



FundFoundr

Credit Myths & Viral “Hacks” Debunked

What the internet gets wrong about credit — and the real story, so your file (and your record) stay clean

Credit advice is everywhere — TikTok, Instagram, YouTube, the group chat. Some of it is harmless. Some of it quietly sets your file *back*. And a few “hacks” going viral right now are actually **federal crimes** that can follow you for years. Here are the eight we hear most, with the plain-English truth behind each. The short version: while **we** handle your disputes the right way, your one job is to not let a viral video undo the work — when something online sounds too good to be true, send it our way before you act.

MYTH 1

“Carry a small balance on your card to build credit.”

THE REALITY

There's a real grain of truth here, wrapped in a costly myth. You never have to *pay interest* to build credit — letting a balance revolve month to month does nothing for your score. What actually matters is utilization: the balance that *reports* to the bureaus (your statement balance) should stay low, and reporting a small balance — under about 10% of the limit — can even edge out showing \$0 on every card. The free win is to let just **one** card report that small balance, then pay it in full by the due date: same scoring benefit, zero interest. Newer mortgage models also track your balances over about two years and reward paying down — never paying interest. Our **Utilization Playbook** walks through exactly how.

MYTH 2

“Close your old credit cards to clean things up.”

THE REALITY

Closing a card usually **hurts**. It shrinks your total available credit, which pushes your utilization up — one of the biggest pieces of your score — and your oldest accounts anchor your credit age. Keep old cards open (especially no-annual-fee ones) and use them lightly so they stay active. If a card feels like a problem, talk to us before you close anything.

MYTH 3

“Checking your own credit lowers your score.”

THE REALITY

Checking your own report or score is a “soft” check — it has **zero** effect, ever. Only a “hard” check, which happens when *you apply for new credit*, can nudge your score (usually a few points, fading within a year). So check your dashboard as often as you like — that's how you watch your progress. Shopping for one auto loan or mortgage? Rate-shopping inside a short window counts as a single inquiry.

MYTH 4

“A ‘609 letter’ legally forces the bureaus to delete accurate items.”

THE REALITY

There's no magic letter, and the “609” label is a myth. Section 609 of the Fair Credit Reporting Act simply lets you *request* the information in your file — it has no power to force a deletion, and accurate items don't have to be removed. But “no magic letter” does **not** mean “nothing can come off.” Items that are inaccurate, outdated, or that a furnisher can't verify *can* be challenged under the FCRA — and that's exactly the process we run for you: we gather the proof, challenge the furnishers and bureaus, and escalate (including to the CFPB) when they don't play by the rules. You don't send a template and hope — you have a team working the real process.

MYTH 5

“A CPN (Credit Privacy Number) gives you a fresh, legal credit identity.”

WARNING — THIS ONE IS A CRIME

THE REALITY

A CPN is not issued or recognized by any government agency. Using one in place of your Social Security number on a credit application is fraud, full stop — and many CPNs being sold are actually **stolen** Social Security numbers, often taken from children or seniors. People have gone to federal prison for this. There is no legal “new identity.” The legitimate path is the one we're already on with you.

MYTH 6

“File an identity-theft report to wipe out debts that are really yours.”

WARNING — THIS ONE IS A CRIME

THE REALITY

Identity-theft protections exist to help *real victims* — and filing a *false* identity-theft report is a federal crime, because you're swearing to something untrue. It can wreck your credibility and stack criminal charges on top of the debt. If you are genuinely a victim, tell us right away — there's a real, legal process for that. If the debt is yours, we handle it the right way.

MYTH 7

“Pay-for-delete always works — just pay the collector and it disappears.”

THE REALITY

Sometimes a collector will agree *in writing* to stop reporting an item in exchange for payment — but it's never guaranteed, plenty refuse, and a verbal promise is worth nothing (get any agreement in writing). Worse, paying the wrong collection can waste money on something we're about to dispute, and on the score most lenders still use, a paid collection can *stay* on your report. Before you pay any collection, check with us first — it's exactly what our guide *Before You Pay Any Collection* walks through.

MYTH 8

“Renting authorized-user ‘tradelines’ permanently boosts your score.”

THE REALITY

There are two very different things here. Being added as an authorized user by a family member you genuinely share finances with — a parent, a spouse — is a real, legitimate way to benefit from their history. *Paying a stranger* to be added to an account you have nothing to do with (“renting a tradeline”) is the fragile, fraud-adjacent version: the bump fades when the arrangement ends, scoring models increasingly *ignore* these rented accounts, it usually violates the card's terms, and the sellers are a well-known scam the FTC has shut down (BoostMyScore, Wholesale Tradelines). Using it to qualify for a mortgage you otherwise couldn't can even be loan fraud.

THIS IS EXACTLY WHY YOU HAVE US

Every one of these “hacks” either does nothing, costs you money, or breaks the law. You don't need shortcuts — you have a team running the real process for you. Saw a hack we *didn't* list here? Send it our way *before* you act and we'll tell you straight — legit or trap. And for the everyday habits that protect the progress we make, see our companion guide *Don't Undo Our Work*.

This guide shares general credit education, not personalized financial or legal advice. We can never guarantee specific deletions or score increases; outcomes depend on what each bureau and creditor verifies. We never advise using a CPN, a false identity-theft report, or any other illegal tactic — these are noted here only to warn you away from them.

Sources: FCRA / 15 U.S.C. §1681 (§609 file-disclosure right; §611 dispute/accuracy procedure; §605B identity-theft block for genuine victims); FICO on utilization, paid collections, and authorized-user accounts; FTC warnings on CPNs, time-barred debt, and tradeline “piggybacking” (CROA enforcement); federal fraud statutes (18 U.S.C. §§1001, 1014, 1028). Context: FICO 10T and VantageScore 4.0 were approved for mortgage underwriting in April 2026 and are rolling out gradually (not yet required at every lender); the CFPB medical-debt reporting rule was vacated in 2025, though the bureaus' voluntary medical-debt policies remain. General education, current as of June 2026.

Questions? We answer every one.

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