you as a borrower.

The factors that determine what type of borrow you are, is represented by a scoring system called FICO. FICO was founded in 1956 by the company Fair Issacs and Company. Bill Fair established a mathematical software that designed algorithms to predict a customers behavior on money borrowed. This system was adopted by major Credit Bureaus such as Transunion, Experian and Equifax. The information supplied by this algorithm generates a score that determines your credit worthiness ranging from a score of 350- 850. Here is a chart below to indicate your risk level to creditors.

CREDIT SCORE CATEGORY

CATEGORY	RANGE
Excellent	750 & Above
Good	700 - 749
Fair	650 - 699
Poor	550 - 649
Bad	550 & Below

The higher the number the more likely a lender will allow you to borrow money in the form of loans, credit cards etc. The lower the number the less likely you will be approved for credit cards, loans etc.



Factors that generate these scores are

According to the American Debt Society, 41% of people have credit card debt. Credit card debt is when a consumer does not pay back the money he or she has borrowed and the balance rolls over occurring fees and penalties. Credit card debt can also be maxing out the amount available on the card.

For example, you have a credit card that has a limit of six thousand dollars. Let's just say, you make a purchase that cost six thousand dollars and you put the entire amount on your credit card, and when the billing statement comes out, you make the minimum payment due, which is eighty dollars. With doing this, you have failed to pay the balance in full. Therefore, carrying over a healthy balance onto next month’s billing cycle. This is considered credit card debt as well.

Business Idea

Let’s say a light bulb clicks about a business you have in mind, but it costs roughly thirty-five thousand dollars to start. You are stoked, you know for sure that it would be great idea and it would make you tons of money fast. Now, the average person doesn’t just have thirty-five thousand dollars laying around somewhere. Maybe you do but I don’t. You have no idea on how to get the money to start this business. Your friends or family don’t have it, so you go to the bank to inquire about a loan or a new line of credit. The bank tells you they can’t approve the loan. You go check your credit report. You ask yourself, “why didn’t I get approved? I have been paying my bills on time and I have never been late on any payments.” Upon looking at your report you observe your score. It’s not the best nor the worst, but you notice that your credit card utilization is eighty percent. You’re probably wondering what is credit card utilization. Credit utilization is a calculated amount that is based off how much you owe compared to the overall card limit. Creditors like to see card utilization under thirty percent. You have four credit cards in total. So, you check your balances on each card

Card A limit is $11,000; Amount owed $10,000 = 90% Card Utilization

Card B limit is $6,000; Amount owed $4,000 = 80% Card Utilization

Card C Limit is $10,000; Amount owed $10,000 = 100% Card utilization

Card D Limit is $12,000; Amount owed $6,000 = 50 % Card utilization

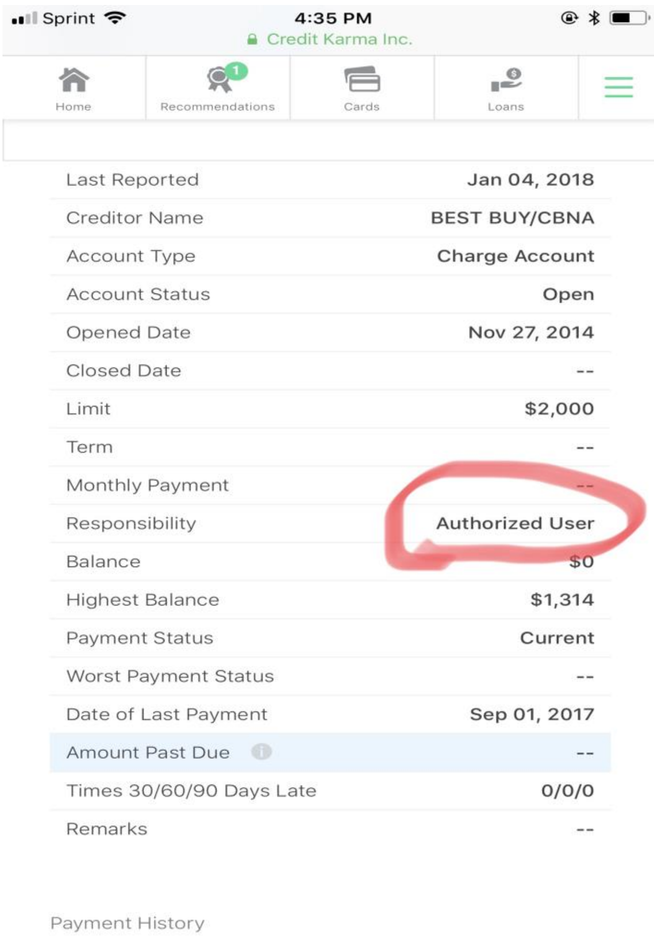
Although you are paying the bills on time and not missing a payment, you are only paying the minimum balance, therefore carrying over balances occurring interest. The 80% card utilization is over the threshold of 30% that lenders consider a responsible borrower. If you apply for any new loan or credit card with 80% card utilization, you will highly likely be denied credit because lenders consider you irresponsible with money, so why would we let you borrow more. Now you're thinking, *I don't have thirty thousand dollars to pay my credit card debt. I will never get that loan I want to start my business*. But what if I told you that you can still get that loan you need to start your business, pay down your credit card debt, lower your credit utilization and profit from it. You are probably thinking *this doesn't make any sense. How is that possible?* This next step by step guidelines will show you how.

