Credit Therapy
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Prepared By: CreditTherapy.com Credit Engineering Team

APPROVAL ENGINEERING REPORT

John Doe

Approval Engineering Program

CLIENT GOAL

AUTO LOAN

TARGET LOAN TYPE: Subprime (601–660+ Near-Prime Auto Loan)

TARGET APPROVAL DATE: September–October 2026

SECTION 1 — CURRENT CREDIT PROFILE SNAPSHOT

TRANSUNION	EXPERIAN	EQUIFAX	NEAR-PRIME TARGET
568	602	585	661+
VantageScore 3.0	VantageScore 3.0	VantageScore 3.0	Prime Tier Auto Loan

Auto Loan (Active)	$22,000 balance — currently 30-day late	**Collections Active**	3 open collections ($4,500+ total)
Payment History	Multiple 30-day lates past 12 months	**Revolving Utilization**	~89% — near maxed on all cards
Hard Inquiries (12 mo.)	1 (acceptable)	**Public Records**	**None ✓**
Charge-offs on File	1 charge-off — $10,400 balance remaining	**Primary Revolving**	2 cards — both near maxed

SECTION 2 — CURRENT STATE VS. TARGET STATE

CREDIT FACTOR	CURRENT STATE	TARGET STATE (AUTO LOAN APPROVAL)	IMPACT
Credit Score	568–602 (Subprime range)	601–660 for near-prime; 661+ for prime tier	HIGH
Active Late Payments	Current auto loan 30-days late NOW	Zero late payments in past 12 months	HIGH
Collections on File	3 open collections — $4,500+ total	Zero collections preferred by auto lenders	HIGH
Charge-off	$10,400 charge-off — open status	Resolved or aged off; open charge-off blocks approvals	HIGH

Revolving Utilization	~89% — both cards nearly maxed	Below 30% per card and overall	HIGH
Payment History	Multiple 30-day lates in past 12 mo.	Zero new late payments for 12 consecutive months	HIGH
Hard Inquiries	1 inquiry (12 months)	Under 2 — already acceptable ✓	LOW
Public Records	None	None required — already clear ✓	N/A

SECTION 3 — PRIORITY ACTION PLAN & CHECKLIST

■ MOST URGENT: John has an active 30-day late payment on his current auto loan. No auto lender will approve a new auto loan while an existing auto loan is currently delinquent. Bringing this account current is Job #1 before any other step in this program.

PRIORITY 1 — IMMEDIATE ACTIONS (Days 1–30) | STOP THE BLEEDING

1 Bring Current Auto Loan Current Immediately — Pay All Past Due Amounts NOW

John's active auto loan is currently 30 days late. This is an automatic denial trigger with every auto lender — no exceptions. Bringing this account current stops new late marks from compounding and starts the 12-month clean payment history clock that lenders require. This single action is the highest-impact move on the entire report.

Timeline: Immediately — within the next 5–7 days **Score Impact:** +15–35 pts once account shows current on next reporting cycle

2 Pay Down Revolving Cards from ~89% to Below 30% Utilization

John's revolving utilization is approximately 89% across both cards — a massive score suppressor. Paying both cards down to below 30% of their respective limits is one of the fastest scoring levers available. Utilization updates every monthly reporting cycle, meaning score improvements appear quickly. Target each card individually to below 30%, and overall utilization below 20% for optimal impact.

Timeline: Days 1–21 — pay down before next reporting cycle **Score Impact:** +30–60 pts combined upon next reporting cycle

3 Send Debt Validation Letters to All 3 Active Collection Agencies

John has 3 active collections totaling $4,500+. Before paying or negotiating anything, demand written debt validation from each collector via certified mail. Under the FDCPA, collectors must validate the debt or cease collection activity. If any collector cannot validate, the item must be removed from all bureaus. This is the mandatory first step before any payment negotiations.

Timeline: Days 1–14 — send certified mail to all 3 collectors **Score Impact:** +20–60 pts per collection removed

4 Apply for 1 Secured Credit Card to Add a Positive Primary Revolving Account

Adding a new secured card with low utilization improves credit mix and builds positive payment history simultaneously. Apply for Capital One Quicksilver Secured ($200 deposit, $0 annual fee) or Discover It Secured ($200 deposit, $0 annual fee) — both report to all 3 bureaus. Use for 1–2 small purchases monthly and pay in full every month. Keep utilization below 10%.

