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DEAR FRIENDS AND COLLEAGUES: 700+ CREDIT SCORE AFTER BANKRUPTCY? YES – IF YOU KNOW HOW!

ONE CLIENT HAD 749 SCORE AFTER ONLY 18 MONTHS

Your credit report is your “adult report card” in a way, showing the history of how you have met your obligations over time. But many people are under the misunderstanding that if they file a bankruptcy case, they will “never” have credit again or “never” be able to buy a house, etc. It is a common myth.

After one of our clients completes a bankruptcy and receives their “Order of Discharge,” we perform a “credit clean-up” for them. This involves asking the 3 major credit bureaus to reinvestigate each of the client’s “tradelines” or creditors that were included in the bankruptcy, and make sure that they are reporting the bankruptcy correctly. This step alone raises our clients’ credit scores from 25- 150 points (over what it would have been), and gives them a head start in reestablishing their credit reputation.

But what else can someone do to increase their credit score? Are there insider “secrets” that can help your credit score recover, or increase whether you have had a bankruptcy or not? Yes, there are. I’ll review one or two things that you can do to help your credit score in each of the next few newsletters.

Number 1- Keep a low “credit utilization ratio.”

Few people have heard of the term “credit utilization ratio.” This is the amount of available credit that you use relative to your credit limit. Let’s say that you have a \$1000 limit on a Capital One credit card. You keep a balance of \$800 on the card.

That means you use 80% of your available credit. That can hurt your credit score! Advice to build credit: Always use 30% or less of your available credit. You can even “trick” the computer scoring “algorithms” by paying down debt right before you apply for a major purchase on credit, like a car or home. This will raise your score!

Or, you can make payments on your credit cards more than once per month, to keep the balance lower at any given time. Or, charge some money on each of several credit cards instead of just one, so that the balance on all of them is under 30%.

Credit experts suggest keeping your utilization rate below 30% for each credit card, and for all your cards

taken together. This proves to potential credit grantors that you are responsible and know how to handle credit, as opposed to having your available credit “maxed out.”

And it’s seems strange, but creditors don’t want to see you having no debt, either. They want to see consumers that use their credit, and are able to manage it responsibly. (continued next month) ■



New Employee Ryan Heinly

One of my chapter 13 paralegal Rob Heinly’s twin sons, Ryan, has come to work for us part-time as a clerk. 18 years old and it’s his first job! Rob says Ryan likes the “paycheck part” of it. Ryan is an Eagle Scout and he is doing a great job for us. Welcome Ryan!

Quotes:

Trust your own instinct. Your mistakes might as well be your own, instead of someone else’s.

—Billy Wilder

Your emotional state has a tremendous amount to do with sickness, health and well-being. For years, my husband and I lived on—and because of—hope. Hope continues to give me the mental strength to carry on.

—Dana Reeve

The two most beautiful words in the English language are “check enclosed.” —Dorothy Parker

We are a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We assist people with finding solutions to their debt and credit problems, including, where appropriate, assisting them with the filing of petitions for relief under the United States Bankruptcy Code.

A LITTLE HUMOR – the “Nothing but the truth” edition

A farmer whose mule was killed in an auto accident sued the driver of the car, citing the farmer’s own injuries. The driver’s lawyer cross-examined him on the witness stand. “Now, Farmer Smith, did you or did you not tell the first officer responding to the scene that you were fine?”

“Well, let me explain—”

“Yes or no, Farmer Smith, please.”

“Well, yes.”

“Then clearly any injuries you suffered could not be the result of the accident?”

“Let me tell you what happened,” the farmer said. “My mule was pulling the wagon when this car came out of nowhere and hit us. I was thrown clear, and before I knew anything the police car was there. My poor mule was dying, and the cop took out his gun and put him out of his misery.”

“Then he looked at me and asked, ‘Are you OK? What would you have said?’” ■

Facts about tax: Some trivia about the U.S. income tax

State and federal income taxes are due to be filed on April 15...

State and federal income taxes are due to be filed on April 15. That’s not a trivial matter, but to ease the pain while you’re filling out the form or writing your check, consider these bits of trivia about the U.S. income tax:

- The first personal income tax in the United States was imposed in 1861, as part of an effort by the government to pay for the Civil War. The first peacetime income tax came in 1894.
- The top tax rate on incomes above \$500,000 was 7 percent in 1913. The government collected a total of \$28.3 million.
- Richard Nixon was the first U.S. president to release his tax returns.
- The box allowing you to contribute \$3 to the Presidential Campaign Fund first appeared on U.S. tax forms in 1973 (when the suggested contribution was \$1).
- The first tax return filed electronically was sent in 1986.

- About 21 percent of paper tax returns contain errors; only 0.5 percent of electronic returns do.

- The Internal Revenue Service employs about 114,000 people. In addition, about 1.2 million people in the U.S. work as tax preparers.

- The IRS received some 142,449,000 income tax returns in the 2012 filing season. Of these, approximately 98,740,000 were filed electronically.



Mr. Black’s Special Report on Foreclosure Now Available- “What You Need to STOP Your Texas Foreclosure Now!”

Who do you know that is in trouble with their mortgage, or in danger of foreclosure? Mr. Black’s new Special Report is now available for download at www.jthomasblack.com.

Thank you for your referrals! We accept cases in the following areas-

Bankruptcy.
Debt Collection Defense.
Debt Collector Harassment.
I.R.S. Collection Defense.
Stop Foreclosure and Repossession.
Student Loan Help.
Family Law/Divorce/Custody.

Unless you authorize it, we never disclose to a referral that you are or were a client or what you hired us for.

ARE YOU IN CHAPTER 13 NOW?

Always keep the law office updated with your current address, telephone numbers, and email address. We may need to reach you quickly.

You can check on the status of your Trustee payments, how much you still owe on your case, etc., by going to www.13datacenter.com to set up your user ID and password. Lose job or overtime? Expenses increase? Want to give up property to lower payments? Call the office for a Motion to Modify worksheet. Complete it and fax it to the office at 713-772-5058. We’ll review it and contact you if a change to your plan is possible.

J. Thomas Black was licensed as an attorney in Texas by the Texas Supreme Court in May, 1982. Mr. Black is Board Certified in Consumer Bankruptcy Law by the Texas Board of Legal Specialization.

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