



# APPROVAL ENGINEERING REPORT

## John Doe

Approval Engineering Program

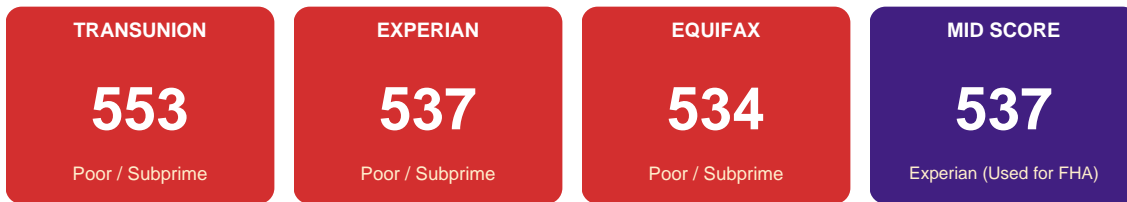
CLIENT GOAL

MORTGAGE — HOME PURCHASE

TARGET LOAN TYPE: FHA Mortgage (Best Available Path)

ANALYSIS TYPE: 3-Bureau Analysis

### SECTION 1 — CURRENT CREDIT PROFILE SNAPSHOT



<b>Revolving Utilization</b>	Low / No Revolving Limit Reported	<b>Hard Inquiries (24 mo.)</b>	1 (TU only — SYNCB)
<b>Open Accounts</b>	TU: 10   EX: 3   EQ: 7	<b>Public Records</b>	None Reported
<b>Derogatory Items</b>	5 (TU/EX)   4 (EQ)	<b>Active Collections</b>	5 across bureaus
<b>Auto Loan (Bridgecrest)</b>	Currently 30-Day Late / \$484 Past Due	<b>Student Loan (Nelnet)</b>	120-Day Late History / \$66,234 Balance

### SECTION 2 — CURRENT STATE VS. TARGET STATE (FHA MORTGAGE)

CREDIT FACTOR	CURRENT STATE	FHA TARGET STATE	IMPACT
<b>Credit Score (Mid)</b>	537 (Experian — mid score)	580+ for 3.5% down; 620+ for best terms	HIGH
<b>Active Collections</b>	5 open: LVNV \$494, NCB \$2,114, Portfolio \$684, Portfolio RC \$684, RNT \$4,252	Zero active collections preferred; all must be addressed before closing	HIGH
<b>Late Payments — Auto (Bridgecrest)</b>	7–8 lates (30-day) + 3 lates (60-day) in past 12 months; currently past due \$484	Zero 30-day lates in past 12 months; account must be current	HIGH
<b>Student Loan (Nelnet)</b>	120-day late history; currently deferred — \$66,234 balance	Current / approved deferment or IBR; balance factored into DTI at 0.5–1%	HIGH
<b>Charge-Off — Santander</b>	Charge-off on Experian; \$26,575 original balance; purchased by another lender	Resolved or aged out; unpaid charge-offs are major FHA red flags	HIGH

<b>Revolving Credit</b>	Only 1 AU revolving (Cap One \$500 limit, \$97 balance); no primary revolving	2–3 primary revolving accounts with low utilization required by FHA	<b>MED</b>
<b>Debt-to-Income Ratio</b>	Unknown without income — known obligations \$449+/mo	Back-end DTI below 43%; must include proposed mortgage payment	<b>MED</b>
<b>Account Age / Depth</b>	Oldest account 2010 (positive); many closed or transferred	3+ active tradelines with 12+ month history required	<b>MED</b>

## SECTION 3 — PRIORITY ACTION PLAN & CHECKLIST

### PRIORITY 1 — IMMEDIATE ACTIONS (Days 1–30)

#### 1 Bring Bridgecrest Auto Loan Current Immediately

The auto loan is currently 30-days late with \$484 past due and has accumulated 7–8 lates in the past 12 months. No FHA lender will approve a mortgage while a current installment account is delinquent. This is the single most urgent action on the report.

