



EdFed

Federal Lender Code 834241

America's Top Student Loan Consolidator

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How to Qualify to Get Your Account Re-Aged

There are federal rules that dictate who can get their accounts re-aged, and under what circumstances. The rules and regulations concerning re-aging are established by an organization called the Federal Financial Institutions Examination Council. In the year 2000, that entity established rules for re-aging. It said that in order to be considered for re-aging, the following criteria must be met:

- As a borrower, you have to demonstrate that you have the willingness and ability to pay the debt, whatever it might be.
- If it is a credit card account, it has to be at least nine months old. In other words, if you got this card three or four months ago and you slipped up and are already 30, 60, or 90 days past due, this account is not going to be eligible to be re-aged.
- You should also make three consecutive payments at least of the minimum monthly payments that are due. Therefore, you can't just pay some nominal amount or an arbitrary figure based on what you can afford on any given month. You must make the minimum monthly payments required for three consecutive months.
- There is a limit on the number of times you can have an account re-aged. Creditors can only do this once every 12 months and they can only do it twice in a five-year period.
- The accounts being re-aged must be what the credit industry terms as open ended accounts.

Re-aging is an especially beneficial thing if your account was previously very overdue, say a year or more, and you've started making repayments. Remember: by getting an account re-aged, you are sort of setting the clock back in terms of starting over the life of that account, because now it is going to be reflected on your credit report from this point on, as if it is a new account. So that is one of the caveats to doing this procedure.

If you only have two accounts for instance, and one of them gets re-aged you don't want to lower the overall average age of your accounts to such a level that it actually winds up hurting your FICO score. With these basic rules in mind, you may want to call up your creditor and request that they re-age your account.

Sometimes various credit card companies and other financial institutions will only do it if you enter a debt management plan, start some kind of credit counseling program, or if you start some kind of debt workout program. In those instances, they will readily agree to re-age that past due account and bring it up to current status. Once again, you first have to meet those requirements—showing that you actually have the money and the ability to pay the debt; and making those minimum monthly payments three months in a row, and so forth. But even without entering some kind of debt management or credit counseling program, you can get your account re-aged.

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I hope you feel empowered to negotiate with your creditors, and that you've decided on a credit card repayment strategy that will attack your area of pain. Having paid off a mountain of credit card debt myself, I know that becoming debt-free is feasible for most people.