

DIY Personal Funding

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MODULE 3: FUNDING

How do we build a credit report after we remove negative accounts? We have to start adding positive accounts. We can obtain positive accounts from auto loans, bank credit, and other tools to help us develop a positive credit profile. You want the proper mix of funding sources to give you proper data points. You need 10 positive accounts to build your credit report.

Using Auto Loans to Build Credit (Swapaleas)

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- Auto loans help you build your credit
- Swapalease allows you to take over someone else's lease.
 - 0 You can find a vehicle for a few months to help you build your credit
 - 0 Creditors are only financing you for the remainder of the lease.
 - 0 You do not have a down payment, but it is a temporary lease.
 - 0 You can use that vehicle for business to drive in a major city.
 - 0 You can charge businesses to put an advertisement on the body of your car. (In some cases, it can cover your monthly payment)
 - 0 You also could allow people to rent your car for the car payment to drive it for Uber Eats or Door Dash.
 - 0 You are using auto loans to help you grow your credit report.

Obtaining Credit from Banks

Banks and credit unions allow you to obtain lines of credit to obtain funding.

- Applying for Credit Cards
 - 0 You open 6 different windows on your computer and apply for all the credit cards at the same time.
 - 0 You are applying for 6 different cards at the same time, but you are applying for Alliant first.
 - 0 Delete the inquiries from your credit report before you apply so the banks won't deny you even if you have open accounts.
 - 0 When you apply for credit cards, they rely on the income that you state that you make.

- o Put a higher income on your application. Be mindful your tax information can be requested.
- o At minimum, you should have \$25,000 worth of credit from your inquiries.
- o At maximum, you should have \$50,000-\$60,000 worth of credit from your inquiries.
- o It is important to know what your credit profile is with Equifax, TransUnion, and Experian.
- o It is important to know which banks pull from a particular credit bureau so that you know what cards you should apply to get.
- o You want all of your credit profiles to be strong with the credit bureaus, but if you have a report that is weak with one bureau, don't apply for a card that pulls from that bureau so that it will not affect your approval.

- **Alliant Credit Union - Preferred Lender**

- o You have to apply to become a member with them.
- o They have a 2% Visa Signature Rewards Program that gives you 2% back on whatever you spend.
- o If you donate to Alliant Credit Union, you can get access to them.
- o They are similar to Navy Federal Union in terms of the size of the loan limits they give.
- o They give \$15,000-\$25,000 for people with mediocre or medium-build credit.
- o Use Alliant to help build your credit once you get established.
- o Open a checking account and then apply to open a credit card.
- o They closely examine credit inquiries, so apply with them first.
- o They are the strictest on credit inquiries.
- o Alliant primarily uses Equifax.

- **Barclays Card**

- o They have an Aviator Card which grants a free companion pass for a year when you spend over \$25,000 dollars.
- o You can earn a free companion pass for one trip when you spend \$3,000-\$4,000.
- o It is connected to American Airlines.
- o You can apply for one credit card per day.
- o Barclays primarily uses TransUnion.
- o They closely examine credit inquiries however not much as Alliant Credit Union, so apply second.

- **Bank of America**

- 0 Business Advantage Travel Card or Bank of America Advantage Card
- 0 2-3-4 Rule - You can get 2 cards every 2 months, 3 cards every 12 months, and 4 cards every 24 months.
- 0 Their rules only apply to cards with Bank of America. They are not judging if you have applied for cards with other banks.
- 0 You can acquire 2 cards.
- 0 They primarily use Experian.
- 0 If you apply for the Business Advantage Travel Card and Advantage Cash Card, you can get 2 credit cards with 1 inquiry with Experian.
- 0 They do not examine credit inquiries as closely as Alliant and Barclays, therefore apply third.

- **Capital One**

- 0 The Savor One card has allied many people to get a credit limit of \$30,000.
- 0 Capital One pulls your credit report from all 3 credit bureaus.