**Timeline:** Pay \$484 past due within 7 days — then maintain every subsequent payment on time without exception **Score Impact:** +15–35 pts over 3–6 months of on-time payments

#### 2 Confirm Nelnet Student Loan is in Approved Deferment or Income-Based Repayment (IBR)

The student loan shows 120-day late history and is currently listed as deferred. FHA requires either zero payment confirmation via IBR or that the account is fully current. The \$66,234 balance will be factored into DTI at 0.5–1% (\$331–\$662/mo) if no payment is documented.

**Timeline:** Contact Nelnet within 7 days to confirm deferment or set up IBR — obtain written documentation **Score Impact:** Critical for DTI calculation and FHA eligibility

#### 3 Send Debt Validation Letters to All 5 Active Collection Agencies

Active collections: LVNV Funding (\$494), NCB (\$2,114), Portfolio (\$684), Portfolio RC (\$684), RNT Debt (\$4,252). Under the FDCPA, John has the right to demand written debt validation from each collector. This starts the clock on their required response timeline and is the first step before any payment negotiations.

**Timeline:** Send certified mail to all 5 collectors within 14 days **Score Impact:** +20–50 pts potential per collection removed

#### 4 Apply for 1 Secured Credit Card — Establish Primary Revolving Account

John has no primary revolving account in her own name — only an authorized user account. FHA lenders require demonstrable primary credit management. Opening a secured card now gives it 12 months to age before a mortgage application. Apply for Capital One Quicksilver Secured (\$200 deposit) OR Discover It Secured (\$200 deposit) — both report to all 3 bureaus.

**Timeline:** Apply within the first 30 days — use for 1–2 small purchases monthly, pay in full **Score Impact:** +20–40 pts after 3–6 months of responsible use

### PRIORITY 2 — SHORT-TERM ACTIONS (Days 31–90)

#### 5 Negotiate Pay-for-Delete on Small Balance Collections (LVNV \$494, Portfolio \$684, Portfolio RC \$684)

The three smallest collections total \$1,862. Contact each collector and offer payment in exchange for complete deletion from all credit bureaus. LVNV and Portfolio are known to negotiate. Critical: Always negotiate deletion in writing BEFORE paying. A paid collection without deletion still damages the score.

**Timeline:** After debt validation responses received (30–45 days) — negotiate in writing **Score Impact:** +40–80 pts combined if all three removed

## 6 Dispute RNT Debt Collection (\$4,252 — Lumaire West Palm Beach) for Unverifiability

Rent collection debts are among the most frequently unverifiable accounts — property management companies often cannot produce the lease, ledger, and proper documentation required. Account opened 10/2025, was immediately reported, and prior disputes are noted. File bureau disputes and data furnisher dispute concurrently.

**Timeline:** File bureau disputes + data furnisher dispute by Day 45 **Score Impact:** +30–60 pts if removed

## 7 Address Santander Consumer USA Charge-Off (Experian Only — \$26,575 original)

This 2020 charge-off appears only on Experian. The account was purchased by a secondary lender who frequently cannot verify the full payment history required by FCRA. If the original delinquency was March 2020, the 7-year removal date is approximately March 2027 — close regardless. Best strategy: dispute with Experian directly for unverifiability.

**Timeline:** Dispute with Experian by Day 60 — secondary purchaser unverifiability basis **Score Impact:** +20–40 pts on Experian if removed

## 8 Apply for Second Secured or Starter Unsecured Card

After the first secured card is open and in good standing for 60 days, apply for one additional card. FHA lenders want to see 3+ active, well-managed tradelines. Options: Discover It Secured (if not already opened) OR Self Credit Builder Account. Keep utilization below 20% on all cards.

**Timeline:** Apply at least 90 days after first card application **Score Impact:** Builds tradeline depth required by FHA lenders

### PRIORITY 3 — MEDIUM-TERM ACTIONS (Days 91–180)

## 9 Address NCB Collection (\$2,114 — Finwise Bank) via Pay-for-Delete or Dispute

NCB reports on TransUnion and Experian. Finwise Bank is a fintech lender — these debts are sold quickly and verification documentation is often not retained. The Equifax inconsistency (not reporting there) supports the unverifiability argument. Attempt pay-for-delete first; escalate to direct Finwise Bank dispute if NCB cannot verify.

