

Risk Assessment & Compliance Worksheet



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The Freedom Fund & 0% Money Machine Strategy

CRITICAL: Complete this assessment honestly before attempting any credit strategy. False self-assessment can lead to financial disaster.

Section 1: Credit Profile Assessment

Current Credit Standing

Instructions: Check all boxes that apply to your current situation.

Credit Score Requirements

- FICO Score 720-739 (Minimum - Higher Risk)
- FICO Score 740-759 (Preferred - Moderate Risk)
- FICO Score 760+ (Optimal - Lower Risk)
- Credit Karma/Free Score Only (⚠ STOP - Get FICO score first)

Credit History Depth

- 3-5 years average account age (Minimum)
- 5-10 years average account age (Preferred)
- 10+ years average account age (Optimal)
- Less than 3 years (⚠ DISQUALIFYING)

Recent Credit Activity (Past 12 Months)

- 0 credit applications (Optimal)
- 1-2 credit applications (Acceptable)
- 3-4 credit applications (⚠ High Risk)
- 5+ credit applications (⚠ DISQUALIFYING)

Payment History

- Perfect payment history 24+ months (Required)
- 1 late payment 12-24 months ago (High Risk)
- Any recent late payments (⚠ DISQUALIFYING)
- Any 30+ day lates (⚠ DISQUALIFYING)

Section 2: Financial Stability Assessment

Income & Employment

Instructions: Provide accurate financial information.

Annual Income

- \$75,000-\$99,999 (Minimum)
- \$100,000-\$149,999 (Preferred)
- \$150,000+ (Optimal)
- Less than \$75,000 (⚠️ DISQUALIFYING)

Employment Status

- Full-time employee 2+ years same employer (Optimal)
- Self-employed 2+ years verified income (Acceptable)
- Contractor/Freelancer with consistent income (High Risk)
- Recent job change or unstable income (⚠️ DISQUALIFYING)

Debt-to-Income Ratio (Excluding Mortgage)

- 0-10% (Optimal)
- 11-20% (Acceptable)
- 21-30% (High Risk)
- Over 30% (⚠️ DISQUALIFYING)

Section 3: Current Utilization Analysis

Existing Credit Card Balances

Instructions: Calculate current utilization for ALL credit cards.

Overall Utilization

- 0-5% across all cards (Optimal)
- 6-15% across all cards (Acceptable)
- 16-30% across all cards (High Risk)
- Over 30% on any single card (⚠️ DISQUALIFYING)

Individual Card Utilization

- All cards under 10% utilization (Optimal)
- No card over 25% utilization (Acceptable)
- Any card over 50% utilization (⚠️ DISQUALIFYING)
- Any card at maximum limit (⚠️ DISQUALIFYING)

Section 4: Banking Relationship Assessment

Primary Banking Relationships

Instructions: Strong banking relationships reduce application risk.

Primary Bank Account

- 6+ months** with primary bank (Minimum)
- 12+ months** with consistent deposits (Preferred)
- 3+ years** established relationship (Optimal)
- Recent account opening** or unstable banking (High Risk)

Target Issuer Relationships

- Existing checking account** with target credit card issuer (Optimal)
- Other products** with target issuer (savings, investments) (Preferred)
- No relationship** with target issuer (Standard)
- Previously closed account** with target issuer (⚠️ DISQUALIFYING)

Section 5: Risk History Evaluation

Previous Credit Behavior

Instructions: Be completely honest about past credit activities.

Churning History

- Never engaged** in credit card churning (Optimal)
- Occasional sign-up bonuses** with normal use (Acceptable)
- Systematic bonus seeking** behavior (High Risk)
- Known churning pattern** or account closures (⚠️ DISQUALIFYING)

Account Closures

- Never had account closed** by issuer (Required)
- Closed account voluntarily** in good standing (Acceptable)
- Any involuntary closures** by issuer (⚠️ DISQUALIFYING)
- Closures for terms violations** (⚠️ DISQUALIFYING)

Manufactured Spending

- Never engaged** in manufactured spending (Required)
- Occasional gift cards** for personal use (Monitor Closely)
- Any money order purchases** or cash equivalents (⚠️ DISQUALIFYING)
- Systematic MS activities** (⚠️ DISQUALIFYING)

Section 6: Regulatory Compliance Check

Current Legal Standing

Instructions: Any legal issues can affect credit applications.