Timeline: Days 1–30 — apply after existing cards are paid down **Score Impact:** +15–30 pts after first 60 days of positive reporting

5 Save for a Down Payment of at Least 15% of Vehicle Price

A meaningful down payment is a powerful compensating factor for subprime and near-prime auto lenders. If John's score is in the 580–620 range at the time of application, a 15–20% down payment significantly improves approval odds and lowers the interest rate offered. On a $25,000 vehicle, that's $3,750–$5,000. Prioritize saving this alongside the credit repair work.

Timeline: Days 1–180 — build savings in parallel with credit program **Score Impact:** Major compensating factor — improves approval odds and rate significantly

PRIORITY 2 — SHORT-TERM ACTIONS (Days 31–90) | REMOVE NEGATIVES & BUILD HISTORY

6 Follow Up on All Dispute Investigations and Escalate Where Needed

Bureau investigations must be completed within 30–45 days per the FCRA. Follow up on all open disputes at the 35-day mark. If any bureau verifies an item as accurate but the information appears incorrect, escalate to a direct data furnisher dispute with the original creditor or collection agency simultaneously.

Timeline: Days 35–60 — follow up on all open disputes **Score Impact:** Ongoing — critical to keep dispute process moving

7 Negotiate Pay-for-Delete on Smallest Collections After Validation Responses

After receiving validation responses from the 3 collection agencies, identify which balances are smallest and most likely to negotiate. Contact each agency offering full payment in exchange for complete deletion from all three bureaus. Always get the written deletion agreement BEFORE making any payment. A paid collection without deletion still damages the score.

Timeline: Days 31–60 — after debt validation responses received **Score Impact:** +20–50 pts per collection removed upon deletion

8 File a Credit Union Pre-Approval Application as a Soft-Pull Check

Credit unions offer the most favorable near-prime auto loan rates and are more flexible with recent credit challenges than banks or dealership financing. At Day 45–60, if collections are being resolved and the score is approaching 580+, file a pre-qualification with a local credit union using their soft-pull option. This gives a realistic picture of approval odds without damaging the score.

Timeline: Days 45–60 — soft-pull pre-qualification only **Score Impact:** No score impact — progress check and rate benchmark

9 Keep All Accounts at Zero New Late Payments — Set Up Autopay on Everything

Set up autopay for at least the minimum payment on every open account immediately — existing auto loan, all credit cards, and the new secured card. Auto lenders review the full 24-month payment history on every tradeline. Even one new 30-day late during this program can set the timeline back significantly.

Timeline: Set up immediately — maintain throughout entire program **Score Impact:** Foundation — every new late payment resets the clock

10 Target a Credit Union for Auto Loan Application at Day 90+

Credit unions are the preferred lender for near-prime borrowers. They evaluate the full member relationship, are more flexible on recent derogatory history, and typically offer 2–4% lower interest rates than subprime auto lenders. Identify and join a credit union now (most have easy eligibility through community membership or employer). Having an established account relationship further improves approval odds.

Timeline: Join now — apply for auto loan at Day 90+ when score improves **Score Impact:** Best rates and most flexible approval criteria for near-prime borrowers

PRIORITY 3 — MEDIUM-TERM ACTIONS (Days 91–180) | FINAL PUSH TO APPROVAL

11 Apply for Auto Loan Approval at Day 90–120 Through Credit Union

Once John has 90 days of clean payment history, collections are being resolved, and the score is approaching 601+, submit a formal auto loan application through the credit union. If the score is in the 580–600 range, bring the maximum down payment possible (15–20%) and a co-signer if available to strengthen the application.

Timeline: Days 90–120 — with credit union as first choice lender **Score Impact:** Near-prime approval target: 12–16% interest rate with 15% down

12 Negotiate Settlement on Charge-off ($10,400) — Do Not Ignore

The open charge-off with a $10,400 balance remaining is a significant blocker for prime-tier approvals. Contact the current holder to negotiate a settlement. Attempt pay-for-delete first. Even if deletion is not possible, settling the account removes the "open" derogatory status which is what lenders see most negatively. A settled charge-off is meaningfully better than an open one.

Timeline: Days 91–150 — negotiate settlement **Score Impact:** +20–45 pts if resolved; removes prime-tier approval blocker

13 Consider Becoming an Authorized User on a Strong Established Account

If John has a family member or trusted contact with a credit card that is 3+ years old, has a $5,000+ limit, zero late payments, and low utilization (below 20%), being added as an authorized user can provide a significant score boost. The positive history reports within 30–60 days. John does not need to use the card.

