Is it ethical to try and remove legitimate bad credit?

Yes! One of the best explanations of that is the following article written by Jayson Orvis, Attorney At Law:

"Credit Repair" has not been kind to the American consumer. In fact, the phrase is synonymous with fraud. This is the stigma we face as we offer a membership wherein the client is offered an alternative to "credit prison." Because the nasty reputation of credit repair sometimes washes over into our space, we are often called upon to defend the ethics of our service.

Despite the disrepute which taints credit improvement, our service is clearly analogous to the service provided by a defense attorney. The credit report is no more than an allegation. Unfortunately, most citizens never challenge that allegation. By enlisting the Law Offices through N.A.C.A. to their defense, our clients employ us to enter a plea of "not guilty." We take an affirmative defense; we offer a reasonable alibi and leave it to the bureaus to substantiate their allegation. If the bureau claims to have investigated and affirmed the allegation, we appeal the decision. Eventually, we find that most credit report allegations are at some point untenable and are removed.

Removing record of a negative credit account, which did actually exist, is undoubtedly ethically sound. We belong to a fundamentally capitalistic civilization and the credit bureaus capitalize on consumer information. Unlike our legal system, the bureaus take no oath to truth, equity and the common good. No American has the moral obligation to support any business venture or corporation, much less a corporation which may well destroy their financial life. The information tended by the credit bureaus is ethically "up for grabs."

The credit bureaus would maintain every piece of credit information forever if it weren't for federal law which has directed them to remove most items after seven years. In essence, the credit bureaus themselves practice credit repair, basically at the seven year mark. If it is right to remove accurate credit accounts after seven years, why would it be wrong to do so in less time?

In relationship to the consumer, the credit bureaus do not concern themselves with the impact of the information. This information often misrepresents the credit worthiness of the consumer. By tagging good citizens as "deadbeats" the bureaus damage the creditors, the economy and, most importantly, the individual. Several policies and techniques employed by the credit bureaus appear most abusive to the American consumer; these we cite as justification of our opposition to the present credit reporting system.

Seven years (10 years for bankruptcy and some court accounts) credit bondage punishes the debtor unjustly. At no point have the credit bureaus ever conducted a study determining seven years to be the point of deadbeat rejuvenation. The seven year mark is entirely arbitrarily. In fact, Dr. Bonnie Gution, adviser to President Bush on consumer affairs, remarked, "...it is our understanding that computer models that predict credit worthiness find most information that is more than two years old nonessential." Based on experience with our clientele, seven years is truly too long. Within a year or two, most consumers completely recover from an economic crisis. For the remaining five or six years, they are left hobbled---forced to rent homes, pay outrageous interest on high risk auto loans, forgo the convenience of credit cards and pay cash for every expenditure. By expelling the consumer from the credit loop, the economy suffers. Our clients come to us on the financial upswing. If they can afford our membership, they are most likely on the way back to financial abundance. These are consumers fully recovered from crisis, re-engaged to financial responsibility and anxious to reenter the credit economy. For them, we offer a deserved parole from the credit prison which they entered as their financial world fell apart.

The credit bureaus have not been able to maintain reasonable accuracy in their credit profiles. The bureaus claim an error ratio under 1 percent. In reality, studies conducted by neutral third parties have determined the credit report error ratio to be closer to 40 percent. Unfortunately for the consumer, the credit bureaus choose to err on the side of negative information. As our clients' files have passed through our offices, we have noticed a high incidence of file mergers---the worst kind of file error. In a file merger, the credit of another person with a similar name is spread onto the file of the innocent bystander. Oddly, the credit bureaus fiercely resist correction of these obvious errors. We have found the only way to prompt them to revision is through a lawsuit.

Credit reporting makes up only a small portion of the revenue which the bureaus claim each year. The databases really pay off in the sales of information. From generic target marketing lists to invasive personal investigative inquires, the bureaus cull a pool of information larger than any in the civilized world. The end loser is the consumer who values his privacy. The horror stories keep coming about individuals whose jobs have been lost, insurance cancelled, reputation ruined by sloppy collection and dissemination of personal information. This does not include the mass irritation experienced by consumers forced to wade through the reams of junk mail. Privacy is a thing of the past---and the blame can be firmly placed on the credit bureaus.

America is not the only country in the world whose economy utilizes consumer credit. Other countries, such as Great Britain, extend credit based on the individual's present credit standing. a grand-scale revision of the credit reporting system in the United States would not throw our economy into chaos and distress. Until that day, we should feel comfortable that the removal of negative credit accounts before the seven year mark isn't unpatriotic, it's not unfair and it's not unethical.

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