**Timeline:** Days 91–120 — after smaller collections are resolved **Score Impact:** +25–50 pts if removed

## 1 Send Goodwill Letters to Bridgecrest for Late Payment History Removal

Once Bridgecrest is current and 6 months of consecutive on-time payments are established, write a goodwill letter asking for removal of the 30 and 60-day late marks. Cite consistent recent payments, long account tenure (opened 2020), and strong commitment to maintaining the account. Bridgecrest occasionally honors goodwill requests.

**Timeline:** After 5–6 consecutive on-time payments are established **Score Impact:** +20–40 pts if lates removed

## 1 Authorized User Strategy Upgrade — Identify Qualified Primary Account Holder

John is currently a Cap One AU (Equifax only, \$500 limit). The best strategy: identify a family member or trusted person with a card that is 3+ years old, \$5,000+ limit, utilization under 15%, and perfect payment history on all 3 bureaus. Being added could add years to average account age. John does NOT need to use the card.

**Timeline:** Identify and request by Day 90–120 **Score Impact:** +25–60 pts depending on the account added

## 1 Pre-Qualification Check with FHA-Approved Lender at Day 150

At the 5-month mark, if collections are resolved, Bridgecrest is clean, and 2 new revolving accounts are in good standing, the score should be approaching 580–620. Do a soft-pull pre-qualification with an FHA lender to measure progress and identify any remaining gaps before a formal hard-inquiry application.

**Timeline:** Day 150 — use a mortgage broker who offers soft-pull pre-qualification **Score Impact:** No score impact — progress check only

### SECTION 4 — DISPUTE STRATEGY

<b>LVNV Funding LLC — \$494 (Comenity Bank / Victoria's Secret)</b>	<b>UNVERIFIABLE + BUREAU INCONSISTENCY</b>
<b>Bureaus:</b> Experian + Equifax	
<b>Method:</b> Debt validation + data furnisher dispute + bureau dispute (dual-track)	
<b>Basis:</b> Account bought and resold — third-party verification often fails. Inconsistent reporting across bureaus (22x 90-day lates on EQ vs. clean history on EX) is a disputable FCRA discrepancy.	
<b>NCB Management — \$2,114 (Finwise Bank)</b>	<b>UNVERIFIABLE + INCONSISTENT REPORTING</b>
<b>Bureaus:</b> TransUnion + Experian (NOT on Equifax)	
<b>Method:</b> Bureau dispute + direct data furnisher dispute with Finwise Bank	
<b>Basis:</b> Fintech lender debts are sold quickly — verification documentation often not retained. Absence from Equifax entirely supports unverifiability argument.	
<b>Portfolio / Portfolio RC — \$684 each (Credit One Bank N.A.)</b>	<b>RE-AGING VIOLATION + UNVERIFIABLE</b>
<b>Bureaus:</b> Portfolio: Equifax only   Portfolio RC: TU + Experian	
<b>Method:</b> Debt validation first; pay-for-delete negotiation preferred over dispute given small balance	
<b>Basis:</b> Credit One charge-offs resold to Portfolio Recovery frequently disputed for re-aging of original delinquency date — potential FCRA violation.	
<b>RNT Debt — \$4,252 (Lumaire West Palm Beach — Rent)</b>	<b>UNVERIFIABLE + INSUFFICIENT DOCS</b>
<b>Bureaus:</b> All 3 Bureaus	
<b>Method:</b> Bureau dispute + data furnisher dispute with original landlord	
<b>Basis:</b> Rent collection debts are among the most unverifiable — property managers rarely retain complete lease/ledger documentation. Opened 10/2025, immediately reported, prior disputes noted.	
<b>Santander Consumer USA Charge-Off — \$0 balance (original \$26,575)</b>	<b>UNVERIFIABLE BY SECONDARY BUYER</b>
<b>Bureaus:</b> Experian ONLY	
<b>Method:</b> Experian bureau dispute + data furnisher dispute with current holder	
<b>Basis:</b> Secondary purchaser cannot verify full original payment history per FCRA. Original delinquency March 2020 — 7-year removal date approximately March 2027 regardless.	
<b>Bridgecrest Auto — Late Payment History</b>	<b>GOODWILL REQUEST ONLY</b>
<b>Bureaus:</b> All 3 Bureaus	
<b>Method:</b> Goodwill letter ONLY after account is current — do NOT dispute while delinquent	
<b>Basis:</b> Account must be brought fully current first. Goodwill letters citing improved behavior after 5–6 consecutive on-time payments. Do not dispute accurate late payments.	