Timeline: Days 91–120 — identify qualified primary account holder **Score Impact:** +20–50 pts depending on age and limit of the account

SECTION 4 — DISPUTE STRATEGY

ITEM	BUREAU(S)	BALANCE	BASIS	METHOD	PRIORITY
Collection Account #1	**All 3 Bureaus**	**~$1,800**	Unverifiable — bulk debt buyer; request full chain of ownership documentation	Bureau + Data Furnisher	**HIGH**
Collection Account #2	**TU + EX**	**~$1,400**	Unverifiable — request original account agreement and payment history	Bureau + Data Furnisher	**HIGH**
Collection Account #3	**EX + EQ**	**~$1,300**	Unverifiable; verify accuracy of original delinquency date for 7-yr clock	Bureau + Data Furnisher	**MEDIUM**
Charge-off Account	**All 3 Bureaus**	**$10,400**	Verify DOFD — if approaching 7-year window, dispute for mandatory removal	Bureau + Data Furnisher	**MEDIUM**
Late Payment History	**All 3 Bureaus**	**N/A**	Goodwill letter after 6 months of clean payments — not a direct dispute	Goodwill Letter Only	**LOW**

■■ LEGAL NOTE: Only inaccurate, unverifiable, outdated, or unlawfully reported items may legally be removed from a credit report. Accurate, verified items cannot be removed regardless of their impact. Disputes are one component of the Approval Engineering Program — not the entire solution. Each bureau has 30–45 days to investigate per the FCRA.

SECTION 5 — STRATEGIC CREDIT BUILDING RECOMMENDATIONS

01 Secured Card Strategy — Build Primary Revolving History

Apply for Capital One Quicksilver Secured or Discover It Secured. Deposit $200–$300. Use for 1–2 small purchases monthly and pay in full. Keep utilization below 10% at all times. After 6–8 months of perfect history, both issuers typically upgrade to unsecured cards and return the deposit.

02 Credit Union Relationship — Join Now, Apply Later

Identify and join a local credit union before applying for the auto loan. Credit unions evaluate the full member relationship, offer more flexibility on recent derogatory history, and typically offer 2–4% lower rates than subprime auto lenders. Having an established account relationship of 60–90 days further strengthens the application.

03 Authorized User Strategy — Rapid Score Bridge

If a family member or trusted contact has a card that is 3+ years old with a $5,000+ limit, zero late payments, and under 20% utilization — being added as an authorized user can add 20–50 points within 30–60 days without John needing to use the card.

04 Do NOT Apply for Auto Loan Until These Conditions Are Met

■ Current auto loan fully current with 60+ days of on-time payments | ■ Revolving utilization below 30% | ■ At least 1–2 collections removed or in pay-for-delete negotiation | ■ Score at 580+ minimum (601+ preferred) | ■ Down payment of 15%+ saved

Recommended Auto Lenders at Target Score Range:

SCORE RANGE	RECOMMENDED LENDERS	TIER
568–600	Capital One Auto, Westlake Financial, DriveTime	Subprime
601–640	Credit Unions (preferred), CarMax Finance, Carvana	Near-Prime
641–660	Credit unions, regional banks, franchise dealer financing	Near-Prime → Prime

SECTION 6 — APPROVAL ENGINEERING TIMELINE

PHASE	TIMEFRAME	KEY ACTIONS & MILESTONES	PROJECTED SCORE
Phase 1 Stop the Bleeding	Days 1–30	Auto loan brought current · Both cards paid to 30% · Debt validation letters sent to all 3 collections · Secured card applied	590–620 +15 to +40 pts
Phase 2 Build + Clear	Days 31–90	Pay-for-delete negotiations on collections · Dispute follow-ups completed · Secured card reporting 60+ days · Credit union joined	610–640 +20 to +40 pts
Phase 3 Final Push	Days 91–180	Auto loan application submitted via credit union · Charge-off settlement negotiated · Authorized user strategy implemented	630–661+ +20 to +30 pts
TARGET APPROVAL	Sept–Oct 2026	**Near-Prime Auto Loan via Credit Union · Rate: 10–16% · Down payment: 15%+ · Score target: 601–661+**	601–661+ Near-Prime ✓

SECTION 7 — WHAT SUCCESS LOOKS LIKE

When John's Credit Engineering Program is complete, his credit profile will show: a credit score of **601–661+**, his current auto loan **fully current with 6+ months of on-time payments**, at least **1–2 collections removed** from the report, revolving utilization **below 30% across all cards**, and **no new derogatory marks in the past 6 months**.

At that point, John will qualify for a **near-prime auto loan through a credit union or near-prime lender**, with a realistic path to prime rates if he continues the program beyond 180 days. Expected interest rate: **10–16%** with a 15% down payment.

Every step in this plan exists to get John approved and behind the wheel. Heal. Restore. Achieve.

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