Legal & Financial Status

- No bankruptcies or settlements (Required)**
- No current collection accounts (Required)**
- No fraud alerts on credit report (Required)**
- Any legal/financial issues (⚠️ DISQUALIFYING)**

Tax Compliance

- Current on all taxes federal and state (Required)**
- No tax liens or government debt (Required)**
- Clean financial record (Required)**
- Any tax/government issues (⚠️ DISQUALIFYING)**

Section 7: Strategy-Specific Risk Assessment

Target Amount & Timeline

Instructions: Assess your specific goals against risk factors.

Desired Credit Access

- \$10,000-\$20,000 (Conservative)**
- \$20,000-\$35,000 (Moderate Risk)**
- \$35,000-\$50,000 (High Risk)**
- Over \$50,000 (⚠️ EXTREMELY HIGH RISK)**

Number of Issuers

- Single issuer approach (Safest)**
- 2 issuers maximum (Acceptable)**
- 3+ issuers planned (High Risk)**
- Multiple simultaneous applications (⚠️ DISQUALIFYING)**

Section 8: Emergency Preparedness

Backup Plans

Instructions: Essential protections before attempting strategy.

Emergency Fund

- 6+ months expenses** in savings (Required)
- 3-6 months expenses** in savings (Minimum)
- Less than 3 months** emergency fund (⚠️ HIGH RISK)
- No emergency fund** (⚠️ DISQUALIFYING)

Alternative Funding Sources

- Home equity line** of credit available (Optimal)
- Business line of credit** established (Good)
- Family support** available if needed (Acceptable)
- No backup funding sources** (⚠️ HIGH RISK)

Professional Support

- CPA or tax professional** relationship (Recommended)
- Financial advisor** consultation (Recommended)
- Legal counsel** access if needed (Recommended)
- No professional support** available (Higher Risk)

Section 9: Scoring & Risk Level Determination

Risk Level Calculation

Instructions: Count your responses in each category.

GREEN FLAGS (Low Risk Indicators)

Count total: __

- FICO 760+
- Perfect payment history 24+ months
- 0 credit applications in 12 months
- Income \$150,000+
- 0-5% utilization all cards
- 3+ year banking relationship
- Never churned or had account closures
- Conservative target amount (\$10,000-\$20,000)
- 6+ months emergency fund
- Single issuer approach

YELLOW FLAGS (Moderate Risk Indicators)

Count total: __

- FICO 740-759
- 1-2 credit applications in 12 months
- Income \$100,000-\$149,999
- 6-15% utilization
- 12+ months banking relationship
- Occasional sign-up bonus activity
- Moderate target amount (\$20,000-\$35,000)
- 3-6 months emergency fund
- 2 issuers maximum

RED FLAGS (High Risk/Disqualifying)

Count total: ___

- FICO under 740
- 3+ credit applications in 12 months
- Any late payments
- Income under \$75,000
- Over 30% utilization on any card
- Recent job change or unstable income
- Any account closures by issuer
- Any manufactured spending history
- Target over \$50,000
- No emergency fund
- Multiple simultaneous applications planned

Section 10: Risk Level Determination & Recommendations

Final Risk Assessment

IF YOU HAVE:

- **8+ Green Flags, 0 Red Flags:** CONSERVATIVE APPROACH POSSIBLE
- **5+ Green Flags, 1-2 Yellow Flags, 0 Red Flags:** MODERATE RISK ACCEPTABLE
- **Any Red Flags:** STRATEGY NOT RECOMMENDED

Risk Level Categories

CONSERVATIVE APPROACH (Recommended)

Qualifications:

- Excellent credit (760+ FICO)
- Perfect payment history
- Strong income and banking relationships
- No churning history

Strategy Limits:

