

Credit Rebuilding

One of the most frequently asked questions by the people we see is *what will happen to my credit rating?* Many people believe they will never be able to get credit again.

The purpose of a consumer proposal or bankruptcy is to give you a fresh start. Although filing a consumer proposal or bankruptcy will stay on your credit report for several years, there are steps you can take now to rebuild your credit. In many cases, you can be approved for a mortgage in as little as two years after you have fulfilled your consumer proposal or are discharged from bankruptcy.

HOW TO OBTAIN A COPY OF YOUR CREDIT REPORT

You can request a copy of your credit report from both credit reporting agencies in Canada for free. If you make your request in writing and send it by mail, Equifax and Trans Union will provide you with a free mailed copy of your report. It is important, however, that you include a copy of two pieces of ID in your request. To request a copy of your free credit report, fill out a form on our website at: smytheinsolvency.com

You can also order your credit report online through the reporting agencies' websites. Although this method is faster, you may have to pay to use the online service.

Equifax

PO Box 190, Station Jean Talon
Montreal, QC H1S 2Z2
1 800 465 7166
www.equifax.ca

Trans Union

201 - 3115 Harvester Road
Burlington, ON L7N 3N8
1 800 663 9980
www.transunion.ca

Factors that reduce your credit score

- Missed payments
- Collections
- Outstanding balances that are too high
- Account has not been open long enough
- Too many accounts with outstanding balances
- Applying for credit too often

Tips to improve your credit score

- Pay your bills on time
- Keep your credit card balances below 75% of your credit limit
- Avoid applying for credit unless you have a genuine need for a new account



UNDERSTANDING YOUR CREDIT REPORT AND CREDIT SCORE

What is a credit report?

There are two primary credit reporting agencies in Canada: Equifax and Trans Union. Lenders and other institutions provide these credit reporting agencies with information about how you pay your bills and other debts. The credit reporting agencies then compile this payment history and public record information into a credit report. Your credit report will also include:

- Identifying information such as your name, current and previous addresses, SIN, telephone number, date of birth, as well as current and previous employers
- Public records, including consumer proposals, bankruptcies and judgments
- A list of credit grantors and other parties that have received your credit information
- Other information, including banking information and collections

Maintain Perspective

Your credit report and credit score are a measurement of your past ability to pay back the money you borrowed. Do not use your credit report or credit score as a measurement of your self-worth. We all agree that a good credit rating is important; however, do not lose sight of what your credit report and credit score measure – the past. Use your credit score as motivation to improve your financial future, and remember that the most important things in life are not money and wealth, but family, health, friends and your spirit.

Call us today **1 888 751 2668**

With more than 35 years of experience, Smythe Insolvency is a dedicated team of Licensed Insolvency Trustees and Qualified Insolvency Counsellors, serving you in nine British Columbia locations. Call us today for your free no-obligation consultation and get on the road to financial freedom.