<u>Using Tradelines</u>

What are tradelines? Tradelines are lines of credit that a borrower has had open for at least two years, is in good standing and the card utilization is under 30%. (The higher the credit limit and the older the age of the card is considered a good tradeline)

Now you're thinking *where do I find this person? How does this help me? How does this help me get my thirty -five-thousand-dollar loan to start my business?* This person could be sitting next to you, at home cooking you a nice meal, or the friend you had a drink with last weekend. They could be your friends, lovers, or even relatives. Basically, anybody who would let you use their good credit history to boost your credit score. You are still wondering, *ok I find that person then what?* Say you ask your friend Paul does he have a credit card that matches the tradeline criteria (which is a credit card that has been open for at least two years, its in good standing and the card utilization is under 30%). Paul responds, "Yes I do. I have a Capital One card that's seven years old with a high limit of thirty thousand dollars and the balance is low. I never use the card". Now *if* their a friend, they should want to help you. You ask Paul can he add you on his card to report the credit history. He says, "Sure I don't mind helping you." So, he calls the card issuer and let them know he wants to add you to his card. This is known to card companies as an authorized user. Two things happen; 1. He gives the card issuer your personal information; social security number, date of birth and full name to ensure information is reported properly and 2. Within the next forty-five days, the credit history for the card Paul added you on is now showing on your credit report.

Example of what an authorized user would look like on your credit report



Guess what just happened? You check your credit score. You notice a drastic increase in your score and your overall credit card utilization has decrease drastically. I'm sure you are like, "Wow how did that happen?" Upon viewing your credit report, you notice a new credit card on your account. You know it couldn't be yours. It's the Capital One card that your good friend Paul let you use. It's a thirty-five thousand card limit that has a five percent card utilization. This is awesome!!! Remember to always confirm the persons who's card you are using meets the tradeline criteria, to ensure that it reflects your credit score in a positive way. If you need more positive information on your report, you can ask another friend to repeat this process for you in the exact order. Sometimes two good tradelines are better than one.

So now your credit score has increased, your overall utilization is lowered. Congratulations! Overall you look like a responsible borrower. This makes lender's happy. Now you are more likely to get approved for some form of credit than before adding that tradeline. You probably feel like what was once just a dream of owning a business, now seems possible. Hmmm you are probably wondering *I still have credit card debt and don't have the thirty thousand dollars to pay it. What is this doing for me??* Now I introduce you to the power of balance transfer cards.

Balance Transfer Card

What is a balance transfer card? This is still not helping me get the money for my business. A balance transfer card is exactly what it says. These cards allow you to transfer balances or debt on any credit card you own to the balance transfer card. Now wait?? This seems to good to be true. So, you are telling me I can transfer all my credit card debt to this one card and make one monthly payment for all the other cards that have high balances or debt. Yes!! That is exactly what I am saying. Depending on the approval amount from the lender, this will indicate how much is available to transfer the debt from the other credit cards. The way this happens is the lender who approved the balance transfer card, pays the other credit cards company the balance you owe on the card. Pretty cool huh? When this is complete, you no longer have to pay four different credit cards bills. They will all be consolidated into one. Balance transfers are great because they have lower interest rates therefore saving you money.

You should now understand how a balance transfer works and the benefits of it. Now you need to get approved for the card. Since your good friend Paul has let you use his credit history, your score has increased and credit utilization is lowered. You overall appear as a responsible buyer and lenders are lined up to approve you. Where do I find this card? How do I know which one will approve me? I suggest that you shop around to different banking institution. The key is to find an institution that's offer introductory rates, which is usually 0% for the first twelve months. This means you have twelve months to pay that consolidated debt with no interest, meaning you are only paying back the money you used. As far as the approval amount that is up to the lender.

Once you find a bank to go with, now you can apply because your credit score has increased, and your overall utilization is low. You applied and got approved for a thirty-thousand-dollar balance transfer card. Yay! You are now wondering what does this mean? As I stated previously, you got approved for thirty- thousand dollars. This is money to use to pay your high balances and credit card debt. Let's use this previous chart with the credit card balances to illustrate this example.