- Single issuer maximum
- \$15,000-\$25,000 target amount
- 18+ month promotional periods only
- Business purpose preferred

MODERATE RISK APPROACH (Proceed with Caution)

Qualifications:

- Good credit (740+ FICO)
- Stable financial profile
- Some experience with credit management
- Clear payoff strategy

Strategy Limits:

- Maximum 2 issuers
- \$25,000-\$40,000 target amount
- Enhanced monitoring required
- Professional consultation recommended

HIGH RISK/NOT RECOMMENDED

If you have any of these, STOP:

- Any Red Flags present
- FICO under 740
- Unstable income or employment
- High existing utilization
- Previous churning activity
- No emergency fund

Section 11: Issuer-Specific Compliance Check

Major Issuer Anti-Churning Rules (2024-2025)

Chase Bank

- 5/24 Rule Compliant** (Under 5 cards opened in 24 months)
- No previous Chase churning** activity
- Clean relationship history with Chase**
- Business and personal separation** maintained

American Express

- Once-per-lifetime rule** understood and compliant
- No previous bonus clawbacks** or account issues
- Popup jail** status checked and clear
- Spending requirements** can be met legitimately

Citi Bank

- 24-month rule** for sign-up bonuses understood
- No AA churning** history (if applicable)
- Clean account history** with Citi
- Recent application timeline** compliant

Capital One/Discover/Others

- Issuer-specific rules** researched and understood
- No known anti-churning violations**
- Recent policy changes** reviewed
- Customer service feedback** checked

Section 12: Pre-Application Final Checklist

Mandatory Requirements Before Proceeding

Instructions: ALL items must be checked before any applications.

Credit Profile Preparation

- Credit reports pulled** from all three bureaus (AnnualCreditReport.com)
- All errors disputed** and resolved
- Utilization lowered** to under 10% all cards
- Credit monitoring** set up (Credit Karma, Experian, etc.)

Financial Documentation

- Income documentation** gathered and verified
- Bank statements** organized (3+ months)
- Tax returns** available if needed
- Employment verification** letter if self-employed

Strategy Planning

- Specific issuer selected** based on risk assessment
- Target amount determined** within risk tolerance
- Timeline planned** with 60+ day safety margins
- Exit strategy developed** for promotional period end

Risk Management Setup

- Excel toolkit downloaded** and configured
- Autopay systems** tested and verified
- Emergency fund** confirmed available
- Professional support** contacts established

Legal & Compliance

- All card terms** read and understood completely
- Regulatory compliance** requirements reviewed
- Legal disclaimer** acknowledged
- Personal responsibility** accepted

Section 13: Professional Consultation Recommendations

When Professional Help is REQUIRED

Consult a CPA/Tax Professional if:

- Using strategy for business capital
- Large amounts (\$30,000+) involved
- Tax implications unclear
- Business structure questions

Consult a Financial Advisor if:

- Emergency fund concerns
- Investment vs. debt payoff decisions
- Retirement account impacts
- Long-term financial planning needs

Consult an Attorney if:

- Any previous issuer disputes
- Terms violation concerns
- Business entity questions
- Asset protection needs

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FINAL DETERMINATION

Based on this assessment:

MY RISK LEVEL IS: _____ (Conservative/Moderate/High/Disqualified)

I SHOULD PROCEED WITH: _____ (Yes/No/Professional Consultation First)

MAXIMUM RECOMMENDED AMOUNT: \$ _____

RECOMMENDED APPROACH: _____ (Single Issuer/Two Issuers/Wait/Don't Proceed)

Personal Commitment Statement

"I have completed this assessment honestly and understand the significant risks involved in the 0% Money Machine strategy. I acknowledge that account closures, penalty APRs, and credit damage are common outcomes. I will not proceed without meeting all recommended qualifications and will maintain conservative limits appropriate for my risk level."

Signature: _____ Date: _____

CRITICAL REMINDER: This assessment cannot eliminate all risks. Credit card issuers can change terms, close accounts, or impose penalties without warning. Proceed only if you can afford complete financial loss of any amounts involved.