

No matter what ads say, 'credit repair' is swindle

by: PHIL MULKINS World Action Line Editor
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Dear Action Line: Signs for "credit repair" posted along Tulsa streets and ads on the Internet claim they can "repair" my bad credit so I can get a loan. If this is really possible, great. If not, someone needs to take these signs down and go after these Internet advertisers. — S.T., Tulsa.

"Credit repair" has never been possible. Scam operators rip people off by charging them to "clean up poor credit histories" on their credit reports so they can get car loans, home mortgages, insurance policies, etc.

"No one can remove accurate negative information from your credit report," says the Federal Trade Commission's online fact sheet "Credit Repair" at tulsaworld.com/FTCCreditrepair.

In fact, removal of such data is illegal.

"When negative information in your report is accurate, only the passage of time can assure it will be removed," the fact sheet states. "A consumer reporting company can report most accurate negative information for seven years and bankruptcy for 10 years."

FTC hounds weasels: The FTC announced April 22 that eight credit repair marketers and their principals had been banned by a federal court in New Jersey "from selling credit repair and mortgage relief services." The credit repair defendants were ordered to pay a \$7.5 million judgment, and the loan modification defendants were ordered to pay a \$32,710 judgment for deceiving consumers, the FTC said.

The FTC filed the charges in February 2009 against seven of the companies and three officers. It accused them of making false promises that they would improve consumers' credit scores by removing negative information such as late payments, charge-offs, collections, inquiries, delinquencies, judgments and accounts discharged in bankruptcy. The FTC's complaint alleged that they charged \$2,000 and failed to provide written contracts and other legally required materials.

The FTC added defendants to the case in August, alleging that they and one of the original defendants falsely claimed they would help consumers get mortgage loan modifications or stop foreclosure in all instances. The court entered default judgments against all except Gerald Serino, aka Jerry Serino, after they failed to respond to the lawsuit.

Case files identify the credit repair defendants as: United Credit Adjusters, doing business as United Credit Adjusters and UCA; United Credit Adjusters, dba United Credit Adjusters and UCA; United Counseling Association, dba UCA; Bankruptcy Masters Corp.; National Bankruptcy Services Corp.; Federal Debt Solutions Ltd. and United Money Tree; and Ahron E. Henoeh, Ezra Rishty and Gerald Serino.

The loan modification defendants are Loan Modification Shop; Casey Lynn Cohen, aka Casey Lynn Collins; and Rishty.

Court orders: See "Final orders for permanent injunction and settlement of claims" in FTC vs. United Credit Adjusters Inc. et al at tulsaworld.com/FTCUnitedCreditAdjusters, and for Central Credit LLC at tulsaworld.com/FTCCentralCreditLLC.

Submit Action Line questions by calling 699-8888 or by e-mailing phil.mulkins@TulsaWorld.com or by mailing them to Tulsa World Action Line, PO Box 1770, Tulsa OK 74102-1770.

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