

How Rapid Rescoring Works

A Quick, Small Boost May Save You Money

BY JUSTIN PRITCHARD

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It [takes time to improve your credit](#), but you may not have the luxury of waiting on creditors and credit reporting agencies. Especially when you're getting a large loan (like a home purchase loan), a small increase in your credit score can save you tens of thousands of dollars.

Fortunately, rapid rescoring allows you to quickly get your credit reports updated, and you may see higher scores within just a few days.

Working with creditors on your own, actions you take today can take one month or more to show up in your credit reports. But lenders (and sales contracts) have deadlines, and credit scores available to your lender today will be based on the information currently shown in your credit files. If you can't meet your financing deadline with the rate you want (or if rates move higher while you wait), you'll have to make some difficult choices.

What Is Rapid Rescoring?

Rapid rescoring is a service that lenders use to make quick updates to your credit reports. The goal is to improve the information in your credit history, resulting in a higher [credit score](#). By removing negative items, reducing loan balances, and fixing errors, it may be easier to get approved for a low-cost loan.

The process is called "rapid" because updates are accelerated. Instead of waiting for information in your credit reports to be updated by regularly scheduled batch reports, you'll manually update that information with the help of your lender.

For example, if you pay off a credit card, that information can be pushed to a credit bureau a few days after your payment is received, and you can then request an updated credit score from that credit bureau.

Rapid rescoring isn't something you can do on your own. To use the service, you'll need to work through a lender (often the lender that you're using to buy a home [or refinance](#)).

Your lender has relationships with third-party service providers who handle the logistics of updating your credit, and your lender also has the information needed to determine if rapid rescoring will be helpful.

Rapid Rescoring Examples

Example #1: Your mortgage broker uses a computer simulator to see that you have an opportunity to improve your credit. If you raise your score by 20 points, you'll fall into a category of borrower that pays a slightly lower interest rate. The simulator says you might accomplish this if you pay down your credit card balances so that you're using [less than 30 percent of your credit limit](#). You might even pay off your cards every month, but your credit card company is taking a snapshot when your balance is high, so the credit scoring model thinks you're maxing out your cards. If you've got cash available (or you recently paid off the cards), pay off the debt and use rapid rescoring to submit updated information to the credit bureau. Get a new credit score, and (ideally) get approved at a better rate.

Example #2: When you apply for a mortgage, you notice a serious error on your credit report. A lender reported that you failed to repay a loan, but you don't know anything about that loan.

You could [report the error yourself](#) and get it removed fairly easily, but you are unwilling to wait (it will take over one month before your credit score goes up). Working with your mortgage lender, you dispute the item, and your credit reports are updated quickly. With the error removed, you end up with a higher, more accurate credit score.

What Rapid Rescore *Doesn't* Do

Accuracy is important: Rapid rescoring expedites the process of updating your credit reports. However, it only works if the information you provide is accurate. If there's an erroneous entry saying [you defaulted on a loan](#), rapid rescoring can help get that information removed quickly. If you actually defaulted on the loan, you won't get the negative item temporarily removed (it's not a "trick" to improve your credit just long enough to get your loan approved).

Not credit repair: Rapid rescoring is not credit repair — it's just an express lane for getting information to credit bureaus. You're not going to dispute anything and everything that brings down your score (unless everything is inaccurate), and you're not going to negotiate settlements with creditors. Instead, you'll take action to legitimately improve your credit and have those actions reflected in your credit scores quickly.

Expect small gains: If you need a substantial increase in your credit score, don't put too much faith in rapid rescoring. In most cases, lenders are looking for a modest bump (20 points or so) to help your loan get approved. That said, if you remove a serious error like a bankruptcy, you might see more dramatic results.

Only as rapid as you are: To have success with rapid rescoring, you may need to participate in the process. For example, if you're late on payments, you can get current and use rapid rescoring, but you'll need to come up with the money and get it to your lender before ordering an updated credit score. Likewise, you may need to dig up documentation to prove that accounts were paid off, and that takes time and effort — you can't count on your lender to do all of the work for you.

Your mileage may vary: Rapid rescoring is often a successful strategy, but it can backfire or fail to produce the results you and your lender are hoping for. In some cases, your credit score may actually drop. Before you take action, discuss the details with your lender (and make sure your lender has the experience and knowledge to give you the right advice).

How to Use Rapid Rescoring

Work with your lender to use rapid rescoring. You'll need to have the ability to make a meaningful (legitimate) improvement to your credit reports. If your lender isn't aware that you have that ability, you might need to bring this up yourself. If your lender does not offer rapid rescoring, you'll either have to wait for things to update the old-fashioned way or work with a different lender.

How Much Does It Cost?

Rapid rescore is a service that your lender provides, and you typically don't pay a fee for the service. Lenders are not allowed to charge a separate fee for the service under [federal law](#) (FCRA). However, nothing is free, so you're paying for your lender's capabilities in the interest rate [and closing costs](#) you pay.

How Long Does It Take?

"Rapid" means different things to different people. Some rescoring service providers promise two to five-day turnarounds. Realistically, you should expect the process to take a week, and a reputable lender can provide more detailed guidance. In some cases, it'll take even longer before everything gets submitted and updated. It takes time to gather information, transfer money, send payments, and mail documentation.

Alternatives to Rapid Rescoring

If rapid rescoring isn't an option or it doesn't seem like the right fit for your situation, there are other ways to improve your credit.

Talk to multiple lenders: Different lenders have different criteria for approval, and they offer different services. It's always a good idea to shop around. You may find that other lenders are willing to try rapid rescoring — or they might just approve you for an affordable loan when others are unwilling to work with you.

Pay off loans: Getting approved is often a matter of making sure your payments will be affordable. If you have cash on hand, you can pay off loans to reduce your monthly obligations (and improve your [debt to income ratios](#)). That might be enough to qualify for a good loan.

Plan Ahead

Wouldn't it be nice to have one less thing to worry about when you're in the middle of a complicated and stressful transaction? Rapid rescoring can help you make quick fixes, but ideally, you'll have everything in order *long before* you apply for a loan. [Check your credit reports](#) regularly, fix errors, and keep your credit card balances low so that there's nothing to fix the next time you apply for a loan.