Card A limit is $11,000; Amount owed $10,000 = 90% Card Utilization

Card B limit is $6,000; Amount owed $4,000 = 80% Card Utilization

Card C Limit is $10,000; Amount owed $10,000 = 100% Card utilization

Card D Limit is $12,000; Amount owed $6,000 = 50 % Card utilization

90% + 80%+ 100%+50 /4 = 80 % Overall utilization

Balance Transfer Card you just got approved for $30,000.

Based on this chart your credit card debt is thirty thousand dollars, your balance transfer card has a limit of thirty-thousand-dollars. So now you have thirty thousand dollars to pay towards your credit card debt. Let's break this down. Card A has a balance of $10,000. Out of the $30,000 balance transfer card you take $10,000 of that and pay the card completely off leaving a zero balance. Card B has a balance of $4,000, you take $4,000 of your transfer card and pay the card completely off leaving card B with a zero balance. Card C has a balance of $10,000, you take $10,000 from the transfer card and pay Card C to a zero Balance. Repeat the same process for Card D.

You just did two things. 1.You just paid all your credit cards off by transferring your balances to one card and 2. You save money because most credit card companies offer introductory rates on balance transfer card. Its usually zero percent interest for the first sixteen months. Therefore, only paying back the money you used.

. You are probably asking yourself, *although I just transferred my debit I still owe that money, right?* Yes, you are right that money still has to be paid but instead of you having maxed out cards and high utilization on four credit cards, you now only have one card with high utilization. Your utilization is based on the average usage of all your credit cards. After all the debt and balances are paid, your new balances will update on your credit score after about thirty days, which is the billing cycle when most creditors report. You check your credit and notice your score has significantly increased. Now it looks like this

Card A limit is $11,000; Balance $0 = 0% Card Utilization

Card B limit is $6,000; Balance $0 = 0% Card Utilization

Card C Limit is $10,000; Balance $0 = 0% Card utilization

Card D Limit is $12,000; Balance $0 = 0 % Card utilization

Balance Transfer Card limit $30,000; Balance $30,000 = 100% Card Utilization

100% + 0%+ 0%+0% +0% /5 =   20 % Overall utilization **Lenders love this**!!

With this balance transfer card you were able to pay off your credit cards bills, drastically decrease your overall card utilization, increased your credit score and saved yourself money because of the interest that you are not paying on the other credit cards.

You are excited now right? Saving money and your credit score is up. Your chances of you getting that loan now is right at your fingertips. You seem like a responsible borrower to lenders now. They are ready to loan you some money.

Apply for a Loan

You have gone from having credit card debt, to adding tradelines, to getting approve for a balance transfer card, transferring all your credit card debt or balances to the transfer card, and lowering your overall card utilization. Now you are ready to apply for that loan to start that business you have been dreaming of.

But, which bank do I go with to get the loan? It's so many out there. I suggest that you go with a bank or credit union that you already have a relationship with or is a member of. This may make the process a little quicker being that they already have your information and you are already in good standing with them. So, you narrow your choices down to two institutions that you have been with the longest and apply for the loan. With the increase in your credit score and overall utilization is low. To the creditors and banks, they know if they loan you money you are more than likely to pay it back. Wow!! You just got approved from Bank A for $16,000 and Bank B for $18,000. That's $34,000 cash you have to start your business. You should be in tears right now. You have just acquired the money to start the business you have dreamed of. Now that you have the money. Let's open this business and profit from it

Profits

You now have the $30,000 you thought you would never have to start your business. Now you ask yourself *how do I profit from this if I have to pay the money back?* Good question! Let me explain; Bank A approved you for $16,000 with a four-year loan repayment plan. Including interest your monthly payment on this loan is $360 a month. Bank B approved you for $18,000 with a four-year loan repayment plan. Including interest your payment every month is $400. Let's do the math 360+400= $760. This is what you are paying total a month for a $34,000 loan. You're probably wondering that's $760 a month I must pay. Look at it like this; you obtained the money to start a business that's going to generate residual income. Now, this the fun part where you start to make money and it all makes sense.

Say your business costs you the entire $34,000, it takes you two months to grow and build your business. Right after that, the business brings in an average of $6,000 a month. This does not only cover the monthly loan payment of $760, but you are profiting $5,240. This is the beauty of it. You never came out your pocket with a dime. You can choose to pay more towards the loan of $34,000 or just pay the monthly payment of $760. Yes, that's right during this entire process you never had to come out your pocket with a dime. This is how to profit through bad credit.

This step-by-step guideline has been proven and profitable. Numbers, names and banks are made up to illustrate scenarios and to explain the process. Although actual results and approval amounts may vary. If followed correctly it has proven to lead to positive results.

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