- **Navy Federal Credit Union**

- 0 It gives high credit limits to people who are accepted into their credit union.
- 0 You have to be a member or a family member of someone in the military to be accepted.
- 0 There are ways around the military requirement to join their credit union.
- 0 You can join their credit union with someone if you are a roommate or a family member in the military.
- 0 You can say that you have a grandparent who was in the military who passed away.
- 0 They may ask for that person's information, and you can say that you do not have that information.
- 0 I have seen 80-90% of people who use this method get approved with the credit union.
- 0 Don't apply for a credit card as soon as you open an account.
- 0 Allow your account to remain open for 30 days and build a relationship with the bank before applying for credit.
- 0 This relationship with the bank will help you acquire a higher credit limit when you apply for a credit card.
- 0 If you can set up direct deposit, you can get an extra \$15,000 in funding.

- 0 Do not give someone your membership code because if they do something fraudulent, they can have your membership revoked.
- 0 Navy Federal Credit Union may pull from Equifax or TransUnion.

- **Secured Loans**

- 0 I do not recommend secured credit cards.
- 0 You should apply for a secured loan 3 times, so you have 3 positive accounts in good standing.
- 0 You have 3 payments each month in good standing.
- 0 Put \$1000 in a savings account, and when it is released, put it in another bank.
- 0 You keep repeating the process.
- 0 You should pay the minimum amount each month for 6-9 months to build your credit report and help your credit score grow 6 points for each positive account.
- 0 Use smaller banks like PNC or Regions or local banks depending on where you live.
- 0 Smaller banks typically offer better programs for secure loans.
- 0 Call your local banks and ask about secure loans.

Websites to help you build your credit

- 0 www.creditbuildercard.com
- 0 www.SelfLender.com
- 0 www.myjewelryclub.com
- 0 www.fingerhut.com
- 0 www.gettingtons.com
- 0 www.rentalkarma.com
- 0 www.oxpublishing.com
- 0 www.vitalcard.com
- 0 www.huttonchase.com
- 0 www.crownjewelers.com

MODULE 4: HIDING YOUR UTILIZATION

Important Information on Your Credit Report

- There are 3 dates on a credit card including your due date, closing date, reporting date.
 - Due Date - The date your bill is due.
 - Closing Date - The last day of a credit card's billing cycle and when the credit card statement gets compiled for the account.
 - Reporting Date - The date the credit card company reports your history to the credit bureaus.
- Write down your credit card limits..

Hiding Your Utilization

- It is important for entrepreneurs to learn how to hide their utilization because they can take advantage of multiple streams of income.
- If you have \$50,000 in a line of credit, split your credit cards so half of your lines of credit are due on either date.
 - Make half of them due on the 10th and half of them due on the 24th.
 - You can change your due dates if you contact your credit card company.
 - You have a window in between the payment periods to shift your debt among your cards and avoid interest payments or payments on your balance.
- Switching the bills from the 10th to the 24th, hides your utilization and allows you to have more financial flexibility.
 - Liquidate the cards on the 24th and pay the cards that are due on the 10th. Liquidate the cards on the 10th and pay the cards that are due on the 24th.
 - This process will increase your credit limit, and you can acquire new credit.
- Six months is a good amount of time for entrepreneurs to use the utilization hiding process to allow the business to grow.
 - Businesses fail because they do not have funds necessary to run.
 - Entrepreneurs need funds to propel and sustain their business.
 - They have to reinvest business profits.

- You can take half of your credit amount approval and invest half of the amount and hide your utilization for 6 months and avoid worrying about interest payments.
 - You can allow your investment in your business to grow while flipping the money you have invested.
- Put yourself in a position to win off the things you have.
- How do you hide utilization when your credit cards are maxed?
 - You have to remove at least 30% of your credit card debt.
 - You can follow the same process and split the 30% utilization rate while hiding the other debt.
- Student loan debt does not affect your credit utilization rate.

