



LIGHTCOMMERCE
CREDIT UNION

WWW.LIGHTCOMMERCECU.ORG

ANNUAL MEETING



Light Commerce Credit Union's 2022 Annual Meeting will be held virtually on Saturday, May 7, 2022 at 10:00 a.m. and will include an overview of the 2021 business year and goals for 2022. The Annual Meeting is your chance to make your voice heard as a Member-owner of Light Commerce Credit Union. There is one position for election. There will be cash prize drawings for members who join on time and stay until the end of the meeting. Text LCCU to 71441 to register.

IN OBSERVANCE OF GOOD FRIDAY,
OUR OFFICES WILL BE CLOSED FRIDAY
APRIL 15, 2022
HAPPY EASTER



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NEW WEBSITE
COMING MAY 1

IN CASE YOU MISSED IT

Light Commerce Credit Union hosted a Credit and Credit Repair webinar on Saturday, March 22, 2022. Questions that were not addressed during the webinar will be answered in this newsletter. The webinar recording is available at <https://youtu.be/rhHTRFnSdhs>. Feel free to share with others!

QUESTION: Is it a good idea to lock your credit? If so, what is the best way and is there a fee?

ANSWER: Credit locks and credit freezes both allow you to restrict access to your credit reports. Credit locks allow you to instantly lock and/or unlock your credit file via a smartphone app or secure website. There may be fees associated with this service.

You can't instantly freeze and/or unfreeze ("thaw") your credit file. Credit bureaus must activate a credit freeze within 24 hours of receiving a request by phone or online. Credit bureaus must unfreeze within one hour of receiving your request provided you know your PIN or password.

QUESTION: I purchased my car three years ago. Since then, my credit score has increased. How can I lower my interest rate? Would trading it for a lower interest vehicle work?

ANSWER: You should consider refinancing when there is an opportunity to lower your interest rate on your existing automobile loan. Keep in mind that based upon the original contract, you may not necessarily lower the monthly payment but you will definitely save interest over the remaining term of the loan.

Choosing to refinance or trade-in your automobile is a personal decision. I recommend looking at both options and determine which works best for you. The automobile industry was impacted by COVID 19 such that the number of new automobiles available to dealerships decreased. As a result, consumers can sell their pre-owned automobiles at an all time high! This may be helpful if you currently have negative equity. Just remember that when you go to purchase another automobile, fewer discounts may be available.

QUESTION: How do you get out of the long term high interest loan (car) if you don't have other accounts open?

ANSWER: This is where credit counseling becomes important. Give us a call at Light Commerce and we will schedule a confidential, virtual session. We will provide you a roadmap to increase your score and refinance your automobile.

QUESTION: Can you request hard inquiries and negative items be removed earlier?

ANSWER: Hard inquiries remain on your report for 2 years. If you see a hard inquiry that is legitimate, there is nothing you can do. If the hard inquiry was not authorized by you, you can dispute. Keep in mind that hard inquiries may stay on your report for 2 years, but they impact your credit score greater during the first twelve months.

Negative items that were reported accurately remain for 7 years. If the negative item is incorrect you can dispute. Remember, the preferred method is via regular mail with each of the credit bureaus.



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Houston, TX 77067



QUESTION: Is the company, LIFE LOCK, a good company to use to protect your personal information and credit information?

ANSWER: There are various companies that offer the service. I suggest you look at the reviews and features on each prior to making a decision; however, I personally use LifeLock.

QUESTION: What 100 word statement can I write for a medical bill over 10 years on my credit?

ANSWER: The 100 word statement is an opportunity for you to explain your side of the story. This information is helpful when creditors review your report, but there is no law that says the creditor has to consider this information when making a decision.

Negative items stay on your report for 7 years. If you have a medical collection that is more than 10 years old, you should dispute it based upon the age of the item.

QUESTION: When there is negative information on the credit report in error and the creditor refuses to delete it, what options are available - including suit?

ANSWER: If the creditor will not delete the item, you should dispute with each of the credit bureaus. Credit Bureaus used to have up to 30 days to respond to a dispute. Due to COVID-19, response time has been increased to 60 days.

If you are not receiving the desired result, you can request again and escalate the dispute. You can also file a complaint with the Federal Trade Commission and/or the Consumer Finance Protection Bureau if you feel the credit bureaus are not providing feedback.

QUESTION: How can I get my ex husband's addresses off my credit report? I disputed online but they keep showing back up.

ANSWER: Anything that is incorrect in the Personal Information section should be disputed. If you are disputing online, try submitting a letter to each of the credit bureaus.

QUESTION: Do you work with people in an open bankruptcy?

ANSWER: Yes. If you are currently in bankruptcy, Light Commerce has products to assist you in rebuilding your credit. Depending on the request, the trustee for the bankruptcy may have to provide written approval for a purchase transaction.

QUESTION: If I come in to the credit union requesting assistance in building my credit score and bring my credit reports, will you pull my credit? If yes, will it be considered a hard inquiry?

ANSWER: Light Commerce Credit Union will only pull your credit if you are looking to make a purchase and the credit union is providing the financing. To schedule a credit counseling session, I require you to pull a current copy of all three credit reports from www.annualcreditreport.com.

When you pull your report, it is considered a soft pull and it will not impact your credit score. In contrast, if you give permission to a creditor to pull your credit, it is a hard pull and it will impact your score. 10% of your FICO score comes from inquiries.



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You can get free copy of your credit report every week through April, 2022 at www.annualcreditreport.com.

QUESTION: When an account is sent to collections, is it better to pay the collection company or to pay the original lender?

ANSWER: You can always check with the original lender to see if they will negotiate with you. If you are successful in this process, please make sure that the original lender updates the collection company so that they can delete the negative item.

If the lender has charged off the debt and sold the debt to the collection company, you will need to negotiate with the collection company. As a reminder from the webinar, you should always send the collection agency a debt validation letter before you confirm the debt. This letter should request the amount of debt, the name of creditor, original creditor's name and address. It should be sent within 30 days of first written contact of the collector and should be sent via certified mail. Once verified, you can enter into a settlement. ALWAYS, get your agreement in writing before you pay any amount, AND ask the collection agency to delete from your credit report.

If the collection agency does not respond to your debt validation request, you should send them a copy of the certified mail receipt, a copy of the debt validation letter, and another letter stating that in accordance with the Fair Debt Collection Practices Act (FDCPA), you will not pay the debt. The debt collection agency is required under the FDCPA guidelines to stop contacting you and until they provide a response your request.

QUESTION: How do medical bills affect credit scores?

ANSWER: When medical debit ends up in collections, it could negatively impact your credit score.

Beginning July 1, 2022, paid medical debt will no longer be included on a consumer credit report. Starting in the first half of 2023, medical bills of less than \$500 will not be reported to credit bureaus.

In addition, the time period before unpaid medical collection debt will appear on your credit report is increasing from 180 days to 365 days. This will give consumers more time to work with their insurance and medical providers to pay the debt.

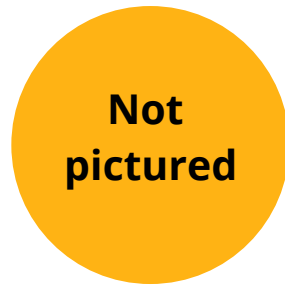


Albert Perry
State Monthly Winner \$25

*Congratulations to our
February Save to Win winners!*



**IT'S A WIN-WIN
SITUATION!**



Joyce Parish
LCCU Monthly Winner \$25



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