■■ LEGAL NOTE: Under the FCRA, only inaccurate, unverifiable, outdated, or unlawfully reported items may be legally removed from a credit report. Accurate items verified by the data furnisher cannot be removed through dispute. Disputes are one component of John's Approval Engineering Program — not the complete solution. Building positive credit, maintaining on-time payments, and strategic account management are equally critical.

## SECTION 5 — STRATEGIC CREDIT BUILDING RECOMMENDATIONS

### 01 Primary Revolving Account — Secured Card #1 (Month 1)

Apply for Capital One Quicksilver Secured or Discover It Secured. Deposit \$200. Use for 1–2 small purchases per month (gas, groceries). Pay in full each month. Never carry more than 10% utilization (\$20 on a \$200 limit). This establishes primary credit management history in John's name — required by FHA lenders.

### 02 Primary Revolving Account — Secured Card #2 (Month 3–4)

After Card #1 is established for 90 days, apply for a second secured card. Discover It Secured and Self Credit Builder are both strong options. Two primary revolving accounts plus the existing AU account gives John the tradeline depth FHA lenders require.

### 03 Authorized User Strategy — Upgrade Current AU Account

The current AU account (Cap One, \$500 limit, Equifax only) provides minimal benefit. Identify a family member with a card that has: 3+ year history, \$5,000+ limit, utilization under 15%, zero lates on all 3 bureaus. Being added can provide significant score boost within 30–60 days. John does NOT need to use the card.

### 04 Bilt Rewards Rent Reporting — Maintain and Leverage

John already has Bilt Rentpmt and Flex rental payment accounts reporting on her credit. These are positive assets showing consistent rental payment history. Ensure these accounts stay current and in good standing — they contribute to payment history and account depth for FHA qualification purposes.

## SECTION 6 — APPROVAL ENGINEERING TIMELINE

PHASE	TIMEFRAME	KEY ACTIONS & MILESTONES	EST. SCORE MOVEMENT
Phase 1 Foundation	Days 1–30	Bring Bridgecrest current · Confirm student loan status · Send all 5 debt validation letters · Open Secured Card #1	+10 to +25 pts
Phase 2 Dispute + Build	Days 31–90	File all bureau + data furnisher disputes · Negotiate pay-for-delete on LVNV, Portfolio, Portfolio RC · Address Santander on Experian · Open Secured Card #2	+40 to +90 pts cumulative
Phase 3 Final Push	Days 91–180	Address NCB collection · Bridgecrest goodwill letters · Upgrade AU strategy · Soft-pull pre-qualification check at Day 150	+60 to +120 pts cumulative total
TARGET APPROVAL	Oct–Nov 2026	Projected Score: 580–640+   Recommended: FHA — 3.5% down payment	580–640+ Projected

## SECTION 7 — WHAT SUCCESS LOOKS LIKE

When John's Credit Engineering Program is complete, her credit profile will show: a credit score of **580–640+**, **zero open collections**, the Bridgecrest auto loan **fully current with 6+ months of clean payment history**, the student loan **confirmed in good standing or IBR**, credit utilization **below 15%** across 2–3 primary revolving accounts, and **zero derogatory marks within the past 12 months**.

At that point, John will qualify for an **FHA mortgage with a 3.5% down payment**, competitive interest rates, and the ability to purchase her own home.

**This is her approval blueprint — and every single step in this plan exists to get her there.**