Liquidating Your Credit Card Debt

- You pay the credit card balances to \$0 for the cards due on the first half of the month by shifting your debt to the cards due on the 24th.
- You are circulating the debt and avoiding interest payments.
- Your credit history does not get impacted negatively and you look like you have a positive payment history.

Credit to Close for Real Estate Investors

- How do I use my credit cards to buy properties?
 - The underwriters cannot see you have a high credit utilization rate.
- Hide your utilization so that you appear as a minimal risk to underwriters.
 - Do not put funds in a checking account so that they do not see that you are using your credit to secure money for a down payment.
- Put the funds in a source account like a parent's account.
 - Your parents can give you a gift of a down payment.
- Allow your parents to give you a gift of a down payment. Then, the underwriters are not able to see that you liquidated your debt to secure the funds for a down payment.

Travel - Perks and Benefits

- Many companies such as Delta partner with other companies and offer affiliate fees which give us discounts on industries such as travel and vehicles.
- These companies have online shopping portals that allow you to earn flight miles if you shop with another partner vendor like Macys.
 - Use the United Shopping Portal to help you earn points (to use with credit card companies).
 - Buy from a store which allows you to return the items in-store so the money back will be deposited in your checking account.
 - Macys is a good choice because they have expensive Rolex watches that are \$5,000-6,000.
 - Make a new account each time with a new email and Google voice number so that they do not see the connection among your accounts.
- Airlines like Delta or United, allow you to earn points that you can redeem for flights perks like upgraded seats for first class seats.
- When you create an online shopping portal profile, you can shop for \$4,000-\$5,000 in merchandise at Macys that you redeem for flight points with airlines like Delta and United.
- When you buy your free ticket or upgrade your seats for your flight using the points that the airlines give you for your shopping, you will have earned travel rewards just for using your card to buy merchandise in a store.
- Then, you can return that merchandise to a store like Macys within the 30-day return period, and you will have achieved totally free flights (Some stores like Neiman Marcus have a 60-day return policy). The shopping portal allows you to achieve free flights.

General Credit Information

- What is credit?
 - Credit is being loaned money in advance which you are going to repay with interest.
- What is a credit report card?
 - It is your financial report card that shows how you have been doing when people lend you money.
 - It shows how well you have handled repaying debt, how much debt you have, how you have kept your accounts, and how much money you have been spending.

- **What does a good credit report look like?**
 - A good credit report has good data points that companies analyze.
- **The credit score is not the only factor in good credit.**
 - We want a credit utilization rate of under 10% that impacts our report positively.
 - A credit utilization rate of over 30% can be damaging to your data analysis point.
 - It should have at least 10 positive accounts on your credit report.
 - You should have 2-3 inquiries on your credit report.
 - You should have zero derogatory reports including no collection accounts.
 - These are the data points that banks use to judge out credit worthiness.
- **It is important to learn for yourself how companies are allowing people to earn higher credit limits.**
- **You need to learn how you can take advantage of the same credit perks that other people are receiving.**
- **Things in credit change all the time, and I want you to be as knowledgeable about trends in the credit industry as possible.**
- **Here are a few great websites for credit repair information:**
 - Doctor of Credit - A company providing credit information and credit card deals to consumers.
 - Credit Boards - A website where you can go and learn what steps persons take when filing disputes with creditors.
- **You can study what people are doing to settle disputes.**
- **You can see the disputes and learn who is doing what.**
- **You can learn what credit cards are giving people higher credit card limits and who is getting approved for those higher limits.**

CREDIT CARDS

Alliant Credit Union

Credit Bureau : Equifax

Card Type : 2% Visa Signature

Barclay's Card

Credit Bureau : TransUnion Card Type: Aviator

Rule : 1 card every day

Bank of America

Credit Bureau : Experian

Card Type : Business Advantage Travel/BOA Advantage Cash Rule:
2/3/4 rule - 2 every 2 mo., 3 every 12 mo., 4 every 24 mo.

Capital One

Credit Bureau : Experian, Equifax, TransUnion Card Type: Savor

Rule : 1 card every 6 mo., 2 cards in total